

# LOCAL NETWORK REPORT

Deepening the engagement of all participants at the local level



United Nations Global Compact



Fundació  
Fòrum  
Universal  
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BARCELONA CENTER  
FOR THE SUPPORT OF  
THE GLOBAL COMPACT

# The United Nations Global Compact

The United Nations Global Compact brings business together with UN agencies, labour, civil society and governments to advance ten universal principles in the areas of human rights, labour, environment and anti-corruption. Through the power of collective action, the United Nations Global Compact seeks to mainstream these ten principles in business activities around the world and to catalyze actions in support of broader UN goals. With over 4,000 stakeholders from more than 100 countries, it is the world's largest voluntary corporate citizenship initiative. For more information, please visit [www.unglobalcompact.org](http://www.unglobalcompact.org).

For detailed information on Global Compact Local Networks and Focal Point contact information please visit [www.globalcompact.org/NetworksAroundTheWorld/index.html](http://www.globalcompact.org/NetworksAroundTheWorld/index.html)

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We would also like to give special recognition to all the Global Compact Focal Points who contributed with their examples as well as comments and suggestions on the consultative draft.



**United Nations** Global Compact

# UNITED NATIONS GLOBAL COMPACT NETWORK REPORT

Deepening the engagement  
of participants at the local level

# CONTENTS

<b>ONE</b>	<b>Introduction . . . . .</b>	<b>5</b>
<b>TWO</b>	<b>Global Compact Local Networks (GCLNs) . . .</b>	<b>8</b>
2.1.	What are Global Compact Local Networks? . . . . .	8
2.2.	What kind of activities Global Compact Local Networks undertake? . . . . .	8
2.3.	How Global Compact Local Networks link to the Global Compact governance framework . . . . .	9
2.3.1.	<i>Annual Local Networks Forum</i> . . . . .	9
2.3.2.	<i>The evolution of Global Compact Local Networks</i> . . . . .	11
<b>THREE</b>	<b>Surveying the Global Compact Local Network Landscape . . . . .</b>	<b>14</b>
3.1.	A look at geography, size and stakeholder mix . . . . .	15
3.2.	Local Network activities . . . . .	20
<b>FOUR</b>	<b>Running a Global Compact Local Network . . .</b>	<b>24</b>
4.1.	Establishing a Global Compact Local Network . . . . .	24
4.1.1.	<i>Outreach events</i> . . . . .	25
4.1.2.	<i>Launching Global Compact Local Networks</i> . . . . .	29
4.1.3.	<i>After the launch</i> . . . . .	34
4.2.	The multi-stakeholder nature of the Global Compact . . . . .	58
4.2.1.	<i>Business associations</i> : . . . . .	59
4.2.2.	<i>Civil society and labour</i> . . . . .	59
4.2.3.	<i>Governments</i> : . . . . .	60
4.2.4.	<i>United Nations</i> . . . . .	63
4.2.5.	<i>Academia</i> . . . . .	64
4.3.	Regional support centers and projects . . . . .	64
4.3.1.	<i>The Forum Foundation-Barcelona Center for the Support of the Global Compact</i> . . . . .	64
4.3.2.	<i>The Global Compact Bratislava Hub</i> ... . . . .	66
4.3.3.	<i>Regional Sub-Saharan Office in Support of the Global Compact</i> . . . . .	66
4.3.4.	<i>Global Compact Project Hosted by the Economic and Social Commission for Asia and the Pacific</i> . . . . .	68
<b>FIVE</b>	<b>Energizing Global Compact Local Networks – Engagement mechanisms . . . . .</b>	<b>69</b>
5.1.	Learning . . . . .	70
5.1.1.	<i>Workshops and seminars</i> . . . . .	70
5.1.2.	<i>Study tours and network collaboration</i> . . . . .	73
5.1.3.	<i>Production and dissemination of tools and resources</i> . . . . .	74
5.1.4.	<i>Peer support</i> . . . . .	77
5.1.5.	<i>Awards and recognition schemes</i> . . . . .	79
5.2.	Advocacy and policy dialogues . . . . .	80
5.3.	Collective action. . . . .	83
5.4.	Global engagement platforms . . . . .	87
<b>SIX</b>	<b>Where do we go from here?. . . . .</b>	<b>88</b>
<b>SEVEN</b>	<b>Index – Case Examples and Authors . . . . .</b>	<b>90</b>

# SECTION ONE

## Introduction

With this report the Global Compact Office in cooperation with the Barcelona Center for the Support of the Global Compact hopes to be able to contribute to the materials already in existence which demonstrate the vital and creative role that Global Compact Local Networks (GCLNs) have in deepening the engagement of all participants at the local level.

This Global Compact Local Network Report will provide an **overview of the GCLNs and highlight the varied and inspiring activities Local Networks are carrying-out around the world.** It is first and foremost intended as a source of information and inspiration by mapping the current landscape of GCLNs and their activities while at the same time presenting successful activities undertaken by GCLNs across the world. GCLNs around the world have contributed to this publication with some of their best and most inspiring examples to show how **the Global Compact when locally rooted can be energized and used as a forceful tool in the making globalization inclusive – locally!**

Since its inception in 2000, the Global Compact has grown into **the largest voluntary corporate citizenship initiative in the world**, promoting learning around responsible business practices and concrete actions in support of the ten principles through the



support and facilitation of a global web of participants in business, civil society, labour and governments. Over the years, discussions about the proper role of GCLNs have been intense at times, but **quite a bit of the initial thinking on the role of Local Networks has in fact proven to be of continued relevance.**

Today we have **61 established GCLNs and another 25 or so in the making and they are all performing the task of energizing their participants,** which the numerous examples in this report are ample proof of. Once GCLNs have been established the main challenge, which has been echoed by many GCLNs, has been to sustain the interest in the Local Network and help companies expand and deepen their engagement.

This report showcases the **many different solutions that GCLNs around the world have found to this challenge.** It shows how creatively the GCLNs have dealt with the challenge and even though most of the examples may not be directly transferable they can still serve as an inspiration for activities of other Local Networks adapted to their particular circumstances.

There is no ‘one size fits all’ approach to either governance structures of a network or the type and frequency of GCLN activities; hence this report will highlight **activities that increase the cohesiveness of a GCLN and activities that are considered to give added value to the Local Network participants** while also contributing to a broader development agenda.

In the following chapters Local Networks from all across the world will show through their examples **how a GCLN may develop its activities in order to add value to all of its stakeholders.** What further lessons we may learn from past experience will become clear and some recommendations for the future direction of the GCLN will be drawn up in the end of the report.

“Global Compact **Networks** have a vital and creative role in deepening the engagement of all participants at the local level — making globalization inclusive — locally.”

# SECTION TWO

## Global Compact Local Networks

Before entering into the story of the GCLNs just a word of caution: whenever one tries to classify it will notoriously lead to endless problems of definitions. This report is no different.

Trying to come up with easily identifiable and logical categories of activities has proven very difficult. Categories overlap and activities often have several purposes. Bearing that in mind the following sections will hopefully give the broader picture of what GCLNs are, what kind of activities they engage in, why and how they undertake them. It is hoped that these examples may provide not only inspiration, but valuable insight as to how they may be replicated elsewhere.



### 2.1. What are Global Compact Local Networks?

GCLNs are clusters of participants who come together to advance the Global Compact and its principles at the local level. They perform increasingly important roles in rooting the Global Compact within different national and cultural contexts, and also in helping to manage the organizational consequences of the Compact's rapid expansion.

Their role is to support companies in their efforts in implementing the Global Compact (both local firms and subsidiaries of foreign corporations), while also creating opportunities for multi-stakeholder engagement and collective action. Moreover, they play an important role in facilitating participants' Communications on Progress, an important integrity measure of the Global Compact. The continued growth and development of the Global Compact will depend to a large degree on the effectiveness of the GCLNs. Indeed GCLNs increasingly serve as engagement platforms for participants, be it for moving innovative solutions upstream for global replication and multiplication, or be it for taking global dialogue issues down to the level of implementation.

### 2.2. What kind of activities do Global Compact Local Networks undertake?

GCLNs undertake a variety of activities to contribute to the development of the Global Compact in their local contexts, including:

- Identifying local priorities relating to responsible business practices
- Attracting new participants through outreach and awareness-raising activities
- Organizing learning and dialogue events
- Producing learning materials in local languages



- Mobilizing collective action on different priority issues — examples of this would be engaging and interacting with societal actors (eg governments etc) to promote the creation of an enabling environment for corporate citizenship, or raising public support and awareness within academia and other stakeholders through marketing and communication campaigns
- Motivating participating companies to develop partnership projects to contribute to the UN Millennium Development Goals
- Safeguarding the overall integrity and brand of the Global Compact initiative — one example of this type of activity is the guidance and assistance provided to participants in the preparation and review of their Communications on Progress



GCLNs contribute significantly to the overall development of the Global Compact initiative as a whole in the following ways:

- Sharing information and exchanging experiences through their participation in regional and global events
- Showcasing on a global platform (on public websites, global tools and publications) good practice with regard to the implementation and partnerships at the local level
- Partnering with other GCLNs in specific issues of interest
- Mentoring and sharing resources with new and less developed GCLNs
- Making their Annual Activity Report available on the Global Compact website for others to use as guidance or inspiration

All of the activities mentioned above contribute to a dynamic and ever-expanding knowledge bank which can be used as inspiration for all.

## 2.3. How Global Compact Local Networks link to the Global Compact governance framework

GCLNs play an essential role in the initiative and are an integral part of the overall governance framework of the Global Compact. They have the opportunity to nominate members for election to the Global Compact Board, provide input on major activities undertaken by the Global Compact Office and the Annual Local Networks Forum. Their input is also sought on the agenda for the triennial Global Compact Leaders Summit. Furthermore, GCLNs also play an important role in supporting the Communications on Progress and integrity measures.

### 2.3.1. Annual Local Networks Forum

Since 2003, the Annual Local Networks Forum has provided GCLNs the opportunity to learn from each other's experience in building a GCLN; review and compare progress; identify best practice; and adopt strategic recommendations to enhance the effectiveness of GCLNs. Additionally, this annual meeting serves as the forum to seek the input of GCLNs on key governance issues relating to GCLNs and, more broadly, to the initiative as a whole.

Following the comprehensive governance review of the Global Compact (conducted 2004-2005) and given the growing importance of GCLNs and their annual meeting, the Secretary-General decided to elevate the status of the meeting and its role in the initiative by making it a formal component of the Global Compact's multi-centric governance framework. The annual meeting is now termed the Annual Local Networks Forum (ALNF).

One of the main activities of the Forum Foundation-Barcelona Center for the Support of the Global Compact (see section 4.3.1) is to coordinate and organize, in collaboration with the Global Compact Office the Annual Local Networks Forum each year.

## Terms of Reference for the “Global Compact Annual Local Networks Forum”

### Purpose and functions of the Annual Local Networks Forum

The Annual Local Networks Forum is the primary occasion for GCLNs from around the world to share experiences, review and compare progress, identify best practices, and adopt recommendations intended to enhance the effectiveness of GCLNs in achieving quality improvements. The goal is that over time GCLNs will take more responsibility for their own self-governance and for the agenda and outcomes of the Annual Local Networks Forum.

The purposes of the Global Compact Annual Local Networks Forum are to:

- Recognize and foster learning around best practice GCLN activities
- Recommend incentives, nominate GCLN champions, and rewards for GCLNs to achieve excellence
- Identify opportunities for GCLNs to work together and support each other
- Identify GCLN needs, including for capacity building
- Develop policies and procedures for GCLNs, including relating to quality assurance, brand management and integrity measures
- Foster closer relationships between the Global Compact Office and GCLN focal points; between the core UN agencies participating in the Global Compact and GCLN focal points; and among GCLN Focal points

### Participation

The participants at each Annual Local Networks Forum are comprised of:

- GCLN representatives (nominated by their Local Network)
- GCLN focal points
- Representatives from the Global Compact Office
- Representatives from the core UN agencies participating in the Global Compact.
- Others – for example, representatives of Global Compact donor governments and other invited governments – may be invited to participate as observers

To ensure the legitimacy of actions taken at the Annual Local Networks Forum, it is important that GCLN representatives be authorized by the GCLN participants to represent the network.



### 2.3.2. *The evolution of Local Networks*

The first time the GCLNs met was in Berne in 2003. Some of the fundamental questions and issues that are still being discussed today were already very high on the agenda back then. Among other things, it was agreed then that the Global Compact Office should provide the necessary guidance, information and tools to GCLNs on matters of common concern, while allowing and encouraging structure, governance, organization and methods to emerge based on local specificities.

There was a strong sense of commonalities between GCLNs, but also of their differences. The Global Compact Office's role is to strengthen these commonalities, but their contextualization has to take place on the ground. In the end of the day all of our efforts have to be worthwhile, which is not always self-evident as Uddesh Kohli expressed it in Berne: The essential question at present is how to sustain company motivation. It is as yet not fully clear what the added value of the Local Network is.

In London in 2004 it was once again recognized that "every Local Network has its own characteristics and approach to furthering the Global Compact's objectives". Exactly how different the characteristics can be was spelled out in a description of the diversity of GCLNs.

During the conference, it became clear that GCLNs differ from each other in many ways, including the following:

- Framework conditions in their home countries
- Number of participating companies
- The size of the participating companies (some have no SME members while others have a majority of SMEs)
- Levels of participation by civil society actors
- Level of formality of governance systems (which range from highly informal GCLNs run along the lines of a gentlemen's club to GCLNs that are formally constituted as legal entities)
- Extent of government support and interest (some GCLNs are government funded and led, some have little to do with their home governments)
- Relationship to the UN (e.g. many developing country GCLNs are currently actively led by UNDP)
- Priority activities (e.g. developing country GCLNs may focus on poverty issues, whereas developed country GCLNs may have a stronger emphasis on implementing the Global Compact's Principles through supply chains)

In relation to quality, the GCLNs agreed to play an active role in the collection and analysis of participating companies' Communications on Progress. The London meeting marked also the first time that GCLNs agreed on a set of **minimum governance requirements**:

1. Each GCLN has to be committed to the principles and practices of the Global Compact. This includes the ten principles themselves, the practice of learning by doing, dialogue, partnerships, and striving to bring together other stakeholders.
2. Each GCLN, for management purposes, should establish a focal point authorized by the GCLN to interact with the Global Compact Office and the wider Global Compact Local Network.
3. Each GCLN should produce an annual activities report, describing activities and initiatives undertaken in the previous year. Each GCLN is expected to run a minimum number of events/activities annually.
4. Each GCLN should display a willingness to actively support efforts by participants to develop Communications on Progress, and help find solutions to situations related to the integrity measures.





The issue of open, multi-stakeholder versus business-led GCLNs was discussed intensely, as was the role of the UN on the ground. Participants recommended that the UN lead in a number of countries should work towards stronger business engagement.

Also for the first time, the idea of an **Annual Network Activities Report** was discussed, leading to a number of recommendations regarding their content:

#### GUIDELINES FOR ANNUAL NETWORK ACTIVITIES REPORT

##### Local Network objectives and priorities

- The network's priority areas for action and objectives for addressing these priorities

##### Finance and governance

- Members of steering committee or other governance structures
- Name and contact details of the focal point who liaises with the Global Compact Office and other GCLNs
- Levels of GCLN funding and funding sources

##### Participation

- The number of business participants of the GCLN
- The number of SME, MNC, etc participants of the GCLN
- The business sectors represented by the GCLNs (e.g. retail, manufacturing, extractives, energy, water etc.)
- The relationship between the GCLN and its home government
- The GCLNs strategies for engagement with different stakeholder groups

##### Activities

- Learning activities undertaken by the GCLN – including subject matter, the nature of the activity and levels of participation
- Dialogues facilitated by the GCLN
- Partnership activities facilitated or initiated by the GCLN
- The number of Communications on Progress produced by GCLN members
- Issues arising relating to integrity and how they have been resolved;
- Activities carried out in support of the production of Communications on Progress
- Activities planned for the coming year

##### Progress

- Self-evaluation of progress made against objectives in the past year.
- Examples of best practices
- Explanations of any major challenges that the GCLN has faced, and how these are being tackled

It was agreed that GCLN reporting should be required of all GCLNs, and that reports should be produced by GCLNs and put on the Global Compact website prior to the Annual Local Networks Forum.



At the Barcelona 2005 meeting, the first to be organized by Fundacio Forum – Barcelona Center for the Support of the Global Compact, Local Network representatives continued the discussion on recommendations for enhancing the effectiveness of Local Networks. Input from discussions at the conference and previously available guidance documents for Local Networks led to policy document on Local Network governance entitled *What is a Local Network?*

While the document stressed that “Local Networks determine their own internal governance arrangements and activities”, it outlines **six basic requirements which Local Networks are expected to meet:**



### The mission of Local Networks

1. Each network must be committed to the principles and practices of the United Nations Global Compact. This includes the ten principles themselves and the initiative's modes of engagement including learning, dialogue and partnerships. Within this framework, it is expected that they will define their own agenda and activities according to the local conditions and priorities of their particular country.

### Composition of Local Networks

2. Local Networks should be business-led, but inclusive. They must have at least some company participants. No single company or other organization should dominate the Local Network. Special care should be taken that SMEs are invited to play a part and/or other efforts should be taken to cater for the special needs of SMEs. They should also strive to create opportunities for multi-stakeholder engagement, including by representatives of civil society, labour, academia and/or governmental organizations. Any major decisions made by the Local Network should have the support of a majority of its participating companies. Local Networks should make a special effort to involve the local affiliates of the IOE (see [www.ioe-emp.org](http://www.ioe-emp.org)) and of the ICFTU (see [www.icftu.org](http://www.icftu.org)).

### Minimum activities

3. Each network is expected to run a minimum number of events/activities annually and to hold at least one General Meeting to which all its participants are invited.

### Effective communication

4. To facilitate communication with the Global Compact Office and the network's own participants, each network should establish a Focal Point authorized by the network to interact with the Global Compact Office and the wider Global Compact network.

### Integrity measures

5. To ensure proactive brand management and protect the integrity of the initiative, each network should display a willingness to actively support efforts by participants to develop Communications on Progress and to help find solutions to situations related to the integrity measures.

### Annual report

6. Each network should produce an Annual Activities Report, describing activities and initiatives undertaken in the previous year and planned for the next year. If the Local Network undertakes fundraising activities, the report should include a detailed financial statement.

During the 2006 Annual Local Networks Forum in Barcelona, GCLNs agreed to play a key role in helping companies develop their Communication on Progresses (COPs), and it was consequently suggested that the COP process become part of a Local Network's work plan. Also, participants stressed the need for convergence and consolidation in the corporate responsibility movement and it was proposed that the Global Compact "gather up" and support other initiatives, provided that they are genuine and of multi-stakeholder nature.





# SECTION THREE

## Surveying the Global Compact Local Network Landscape

The following section analyzes the state of Local Networks in terms of number and size as well as their activities.

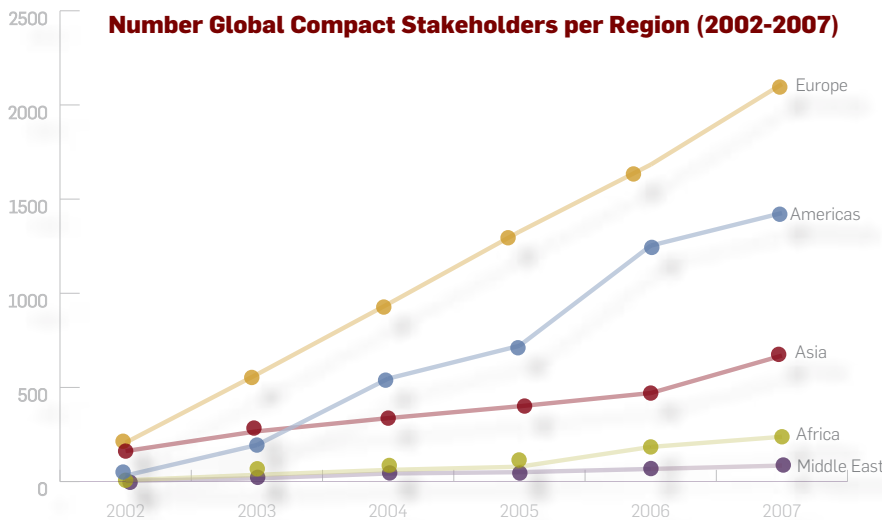
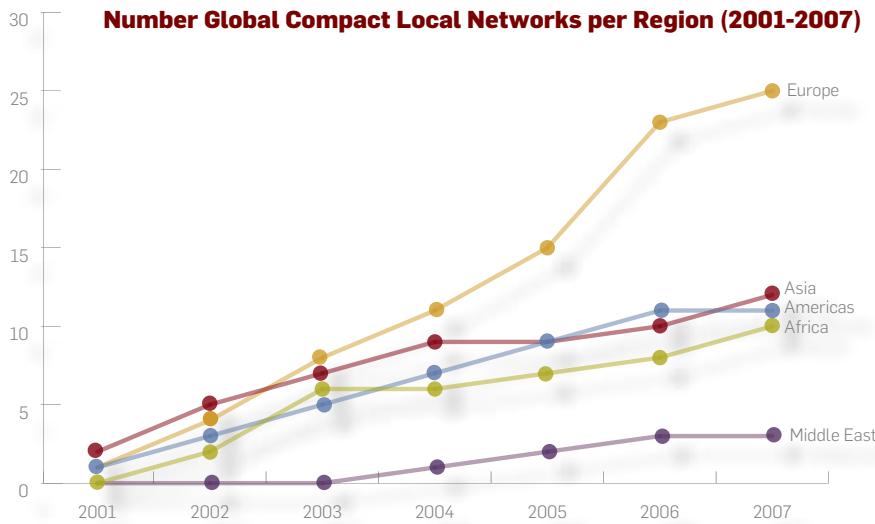
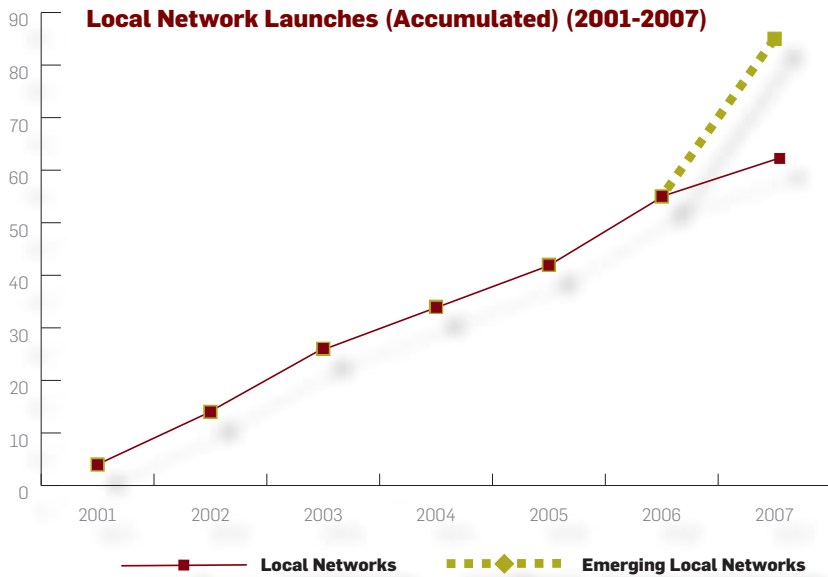
The statistical analysis is based on data from a mix of sources including Local Network Annual Activity Reports, Local Network websites, the Network News section of the Global Compact Quarterly, and the Local Network Survey (2006 and 2007) of *The Forum Foundation-Barcelona Center for the Support of the Global Compact*.

### 3.1. A Look at Geography, Size and Stakeholder Mix

The Global Compact has witnessed steady growth around the world since launching in 2000. As of September 2007, the initiative included 4,600 business participants and other key stakeholders from over 120 countries. The growth of GCLNs has in many ways kept up with the pace and nature of the initiative's overall growth, particularly in recent years. Over the past two years alone, the number of GCLNs has doubled, with some type of GCLN emerging or existing in close to 90 countries. That means that a majority of countries with Global Compact participants now also have GCLNs. This is a vast increase from 2001 when there were just four GCLNs. By September 2007, the number of fully established GCLNs had reached 61, with an additional 24 GCLNs in development and expected to officially launch shortly.

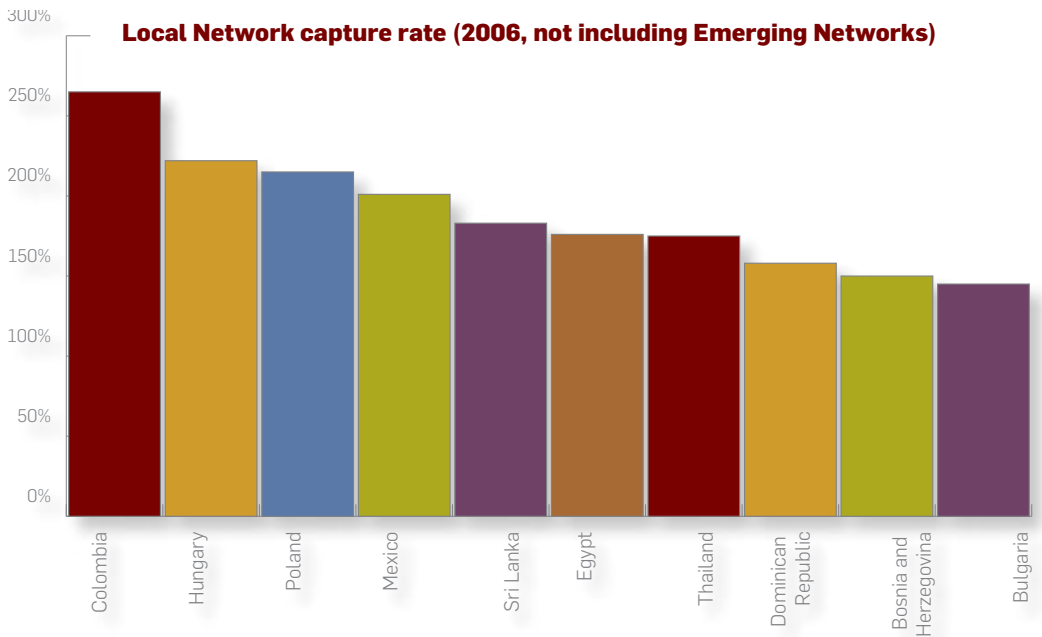
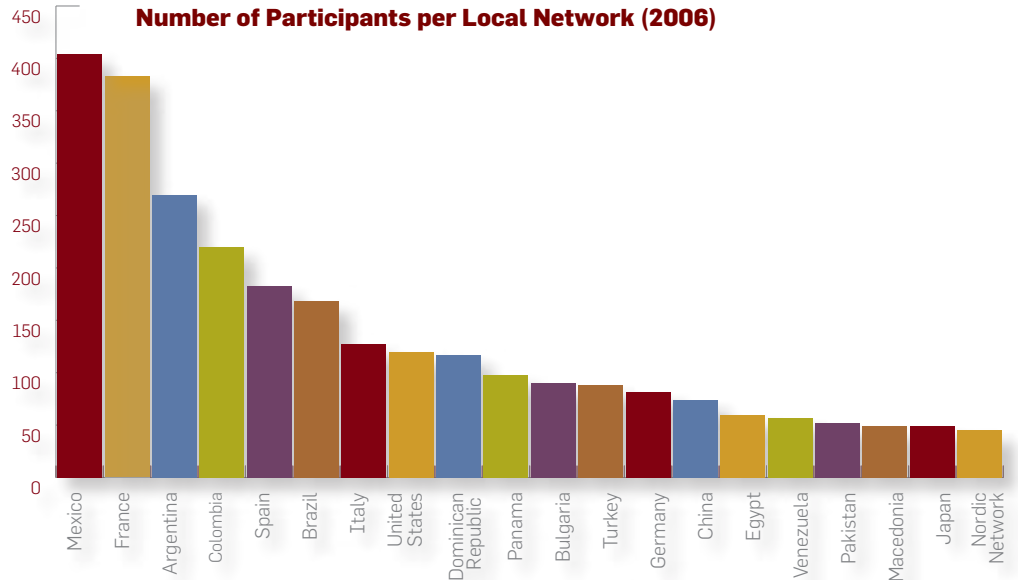
With respect to geographic distribution, the number of GCLNs has increased steadily in all regions of the world. Since early 2006, GCLNs have been launched in Albania, Armenia, Belarus, Belgium, Bolivia, Côte d'Ivoire, Croatia, Cyprus, the Dominican Republic, Georgia, Kenya, Moldova, Morocco, Netherlands, Nigeria, Senegal, South Korea, Switzerland and Ukraine.

Of note is the fact that the Americas, Asia and Africa each have approximately 15 GCLNs (including emerging GCLNs) per region, though the regions differ significantly in terms of total number of engaged stakeholders. For example, on average 140 organizations are engaged in each GCLN in the Americas, compared to 40 in Asia and less than 20 in Africa. This suggests that GCLNs are seen as useful platforms regardless of country size or the number of stakeholders per country.

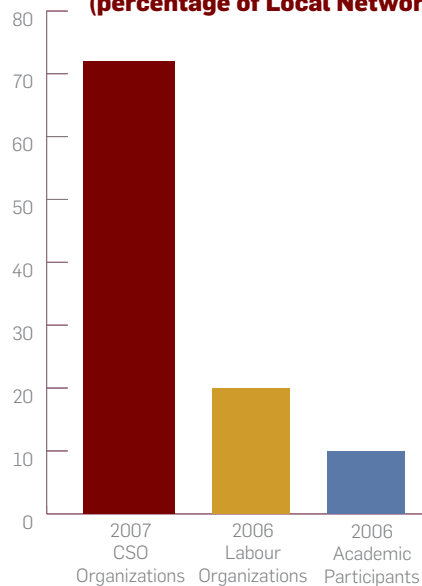


GCLNs have varying participant models which range from creating small GCLNs that limit the number of participants to developing GCLNs that are open to all listed Global Compact participants as well as other stakeholders not officially engaged in the initiative. With respect to GCLN size, countries with the largest number of Global Compact participants also tend to have the largest GCLNs. In fact, the twenty largest GCLNs work with around 80 percent of the overall number of participants engaged in GCLNs. It is currently difficult to determine an accurate rate of “capture” per GCLN which would show what percent of Global Compact participants in a country are also engaged in the Local Network. In the “Global Compact Annual Review 2007”, over 60 percent of business participants report engaging in a Local Network. At the same time, several GCLNs report engaging more participants than are officially listed in the Global Compact database. This discrepancy is partially due to the engagement of micro-enterprises at the local level, which is encouraged since such organizations cannot join at the global level due to capacity constraints. Additionally, in some cases there are differences between the local database of Global Compact participants and the official global list managed by the Global Compact Office. Better methods for tracking GCLN participation must be implemented to determine “capture” rates that distinguish Global Compact participants, micro-enterprises and other non-Global Compact stakeholders.

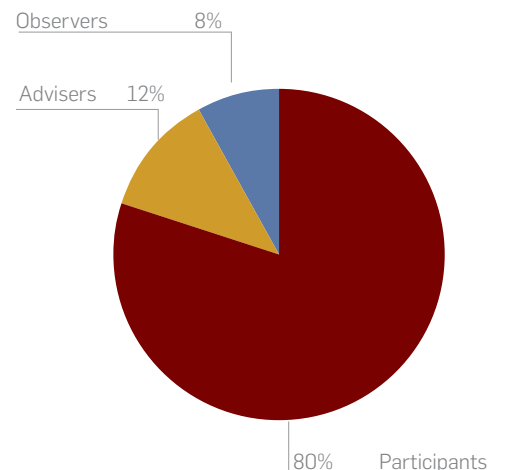
Multi-stakeholder participation in GCLNs is crucial for driving the inclusive nature of the Global Compact. 72 percent of all GCLNs reported including civil society organizations, 20 percent reported including labour organizations and 10 percent reported engagement with academic participants. Particularly when it comes to civil society organizations, there is a strong tendency to include them as participants, as opposed to observers or advisors. Approximately two thirds of GCLNs have a UN or UNDP focal point. A recent study by the International Labour Office shows that in eight GCLNs employers’ organizations act as secretariat and in one GCLN a trade unions is involved in this function. Further, employers’ and workers’ organizations participate in the steering committee of GCLNs in eighteen and ten countries, respectively.



**Multi-stakeholder Participation (percentage of Local Networks with...)**



**Nature of CSO engagement in Local Networks (2007, in percent)**



**Country Listing of Local/Emerging Networks** (sorted by country)

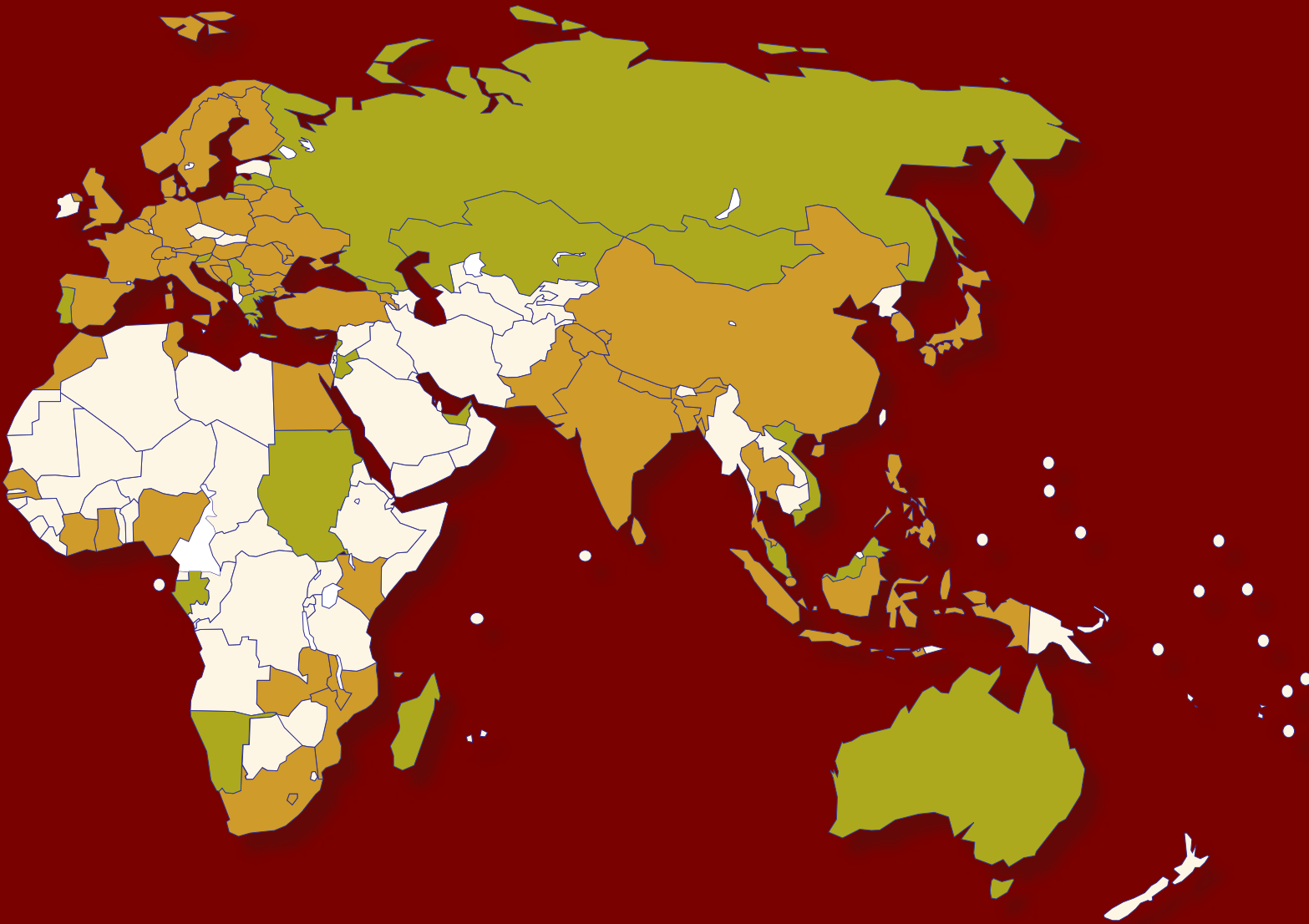
Country	Region	Status
Argentina	Americas	Local Network
Armenia	Europe	Local Network
Australia	Asia	Emerging Network
Austria	Europe	Local Network
Bangladesh	Asia	Local Network
Belarus	Europe	Local Network
Belgium	Europe	Emerging Network
Bolivia	Americas	Local Network
Bosnia And Herzegovina	Europe	Local Network
Brazil	Americas	Local Network
Bulgaria	Europe	Local Network
Cameroon	Africa	Emerging Network
Canada	Americas	Emerging Network
Chile	Americas	Local Network
China	Asia	Local Network
Colombia	Americas	Local Network
Costa Rica	Americas	Emerging Network
Cote d'Ivoire	Africa	Local Network
Croatia	Europe	Local Network
Cyprus	Europe	Local Network
Denmark (Nordic Network)	Europe	Local Network
Dominican Republic	Americas	Local Network
Ecuador	Americas	Emerging Network
El Salvador	Americas	Emerging Network
Egypt	Middle East	Local Network
Finland (Nordic Network)	Europe	Local Network
France	Europe	Local Network
Gabon	Africa	Emerging Network
Georgia	Europe	Emerging Network
Germany	Europe	Local Network
Ghana	Africa	Local Network
Greece	Europe	Emerging Network
Honduras	Americas	Emerging Network
Hungary	Europe	Local Network
India	Asia	Local Network
Indonesia	Asia	Local Network
Italy	Europe	Local Network
Japan	Asia	Local Network
Jordan	Middle East	Emerging Network
Kazakhstan	Europe	Emerging Network
Kenya	Africa	Local Network
Korea, Republic of	Asia	Local Network
Latvia	Europe	Emerging Network
Lithuania	Europe	Local Network
Macedonia, The Former		
Yugoslav Republic of	Europe	Local Network
Madagascar	Africa	Emerging Network
Malawi	Africa	Local Network
Malaysia	Asia	Emerging Network
Mauritius	Africa	Emerging Network
Mexico	Americas	Local Network
Moldova, Republic of	Europe	Local Network
Mongolia	Asia	Emerging Network
Morocco	Middle East	Local Network
Mozambique	Africa	Local Network
Namibia	Africa	Emerging Network
Nepal	Asia	Local Network
Netherlands	Europe	Local Network
Nigeria	Africa	Local Network
Norway (Nordic Network)	Europe	Local Network
Pakistan	Asia	Local Network
Panama	Americas	Local Network
Paraguay	Americas	Local Network
Peru	Americas	Local Network
Philippines	Asia	Local Network
Poland	Europe	Local Network
Portugal	Europe	Emerging Network
Romania	Europe	Local Network
Russian Federation	Europe	Local Network
Senegal	Africa	Local Network
Serbia	Europe	Emerging Network
Singapore	Asia	Local Network
Slovenia	Europe	Emerging Network
South Africa	Africa	Local Network
Spain	Europe	Local Network
Sri Lanka	Asia	Local Network
Sudan	Africa	Emerging Network
Sweden (Nordic Network)	Europe	Local Network
Switzerland	Europe	Local Network
Thailand	Asia	Local Network
Tunisia	Middle East	Local Network
Turkey	Europe	Local Network
Ukraine	Europe	Local Network
United Arab Emirates	Middle East	Emerging Network (for the Gulf Region)
United Kingdom	Europe	Local Network
United States of America	Americas	Local Network
Uruguay	Americas	Emerging Network
Venezuela	Americas	Emerging Network
Viet Nam	Asia	Emerging Network
Zambia	Africa	Local Network

**Country Listing of Local/Emerging Networks** (sorted by region)

Country	Region	Status
Cameroon	Africa	Emerging Network
Cote d'Ivoire	Africa	Local Network
Gabon	Africa	Emerging Network
Ghana	Africa	Local Network
Kenya	Africa	Local Network
Madagascar	Africa	Emerging Network
Malawi	Africa	Local Network
Mauritius	Africa	Emerging Network
Mozambique	Africa	Local Network
Namibia	Africa	Emerging Network
Nigeria	Africa	Local Network
Senegal	Africa	Local Network
South Africa	Africa	Local Network
Sudan	Africa	Emerging Network
Zambia	Africa	Local Network
Argentina	Americas	Local Network
Bolivia	Americas	Local Network
Brazil	Americas	Local Network
Canada	Americas	Emerging Network
Chile	Americas	Local Network
Colombia	Americas	Local Network
Costa Rica	Americas	Emerging Network
Dominican Republic	Americas	Local Network
Ecuador	Americas	Emerging Network
El Salvador	Americas	Emerging Network
Honduras	Americas	Emerging Network
Mexico	Americas	Local Network
Panama	Americas	Local Network
Paraguay	Americas	Local Network
Peru	Americas	Local Network
United States of America	Americas	Local Network
Uruguay	Americas	Emerging Network
Venezuela	Americas	Emerging Network
Australia	Asia	Emerging Network
Bangladesh	Asia	Local Network
China	Asia	Local Network
India	Asia	Local Network
Indonesia	Asia	Local Network
Japan	Asia	Local Network
Korea, Republic of	Asia	Local Network
Malaysia	Asia	Emerging Network
Mongolia	Asia	Emerging Network
Nepal	Asia	Local Network
Pakistan	Asia	Local Network
Philippines	Asia	Local Network
Singapore	Asia	Local Network
Sri Lanka	Asia	Local Network
Thailand	Asia	Local Network
Viet Nam	Asia	Emerging Network
Armenia	Europe	Local Network
Austria	Europe	Local Network
Belarus	Europe	Local Network
Belgium	Europe	Emerging Network
Bosnia And Herzegovina	Europe	Local Network
Bulgaria	Europe	Local Network
Croatia	Europe	Local Network
Cyprus	Europe	Local Network
Denmark (Nordic Network)	Europe	Local Network
Finland (Nordic Network)	Europe	Local Network
France	Europe	Local Network
Georgia	Europe	Emerging Network
Germany	Europe	Local Network
Greece	Europe	Emerging Network
Hungary	Europe	Local Network
Italy	Europe	Local Network
Kazakhstan	Europe	Emerging Network
Latvia	Europe	Emerging Network
Lithuania	Europe	Local Network
Macedonia, The Former		
Yugoslav Republic of	Europe	Local Network
Moldova, Republic of	Europe	Local Network
Netherlands	Europe	Local Network
Norway (Nordic Network)	Europe	Local Network
Poland	Europe	Local Network
Portugal	Europe	Emerging Network
Romania	Europe	Local Network
Russian Federation	Europe	Local Network
Serbia	Europe	Emerging Network
Slovenia	Europe	Emerging Network
Spain	Europe	Local Network
Sweden (Nordic Network)	Europe	Local Network
Switzerland	Europe	Local Network
Turkey	Europe	Local Network
Ukraine	Europe	Local Network
United Kingdom	Europe	Local Network
Egypt	Middle East	Local Network
Jordan	Middle East	Emerging Network
Morocco	Middle East	Local Network
Tunisia	Middle East	Local Network
United Arab Emirates	Middle East	Emerging Network (for the Gulf Region)







## 3.2. Local Network Activities

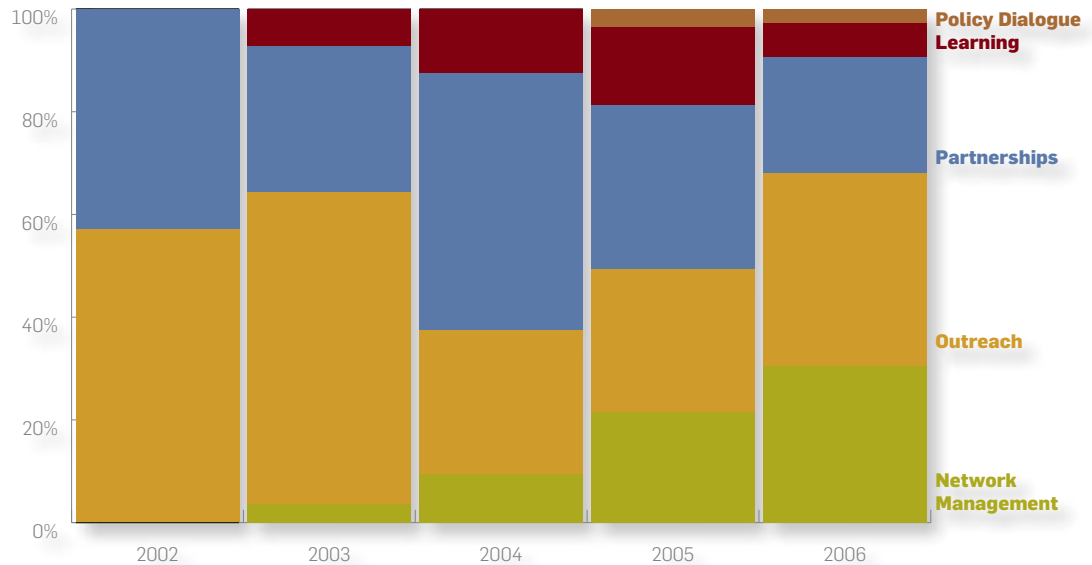
As the number and strength of GCLNs continues to grow around the world, there has been a marked increase in the number and type of activities undertaken at the GCLN level. Activities fall into five categories:

- Awareness-raising and outreach
- Partnership facilitation
- Learning
- Policy dialogue
- Network management

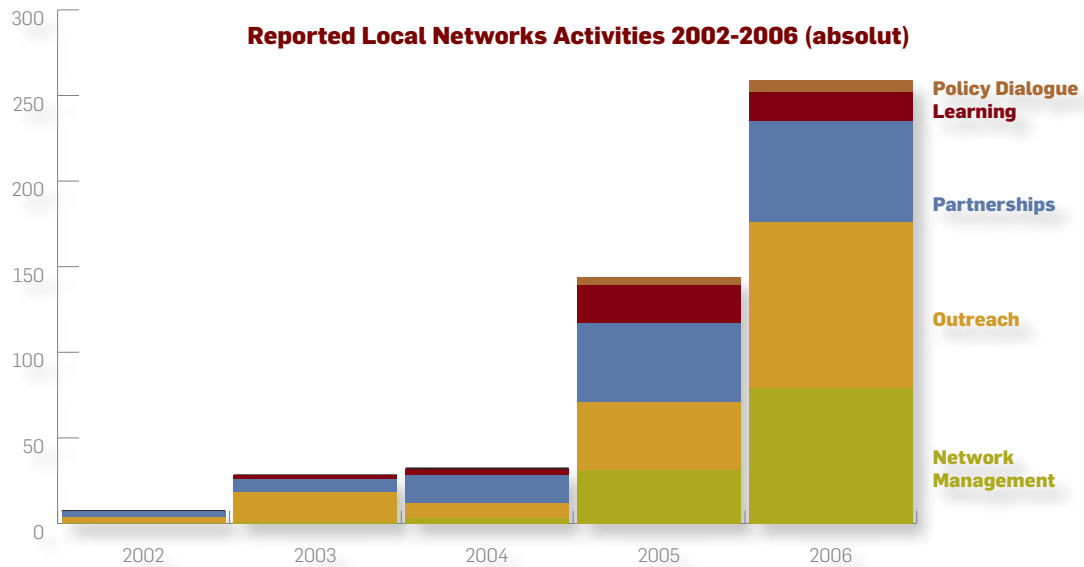
**Awareness-raising and outreach.** In 2006, approximately 40 percent of reported GCLN activities were related to public awareness-raising on the Global Compact and recruitment of organizations both into the initiative and the Local Network. While this will likely continue to be a major function of GCLN efforts, a shift towards a mixture of activities is to be expected as both participants and GCLNs become more familiar with the Global Compact and advanced in their actions to further the initiative in a given country.

The focus of awareness-raising and outreach events is to spread the word about corporate responsibility and the Global Compact among companies and non-business actors in a country. Events tend to target organizations beyond those that have already signed on to the Global Compact. To this effect, GCLNs – particularly emerging GCLNs – organize conferences, workshops and media campaigns to initiate discussion on how global responsibility trends could be applied to specific countries, and consequently what value the GCLN can bring to companies and society. These events help recruit new companies by sending public messages about the potential value of corporate responsibility and providing tangible options for action.

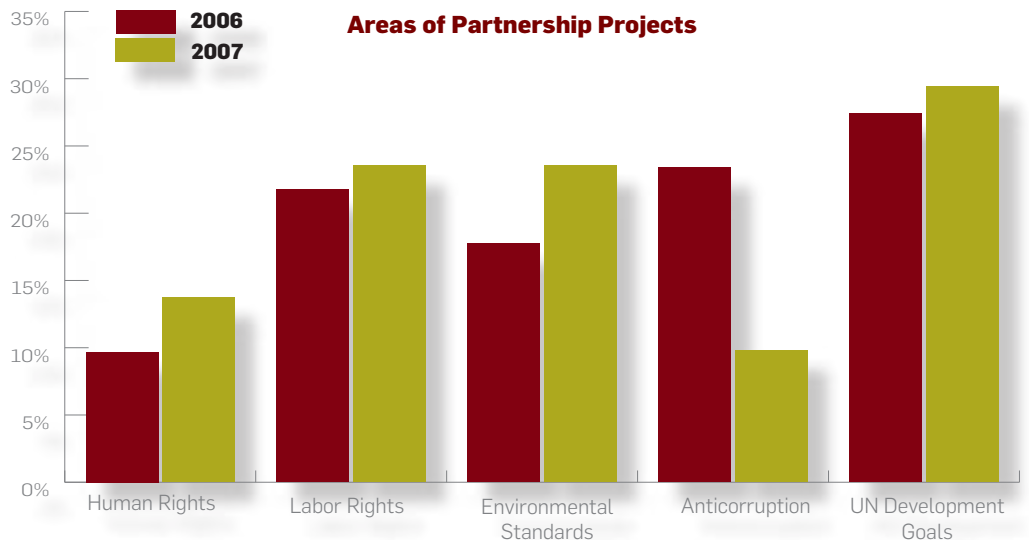
**Reported Local Network Activities 2002-2006 (% per year)**



**Reported Local Networks Activities 2002-2006 (absolut)**



**Areas of Partnership Projects**



The Global Compact Annual Review 2007 showed that there remains room for awareness-raising on the presence and role of GCLNs. Of the surveyed companies that reported not being engaged in a Local Network, 57 percent cited lack of awareness of a GCLN in their country as the reason.

**Partnership facilitation.** Another important area of GCLN activity is the facilitation of partnerships with Global Compact stakeholders, as GCLNs often provide a unique convening platform for cross-sector engagement. While the total percentage of reported partnership activities has fluctuated over the past five years, it is clear that this function will remain a critical component of GCLNs given that 75 percent of Global Compact participants surveyed for the 2007 Annual Review reported that they are engaging in cross-sector partnerships. GCLNs can play an important role in helping to identify pertinent partnering themes and engaging relevant actors in concrete projects where their comparative advantages are utilized. According to data from 2006 and 2007, partnership projects have been facilitated fairly equally in all issue areas while partnerships focusing on anti-corruption and human rights are slightly underrepresented. There seems to be a surprising drop in facilitating anti-corruption partnership projects from 2006 to 2007.

**Local Network management.** As many GCLNs have evolved and consolidated their activities over the years, an increasing number of GCLN activities involve management and administration issues, such as annual governance meetings or facilitation of integrity measures. Data for 2006-2007 shows that approximately nine out of ten GCLNs have held Annual Local Network meetings and three out of four GCLNs have supported companies in developing the Communication on Progress (CoP). With regards to Global Compact integrity measures, approximately one fifth of all GCLNs report to have received a complaint regarding a participating company in 2007 and have facilitated a dialogue to resolve the issue. This indicates the increasingly robust character of GCLNs, some of which have implemented governance structures and can provide services to Global Compact participants. As the 2007 Annual Review shows, 60 percent of surveyed business participants stated the reason for their engagement in the GCLN as “receiving help with implementing Global Compact commitments, including the COP” - suggesting that GCLN management activities will continue to gain importance.

**Learning.** Learning activities are designed specifically for Global Compact participants that are working to integrate the ten principles into their operations and corporate culture. Currently offered by a limited number of GCLNs, these workshops, trainings or study tours provide valuable learning platforms where Global Compact stakeholders can gain a better understanding of the ten principles, as well as more general concepts of corporate responsibility, the role of business in society and the “business case” for responsibility. An important aspect of learning is the translation of key Global Compact resources and tools into the local context and language. Learning platforms also provide a method for stakeholders to share experience and lessons-learned — this interaction is in fact what Global Compact participants state as the top reason for engaging in a Local Network, according to the 2007 Annual Review.

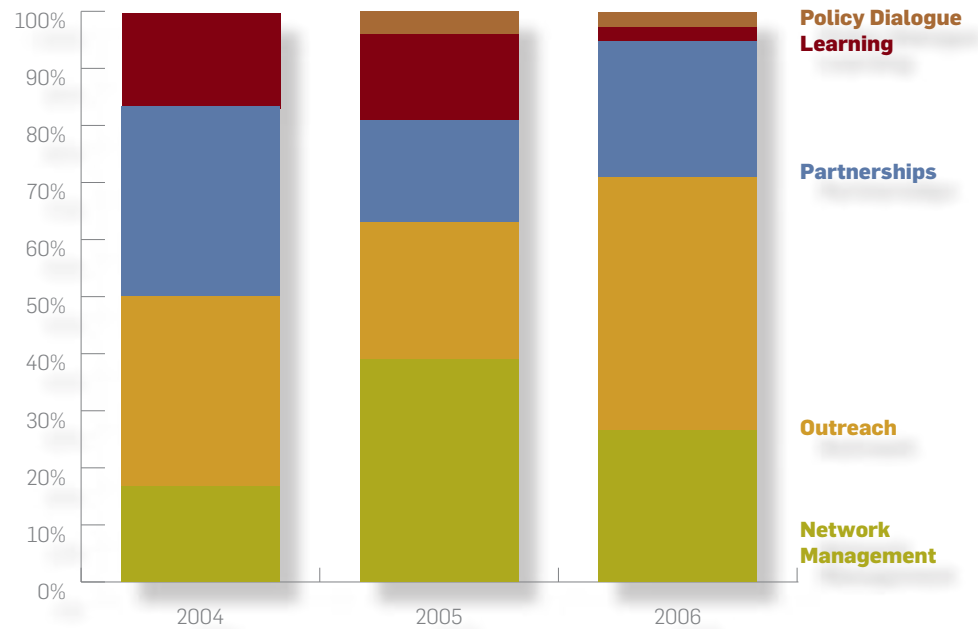
**Policy dialogue.** In recent years, some GCLNs have begun to promote public-private dialogues related to the business-society agenda. Increasingly, political or public issues are seen by the business community as relevant to their commercial future, for example in areas related to improving the business climate such as anti-corruption, as well as the role of the private sector in supporting development. It is anticipated that more companies, both domestic and foreign, will be interested in participating in public discourse in the future and that this activity will become more widespread among the GCLNs.

The actual mix of GCLN activities is determined by many different factors, such as: the stage of GCLN development (e.g. emerging, advanced), nature of Global Compact participants in the country (e.g. size, industry), and local or regional socio-economic dimensions. There are some notable variations in GCLN activities across geographic regions.

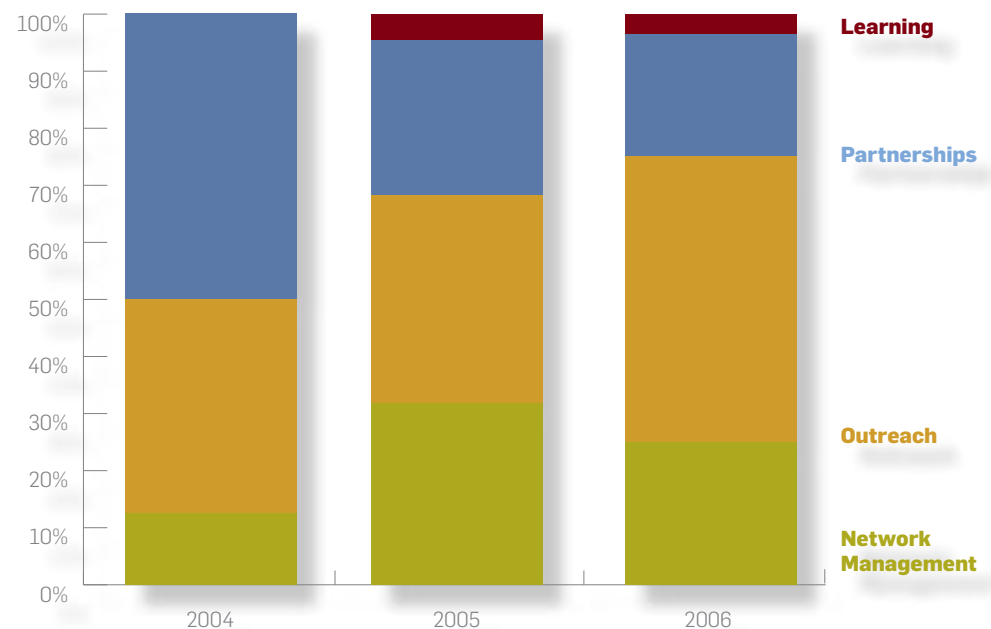
**EUROPE.** The overall trend of undertaking a high number of outreach events holds true for most regions in the world. Europe is a case in point. Almost half of all GCLN activities in the European region in 2006 were awareness-raising or outreach events. Learning events and policy dialogue were not at the forefront of the GCLN activities; however, management related activities played an important role in the European region. Indeed, there were a high number of activities devoted to annual governance meetings, regular communication with all GCLN stakeholders and an increased offering of COP training sessions. It should be noted that the total number of activities undertaken in Europe in 2006 (approximately 150) far exceed the number reported in the other regions which is not surprising given that the largest number of Global Compact participants and GCLNs are located in Europe.

**ASIA.** With 50 percent of all reported 2006 GCLN activities in the area of awareness-raising and outreach, there are similarities between GCLN priorities in Asia and Europe. While partnership efforts constitute a smaller overall percentage of activities, the total number of partnerships did grow slightly. Among the GCLN management activities, annual governance meetings are reported to achieve the highest impact. The lack of any policy dialogues is notable.

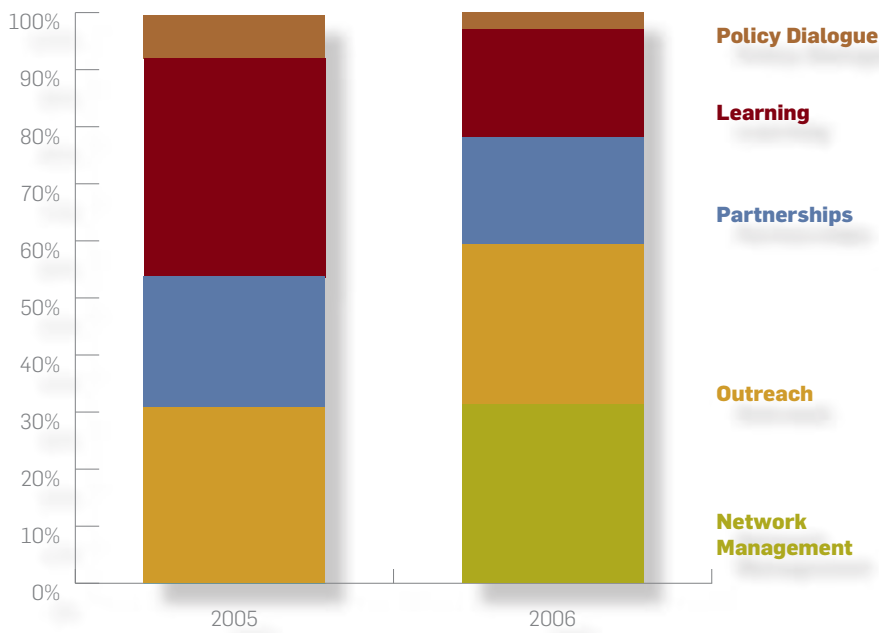
**Reported Local Network Activities in Europe 2004 -2006 (% per year)**



**Reported Local Network Activities in Asia 2004-2006 (% per year)**

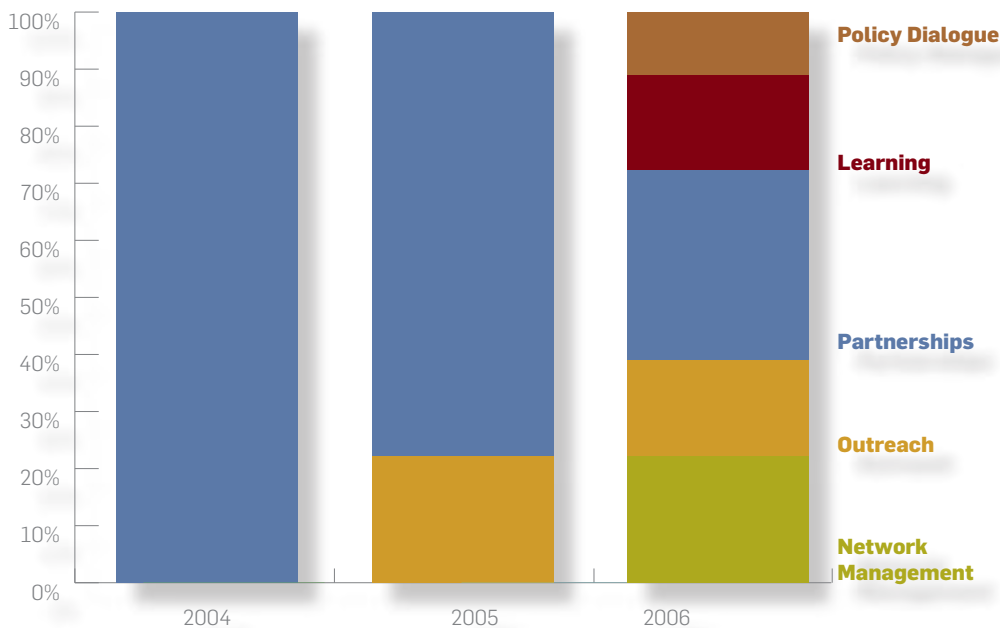


**Reported Local Network Activities in the Americas 2005-2006 (% per year)**



**AMERICAS.** In the Americas, GCLNs devote a considerable portion of their activities to learning and tool provision. While learning accounts for a higher percentage of total activities in the Americas than any other region, it should be noted that the total number of learning activities reported are not dissimilar from those undertaken in Europe. Similar to other regions, a relatively high number of outreach and awareness-raising events are undertaken.

**Reported Local Network Activities in Africa 2004-2006 (% per year)**



**AFRICA.** GCLN activities in Africa differ from other regions in that awareness-raising and outreach efforts play a less significant role. The region reports the highest percentage of policy dialogues of all regions, and also places a considerable amount of effort into facilitating partnerships, particularly in the area of collective action. Awareness-raising and GCLN management activities are, however, gaining in importance.



# SECTION FOUR

## Running a Global Compact Local Network

### 4.1. Establishing a Global Compact Local Network

As has been indicated in the previous section, a considerable amount of experience from around the world relating to the establishment of GCLNs has been accumulated. This experience has shown that there are at least three important aspects or issues to be considered when establishing a GCLN.

First of all, awareness of corporate citizenship is important – not only within the business community but within the public at large. A substantial amount of preparation will need to be carried out in advance in order to ensure a successful launch.

Secondly, among the key issues involved in the functioning of GCLNs are governance & management; funding; quality improvement; integrity measures; websites and logos etc.

Thirdly, this section will illustrate the multistakeholder nature of GCLNs, i.e. who the stakeholders at the local level are, and what roles they play.

Finally this section will also illustrate yet another important aspect of running a GCLN which is the enabling role played by the regional support centers.

### 4.1.1. Outreach events

Outreach events serve multiple purposes: raising awareness of the Global Compact; encouraging companies and other stakeholders to participate; increasing support of the Global Compact in the local context and among local stakeholders; creating and/or strengthening GCLNs and facilitating dialogues on issues related to the Global Compact objectives.

Often, the first public outreach event in a country is a “Global Compact Launch”. For a launch to be successful, it is essential that substantial efforts are taken to build awareness about the initiative among the business community as well as other stakeholders. The organizer(s) and any partners that they identify play a key role in this awareness raising phase. The purpose of this type of outreach activity is to generate interest in the Global Compact and may serve as an opportunity to explore the potential for the establishment of a Global Compact Local Network.

A key element at this stage is to identify one or more business leaders that share the vision and mission of the Global Compact and that are willing to engage as champions of the initiative. Many organizers will also look for support for their activities from institutions such as UN organizations, business schools, business associations, non-government organizations, foundations or development agencies.

Inviting stakeholders interested in the UN Global Compact such as Global Compact participating companies, business associations, trade unions, corporate citizenship organizations, universities, business schools, government ministries, local UN offices, development agencies, NGOs working in human rights, environment, and development ensures that the inclusive nature of the Global Compact is reflected.

A public launch of the Global Compact within a country typically takes place only after a significant number of local companies have become engaged or are ready to be engaged in the initiative. Support from a critical mass of companies before the launch increases the likelihood that a GCLN will be established and that the GCLN will be sustainable.

#### SUCCESSFUL OUTREACH AND AWARENESS-RAISING ACTIVITIES WILL:

- Raise awareness about the Global Compact and create interest to participate in the initiative
- Showcase local case studies for learning purposes, which will also exemplify the range of Global Compact/corporate citizenship-related concerns and activities undertaken by companies locally
- Create opportunities for companies to discuss related issues in a larger forum, to interact and share ideas and experiences. Usually a good preparation for such discussion is conducting a survey which shows potential and interest of corporate citizenship in a country.
- Introduce local media to the initiative.
- Encourage companies to indicate the main issues that could be addressed by the GCLN in future
- Increase visibility in the local business community and build trust with companies
- Enhance the role and significance of a GCLN in a country (through creating political and public support)

# Canada



## GLOBAL COMPACT ACROSS CANADA ROAD SHOW

In an effort to encourage enhanced awareness of the United Nations Global Compact (UNGC) in Canada, Nexen Inc. and Canadian Business for Social Responsibility (CBSR) led the development and implementation of a national “Road Show” in the Spring of 2006. This initiative was a follow-up to a CBSR study commissioned by Foreign Affairs Canada to assess interest in establishing a UNGC Canadian network. The study concluded that it was still too early to establish a formal GCLN but that there was a real desire on the part of both signatory and non-signatory companies in Canada to see programs and events that would assist companies in understanding the Global Compact and its benefits.

Accordingly, the main objectives of the “Road Show” were to:

- demystify the UNGC
- increase awareness and understanding of the UNGC among the broader stakeholder community
- attract more companies to signing on to the UNGC

Workshops were held in three locations beginning with Toronto, hosted by Inco Ltd., followed by Calgary, hosted by Talisman and concluding in Vancouver, hosted by Vancity. Each event attracted approximately 20 to 30 participants representing the business community, academia, NGOs and government. There was considerable dialogue and learnings addressing the internalization of the Global Compact principles and associated benefits.

The Road Show was deemed a success as evidenced by a number of new signatories to the Global Compact and an interest was expressed in moving to the next step in the development of a Canadian Local Network.

Following the high level of engagement resulting from the road show series, the momentum was carried forward to go beyond awareness raising and strive towards formalization of a GCLN in Canada. In January 2007, a meeting was convened to explore the purpose and workings of a possible GCLN amongst a largely signatory-based cross section of industry, academics, government and NGOs. Outcomes from this meeting led to two taskforces, sponsored by Nexen Inc. and Alcan, to examine three key areas informing the shape of a Canadian GCLN:

1. Increasing the number of Canadian signatories
2. Advancing leadership through multisectoral participation
3. Examining the feasibility of establishing a forum for project collaboration

A general consensus from these meetings and preliminary research, showed a desire to engage more actively in partnership project work maximizing economies of scale for specific existing and emerging focal areas, based on agreed social and environmental sustainability criteria. This criteria also comprises ‘Canadian values’ deemed as: safe, fun, peaceful, and collaborative.

During the past six months, there has been a 15% increase in Canadian signatories. Of the current 44 Canadian signatories, 16 have been actively involved in this process with non-signatories such as VANOC (Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games), also participating in discussions. A mid-June 2007 meeting sought to involve all 44 signatories to agree on a final form of a Canadian GCLN which is likely to result in CBSR providing a project brokerage service while also hosting a GCLN Secretariat for Canada with a view to actively increasing signatories during 2007/2008.

The Canadian network is currently under development. In June 2006, Dr Randy Gossen, senior vice president of Nexen Inc., was appointed Special Advisor of the Global Compact. Among other tasks, he will continue efforts to establish a Global Compact network in Canada. A series of events have also been developed in the country to raise the profile of the Global Compact and to discuss the creation of the GCLN.

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## Iran



### CAREFULLY PREPARING THE PATH FOR RESPONSIBLE BUSINESS PRACTICES

A series of integrated corporate citizenship and MDG workshops, utilizing the private sector, indicated a lack of awareness of corporate citizenship values and techniques in Iran. As a result, five groups were contracted to conduct advocacy workshops across the country, based on the UNDP booklet, “MDGs and the Private Sector: A Framework for Action”. The main goal of this effort has been to increase awareness among businesses of the importance of corporate citizenship (CC) and to integrate the CC and MDG concepts into the institutional and national planning process.

### BUILDING MOMENTUM

The benefits of the efforts in Iran have been numerous:

- Preparing the ground for greater awareness among all private stakeholders
- Raising awareness of corporate citizenship among private sector institutions, including cooperative and workers’ federations
- Raising awareness within the media of the relationship of corporate citizenship, MDGs and sustainable growth approaches
- Motivation of the government in promoting the private sector as an instrument of sustainable development.
- Education through workshops and sessions around the country
- Preparation of corporate citizenship/MDG advocacy materials

The degree of enthusiasm and support indicate that the efforts in Iran will have extensive interactive effects among various private sector groups. More than 2000 individuals have taken part in various outreach programs and the next phase is to consolidate and develop provincial working groups. The corporate citizenship network prompted by UNDP is now being supported by two working groups—an institutional-based group to target large associations and their members for advocacy, and an individual-based group to target interest on a more specialized, topical and demand-driven basis.

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# Global Compact Bratislava Hub

## USING THE FRAMEWORK OF THE GLOBAL COMPACT TO FOCUS ON ATTRACTING RESPONSIBLE INVESTMENT

More than 215 representatives from the private sector, the international development community, academia and civil society gathered at a conference in 2006 on Responsible Investing, which was organized by the Government of Austria, the United Nations Development Programme and the United Nations Industrial Development Organization, in association with the Government of Belgium, RespACT Austria, Booz Allen Hamilton and the Coca-Cola Company. The purpose was to discuss corporate citizenship and multi-stakeholder partnerships in Southeast Europe, the new EU member states and the Commonwealth of Independent States.

### Strong interest promises potential for powerful progress

The participants' main goal was to promote corporate citizenship objectives and to align them with investment opportunities in the targeted areas. To do this, the conference aimed to provide a unique platform and networking opportunity for participants to:

- Exchange ideas and explore opportunities for investment and for developing multi-stakeholder alliances in the region. ("Project Fairs," or networking dinners, and small-group discussions were established for this purpose.)
- Learn about successful examples of responsible investments and cross-sectoral partnerships between businesses, NGOs, governments, and other institutions that use corporate citizenship business models
- Explore how donor initiatives can contribute to the promotion of socially responsible commercial investment and business partnerships for development in Eastern Europe
- Develop mechanisms to facilitate communication, coordination and cooperation

The high turnout at the conference was a clear indicator of the business community's interest in responsible management practices, along with a willingness of various organizations to engage in partnerships for development.

The UNDP Regional Centre for Europe and CIS in Bratislava serves as regional hub for 10 Global Compact Local Networks in Eastern Europe: Bulgaria, Bosnia and Herzegovina, Hungary, Kazakhstan, Lithuania, Macedonia, Poland, Russia, Ukraine and Turkey.

The Regional Office in Bratislava offers the following support services:

- Facilitates the exchange of information and knowledge regarding the Global Compact, corporate citizenship and business partnerships
- Provides training opportunities for UNDP Global Compact focal points on facilitating GCLNs and negotiating with the private sector
- Assists in resource mobilization efforts for Global Compact and business partnership activities

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### 4.1.2. *Launching Global Compact Local Networks*

Aside from awareness-raising, experience has shown that before a GCLN is established, its purpose and priorities should be thoroughly discussed between early adopters and other stakeholders to determine the value a GCLN could add under the given business climate, social circumstances and political situation.

#### HOW TO ORGANIZE A LOCAL NETWORK LAUNCH:

1. Many GCLNs have used the opportunity of the GCLN launch to organize a signing ceremony, which essentially consists of companies affirming their aspiration to embrace the ten principles
2. It is also beneficial to have an activity plan for the GCLN presented at the launch to highlight the engagement mechanisms available to GCLN participants in the coming year. This activity plan would have been developed based on the priority issues identified in consultation with a group of business champions and stakeholders
3. Produce a “Yellow Pages” directory or some other form of publication that advocates examples of how local companies can implement corporate citizenship in the local socio-economic context

It is important to include companies from the start to create true ownership and to develop business champions for the Local Network. Ideally, GCLNs should be initiated and rooted in the corporate sector, but effort should also be made to include a variety of other stakeholders, such as business associations, trade unions, corporate citizenship organisations, universities, business schools, state ministries, local UN offices, development agencies, foundations, and NGOs etc.

#### PREPARING THE GROUND BY SURVEYING THE CORPORATE CITIZENSHIP LANDSCAPE. STARTING SMALL... WITH BIG PLANS IN MIND

A study was undertaken in Moldova to assess the readiness of businesses for engagement in the development of corporate citizenship-related activities throughout the country. Extensive research was conducted by a local think tank, with interviews and focus groups in Moldova and neighboring countries. The findings indicate that the development of corporate citizenship practices and corporate citizenship reporting in Moldova is at a very early stage and is driven by a small number of medium-size to large foreign and domestic companies. While Moldovan companies do have a sense of responsibility for their operations, the reporting of organized activities and efforts are not yet effective. As a result, the majority of Moldovans are unaware of the many social responsibility initiatives that exist and which range from internal employee programs to investment at the community level.

#### Government resistance hinders spread of corporate citizenship (CC)

The research also revealed that the Moldovan government does not perceive CC as a contribution to the general development agenda, but rather as a form of “payment” by companies to be “socially tolerated.” As such, it appears that both companies and government need a better understanding of CC and its potential benefits to development throughout the country. Until CC can be embraced on a widespread basis, the spread, development and growth of Moldova will be limited. Additional studies and CC-related activities are thus very much encouraged in Moldova, where the GCLN can be of significant benefit to multiple stakeholders.

The GCLN in Moldova currently has 15 members, out of which five are MNCs and ten SMEs, in the areas of telecommunications, agribusiness, food & drinks, textile, oil & gas and banking. Their main priorities at the moment are: establish the network in the view of its institutionalization, enlarge the network in Moldova, identify joint initiatives to be supported, launch a policy dialogue with the government on labour issues and develop a better understanding of GC/SCR in the context of Moldova.

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## Moldova





## Argentina



### THE GCLN AS A MEANS OF RE-ESTABLISHING TRUST AND CREDIBILITY IN POST-CRISIS ARGENTINA

With Argentina having undergone its most significant institutional, social, political and economic crisis in modern history in 2001-2002, the Global Compact faced tremendous challenges at its launch in 2004. Drawing criticism from NGOs, the Global Compact set out to rebuild trust between the public and the business sector, which was deemed necessary for long-term success. In addition, the Global Compact was seen as beneficial in demonstrating that voluntary change processes are more effective than those imposed in a mandatory manner.

With all this in mind, the creation of a Global Compact Network in Argentina was proposed for the following purposes:

- to promote the inclusion of United Nations universal principles in business management
- to foster learning by member organizations
- to facilitate information, horizontal cooperation and the submission of Communications on Progress (COP)

Within the first three years of the existence of the Global Compact Local Network in Argentina, results are impressive:

- Public-private initiatives are underway, led by private sector groups
- Corporate citizenship advocacy and promotion in the field of labor rights is taking place
- Programs are also in place to combat unemployment and other important issues

The Argentine GCLN has more than 280 participants of which 82 per cent are businesses, 7 per cent business associations, 4 per cent NGOs, 2 per cent CC organizations, and 5 per cent are a part of other organizations. The submission of Communications on Progress has steadily increased over recent years and all trends call for a record number this year.

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## Georgia



### SURVEY TO ASSESS STAKEHOLDER INTEREST

In December 2006, the GCLN of Georgia held its first informal meeting, which attracted 34 participants from 25 (participating and non-participating) companies, educational institutions and civil society. During the meeting, participants discussed the importance of advancing business ethics and corporate citizenship in Georgia through the various modes of engagement in the Global Compact. An important element of the meeting was the completion of a survey to determine the priorities and interests of the companies and to gain some insight into their motivations and aspirations for participation in the Global Compact.

The survey not only gave the GCLN a better understanding of the concerns of the stakeholders regarding training and learning events on corporate citizenship, it also allowed for future clustering or grouping of companies around similar ideas for collective actions.

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**Irakli Chkonia, Broker, UNDP Georgia** ([irakli.chkonia@undp.org.ge](mailto:irakli.chkonia@undp.org.ge))

**ACTIVE PARTICIPATION CREATES MOMENTUM**

A Corporate Citizenship Lunch Meeting Series was launched as a networking and learning event to advance the local practice of CC and its impact on development challenges in Trinidad and Tobago. Intended as a forum for CC practitioners and business leaders to come together regularly to discuss the development of CC strategies, share success stories and learn about the latest tools, the forum encouraged members to form partnerships around mutual interests that align CC with the nation's development goals.

**A more active, "open" approach**

To ensure maximum benefit for participants, the Lunch Meeting followed several key philosophies:

- Closed Doors/Open Dialogue—Attendance at meeting is by invitation only, to create an environment where participants feel at ease to honestly discuss their opinions and experiences with CC. Trust and proactive dialogue is critical to successful communication. No press was invited
- Participatory—An atmosphere was created to empower participants to openly share experiences and contribute to each other's efforts. The suggestion of new topics and the presentation of experiences was encouraged
- High Level—Because CC needs to be championed from the top, attendees included high level practitioners of CC and other organizational leaders
- Recognition—A climate of recognition was fostered at the meetings to encourage the development of CC through participation. Respect and congratulations was awarded to all forms of engagement in the process

While there is currently no established network in Trinidad and Tobago, the high level of interest and momentum indicate great potential for a network. The Lunch Meeting Series, along with a CC Mapping project continue to promote CC on the ground and gather information necessary to build a sustainable network. The initial positive response and enthusiasm predict a high likelihood for a GCLN to be launched in the very near future.

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**ALIGNING GLOBAL COMPACT WITH EXISTING CC INITIATIVES**

The Social Charter is based on key international documents pertaining to human rights, labour, and the environment developed by the UN, the International Labour Organizations, and the European Council. Through it the Russian companies that have decided to join the Social Charter and to adhere to its principles are included in the world-wide drive for sustainable development. By planning and evaluating their operation and measuring performance, participants in the Social Charter can position themselves with respect to the international principles of corporate citizenship (CC).

The Social Charter of Russian Business is in line with international sustainable development initiatives. Russian corporate participants in the Social Charter, seeing the importance of participation in international agreements, are well placed to join the Global Compact as the Social Charter and the Global Compact lie at the foundation of corporate strategies.

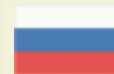
The Global Compact was launched in Russia in 2001, during a round table organized by the Ministry of Foreign Affairs and the Russian Union of Industrialists and Entrepreneurs in partnership with UNDP and other UN agencies. Since that date Russian Union of Industrialists and Entrepreneurs jointly with UNDP have concentrated efforts on the establishment of a Global Compact Local Network in Russia.

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## Trinidad and Tobago



## Russian Federation



## Cote d'Ivoire



### Network Launches

The following are examples of the various ways that GCLNs have been launched



#### GLOBAL COMPACT NETWORK LAUNCHED IN THE COTE D'IVOIRE

On 11 September 2007, more than 150 representatives from the private sector, government and civil society gathered at Hotel Sofitel in Abidjan for the launch of the Global Compact in Cote d'Ivoire.

The Global Compact was officially launched by the Foreign Minister H. E. Bakayoko Youssouf, who congratulated the

organizers and the participants of the GCLN and thanked the United Nations on behalf of the government of Cote d'Ivoire.

Keynote speeches were delivered by Guy M'Bengue, President of the Executive Committee of Global Compact Cote d'Ivoire; Ange Koffy, President of the Ethical Committee of CGECI (Confédération générale des entreprises de Cote d'Ivoire); Kola Badejo, Senior Advisor in the Global Compact Office, and by the Resident Coordinator of the United Nations System in Cote d'Ivoire, Georg Charpentier. The launch was preceded by a roundtable on "The Challenges of the Global Compact: Sustainable Development and the Private Sector in Cote d'Ivoire", with local participants of the Global Compact.

The event was organized by the steering committee of the Global Compact, and funded by the founding members of the Global Compact in the country with the support of the UNDP.

**Focal Points:** Guy M'Bengue, President Executive Committee of Global Compact Cote d'Ivoire ([mbengue@apexci.org](mailto:mbengue@apexci.org)), Georg Charpentier, UN Resident Representative ([charpentier@un.org](mailto:charpentier@un.org))



## Dominican Republic



#### PRESIDENT FERNANDEZ LAUNCHES NETWORK IN DOMINICAN REPUBLIC

More than 120 top executives of Dominican Global Compact participants and H.E. Dr. Leonel Fernandez, President of the Dominican Republic, gathered at the headquarters of the Fundación Global Democracia y Desarrollo (FUNGLODE) in Santo Domingo on 20 October 2006 for the launch of the "Global Compact Network in the Dominican Republic."

Plans for a network launch in the Caribbean nation were first made in June 2004, shortly after the first Global Compact Leaders Summit in New York, when Mr. Georg Kell, Executive Head of the Global Compact visited the FUNGLODE in Santo Domingo to present the Global Compact and benefits of participation to Dominican business and civil society leaders. The launch was organized by the UN System in the Dominican Republic, the President's Office, and FUNGLODE.

The GCLN in the Dominican Republic has developed their own website with extensive information about the Global Compact in Spanish for local businesses: <http://www.unglobalcompactdr.org/>.

**Focal Point:** John Gagain, Funglode, ([j.gagain@funglode.org](mailto:j.gagain@funglode.org)), Jose Gregorio Cabrera ([jcabrera@unglobalcompactdr.org](mailto:jcabrera@unglobalcompactdr.org))

## Korea



### GLOBAL COMPACT KOREA NETWORK OFFICIALLY LAUNCHED

On 17 September 2007, more than 180 participants, including about 70 CEOs, representing Korean business, government, labour and civil society gathered at the Korea Chamber of Commerce and Industry in Seoul for the inauguration ceremony of the Global Compact Korea Network. The event was organized by the UN Global Compact Korea Network Preparatory Committee with the support of the United Nations Development Programme in Korea and the ROK Government. The Inauguration Ceremony concluded a comprehensive 18-month outreach effort to promote the Global Compact in Korea. The new network brings together more than 82 businesses and other stakeholders, including some of Korea's largest corporations.



The ceremony opened with a video message from UN Secretary-General Ban Ki-moon, who encouraged Korean Global Compact participants to “write a new chapter in the success story of Korean business”. “This network is a tremendous opportunity for you as business leaders”, the Secretary-General said. “By supporting the Global Compact, you become advocates and ambassadors for the UN and its mission, and you will help bolster Korea's role as a global hub of trading and manufacturing”. He closed by expressing his hope that the Global Compact Korea Network will become “a model for others to follow”.

Addressing the inauguration ceremony, Korea's Minister of Foreign Affairs and Trade Song Min-soon, expected that the “Korea Network will, first of all, focus on its role as an educational network for sharing success stories” and emphasized that the “success of the Korea Network greatly depends on all participants here and member companies of the Network”. He pledged that “the Ministry of Foreign Affairs and Trade will do its utmost to ensure the success of its activities”. Minister Song also expressed confidence that “the network will play its role in shaping Korea into a society heralded for its transparency, environmental friendliness, and respect for human rights”.

Congratulatory remarks to the ceremony were also made by Sohn Kyung-shik, Chairman of The Korea Chamber of Commerce and Industry; Ahn Kyong-Whan, President of the National Human Rights Commission of Korea; Lee Jong-baek, Chairman of the Korea Independent Commission Against Corruption; and Lee Yong Deuk, President of the Federation of Korean Trade Unions. The event demonstrated that the Global Compact can serve as a common ground for collaboration among different societal actors in Korea, in an effort to advance responsible business practices and make a contribution to broader development objectives, such as the Millennium Development Goals.

During the ceremony, Nam Seung-Woo, CEO of Pulmuone, was elected as the Chairperson of the network's inaugural Board of Directors, and 19 other CEOs and heads of private and public companies and civil society organizations were elected to serve as the inaugural Board members. The participants of the UNGC Korea Network also adopted the network's Article of Corporation as well as its first work plan, mapping out strategic and operational priorities.

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### 4.1.3 After the launch

Once a GCLN has been launched key management issues have to be addressed. These include encouraging GCLN champions to steer activities and assigning priority issues to be addressed by the Local Network. The following outlines how GCLNs have tackled these areas:

## Brazil



#### **BRAZIL: STRATEGIC ACTIONS TO STRENGTHEN THE LOCAL NETWORK**

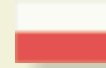
The Brazilian GCLN started in 2003 with a major awareness-raising event in Belo Horizonte, Minas Gerais. Many companies signed up to the Global Compact at this event. Following this event Instituto Ethos and UNDP jointly formed the Brazilian Committee for the Global Compact. One of the first tasks was to create a website. After a period of low activities the Brazilian Committee reinforced its commitment in 2006 by issuing guidelines for the dissemination of the Global Compact.

Strategic actions for implementing these guidelines:

- Executive Secretary – Created to help execute activities suggested by the committee.
- Marketing Campaign – Created by the designer Percival Caropreso who also created the icons of the Millennium Development Goals (MDGs), the main purpose of the marketing campaign is to mobilize more organizations to become signatories of the Global Compact. Different from the MDGs this campaign focuses more on business-to-business relations. The campaign had two pre-launches, internationally at the Global Compact Latin America Network meeting in Argentina in 2007 and in Brazil during Ethos Institute's International Conference. The marketing campaign is a collective action of all 33 members of the Brazilian Committee.
- Commissions – As the Brazilian Committee realizes the need for more participative performance of signatories, working groups will be created in 2008 covering four themes: Human Rights and Labor, Environment, Anti-Corruption (in partnership with the Ethos Institute Pact for Integrity and against Corruption) and Education (especially developed to disseminate the Principles for Responsible Management Education PRME). These working groups will bring values and content into organizations, facilitate exchange of experiences as well as attract new organizations to become Global Compact participants.
- Website After a review of the website the Brazilian Committee decided to update the original home page in order to be more dynamic and easy to navigate on.
- Workshop and seminars – In 2007 many events were held with the support of members of the Brazilian Committee, among them:
  - Federation of the Industries of the Minas Gerais State (FIEMG) seminar in April 2007 in Belo Horizonte-Minas Gerais,
  - Seminar to engage the members of Associação Brasileira da Indústria Textil-ABIT (Brazilian Association for Textil Industry),
  - Workshops related to ISO 26000 for Global Compact signatories in Brazil, Argentina and Mexico. Brazil (with 60 participants) and Mexico organized meetings in August and October 2007,
  - Presentation of Global Compact to Ethos members at Ethos meeting,
- Ethos Institute Invitation Letter – In December 2006 Ethos Institute sent a letter to all of its 1200 organizations inviting them to participate in the Global Compact.
- Ethos Indicators adapted to the Global Compact Principles – Ethos Institute decided that Ethos Indicators should be directly connected to the Global Compact principles so that the Indicators give an overview about how the Global Compact principles have integrated by an organization. As a result of aligning this tool with the Global Compact principles, Ethos Indicators can be used as an official COP report.
- Principles for Responsible Management Education – Two academic members of the Brazilian Committee were part of the task force to develop the Principles for Responsible Management Education. The Brazilian Committee of the Global Compact will continue to encourage organizations to become part of the Global Compact and stimulate other networks to exchange experiences for the growth of the Global Compact around the world.

**Focal Point: Tábata Villares, Instituto Ethos (tabata@ethos.org.br)**

## Poland



### **MULTIPLE EFFORTS WITH ONE SINGLE CAUSE: PAVING THE WAY FOR SOCIAL ENGAGEMENT**

A conference titled, “Responsible business. Yes, but in what way?” was organized by the UNDP in Poland, in cooperation with the French Chamber of Commerce and Industry, along with the American, Swiss and Scandinavian Chambers. The audience was comprised mainly of CEOs of participating companies, with a total of approximately 120 participants. One of the main goals of the conference was to raise awareness of corporate citizenship issues by showcasing illustrative examples of projects on anti-discrimination in the labour market that have been implemented by participating companies of the Polish Global Compact Local Network.

The projects are related to:

- Equal opportunities for men and women, and the professional reintegration of women over the age of 45
- Professional development of young parents through flexible work practices.
- Social inclusion of young people with disabilities and adults with autism.
- Social economy development in Poland
- Reintegration of former prisoners in Poland

Joint efforts, through cooperation of UNDP teams, partners and members of the Global Compact companies in Poland, focused on innovative solutions to the problems of discrimination in the labour market and the promotion of diversity in business.

### **Organizing a voice for those who can't speak out**

The Global Compact was presented as a framework for cooperation uniting the business sector and the UN system in their search for corporate citizenship. Just as importantly, a debate was begun on the benefits, costs and opportunities related to anti-discrimination policies and effective diversity management in the workplace, one of the key principles of the Global Compact. Also of significance was the opportunity to discuss the role of multinational corporations in Poland, in particular the transfer of best practices in management and human resources.

The Global Compact in Poland was launched in 2001. The Steering Committee consists of 15 companies with the main objectives of:

- Promoting the Global Compact and corporate citizenship in Poland
- Encouraging new companies to accept and put the principles of the Global Compact into practice
- Implementing new projects with the aim of solving specific problems in the areas of workplace, community and country

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## Turkey



### LOCAL PROMOTION FOCUSING ON LOCAL PRIORITIES

The Global Compact in Turkey has begun a series of seminars in eight cities around the country to introduce the Global Compact and corporate governance principles. The series was developed in cooperation with the Corporate Governance Association of Turkey and with the support of the Center for International Private Enterprise (CIPE). Initial target cities include Konya, Erzurum, Trabzon, Bursa, Gaziantep, Denizli, Ankara and Adana. The first half of the seminar was a training program titled “Effective Corporate Boards and Corporate Governance.” The remainder of the day involved presentations from the Global Compact.

### Promoting the principles to the business community

In addition to providing the training on Corporate Governance, the seminars also served as a means to introduce the UN Global Compact and its principles to the business community in the larger industrialized cities of Turkey.

Launched in 2002, the Global Compact in Turkey was organized by UNDP together with the Turkish Confederation of Employers Association (TISK). The growing membership includes more than 90 signatories, of which several are large size conglomerates that have signed on behalf of all of the companies in their group. One such example is Koc Holding with 118 of its own companies. Interest is also increasing from public and civil sectors as well as the media within Turkey.

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## Hungary



### BRAINSTORMING BREAKFAST TO KICK OFF GLOBAL COMPACT EFFORTS

A Global Compact Executive Breakfast was held in Budapest with UN Assistant Secretary General and Regional Director of UNDP Kalman Mizei. In attendance were Hungarian Global Compact champions, as well as new companies with an interest in joining the Global Compact. The activities and events made the goals of business leaders in Hungary clear:

- A demand for global best practices in Corporate Citizenship
- Strengthening of international links through the Global Compact
- An increase in Global Compact participation in Hungary

### A plan for progress with organized objectives

Various roundtable discussions focused on developing ways in which GCLN activities could create value for Hungarian companies. Plans for expanding the GCLN were based on increasing the level of trust among existing Global Compact champions and encouraging additional companies to join. A structure was also agreed upon which would facilitate multiple objectives:

- Maintaining a permanent channel of communication within the GCLN and with Global Compact Office in New York
- Sharing of worldwide best practices and managing learning processes within the working groups
- Coordinating and organizing the Local Network’s activities and the working groups’ meetings
- Recruiting and integrating new members

The Global Compact Hungary Local Network was launched in 2005 with the support of numerous organizations from business, government, academia and other areas of interest. Member created three working groups, which represent their priority CC areas:

- Environment and Energy
- Equal Opportunities
- Anti-Corruption.

The working groups serve as platforms for the sharing of knowledge and the shaping of CC projects.

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**A BRAND NEW DAY IN ARMENIA: BREAKFAST MEETING TO BEGIN GCLN ACTIVITIES**  
The first meeting of the Global Compact Armenia Network was a breakfast meeting in Yerevan. In addition to introducing members and providing an overview of planned Global Compact activities, it provided the opportunity to discuss several other issues:

- Cooperation opportunities within the frameworks of the Global Compact and management of Armenian Global Compact Local Network
- Private-Public Partnership Projects: the first case study for Global Compact Armenia
- The launch of the Global Compact in Armenia

#### **Consensus: Work for the prosperity of Armenia and its development**

The launch of the Global Compact in Armenia began with each GCLN member making a short presentation about their respective companies and their past and present corporate citizenship-related projects. Plans were made for GCLN participants to meet every two to three months for a one- to two-hour meeting to discuss current issues. Two other presentations were made by the Global Compact Armenia office:

- The ongoing “Armenian Open Programming Contest,” a project implemented in cooperation with Enterprise Incubator Foundation
- A prospective “Arts and Crafts Training/Production Centers for the Disabled in Yerevan and Gyumri,” a program to be implemented with Pyunik and VivaCell

All participants agreed that whatever is done within the framework of the Global Compact Armenia should serve to advance the prosperity of Armenia and its development.

As of its 2006 launch, the Global Compact Armenia consisted of 16 active participants, which included SMEs, NGOs, educational and public organizations.

**Focal Point: Armen Matsoyan, UNDP Armenia (armen.matsoyan@undp.org)**

## Armenia



#### **RECRUITING NEW GLOBAL COMPACT PARTICIPANTS.**

The Danish “sub-network” of the Nordic network organized an awareness raising conference in an attempt to attract new participants of the Global Compact.

The conference focused especially on small and medium sized companies and therefore highlighted very practical experiences with respect to the Global Compact.

More than 100 participants attended and speakers included the Danish Minister for Development, Ulla Toernaes, Member of the Global Compact Board, Mads Oevlisen, and the vice chairman of the UK Global Compact network, Deb Leary.

The conference was jointly organized by the Confederation of Danish Industries, UNDP Nordic Office and the Danish Ministry of Foreign Affairs.

**Focal Point: Ole Lund Hansen, Confederation of Danish Industries (olh@di.dk)**

## Denmark





## Governance and management

As questions of accountability and impact increasingly influence the overall credibility of the Global Compact, it is clear that all stakeholders engaged have a common stake in improving the quality of engagement and brand management of the initiative. GCLN governance aims at improving the quality and quantity of engagement at the local level and achieving greater positive impact on the ground which will in turn serve to protect and build the Global Compact brand overall.

Once a GCLN comes into existence, one of the first priorities will be to nominate a Focal Point. A Focal Point coordinates the day-to-day work of the GCLN and is responsible for communicating with the Global Compact Office. In addition to a Focal Point, many GCLNs have found it helpful to have a steering committee, typically with a majority of company representatives while including other organizations as well. Participants of the steering committee would have solid standing and reputation in their country, region or sector. Steering committee members would have a sound understanding of the Global Compact philosophy and work to implement the ten principles in a spirit of competence, respect and integrity while pursuing commercial interests. It is also helpful to nominate a well-regarded leader as chairperson, chosen by the companies and the other participants within the Local Network. It is advisable to let the chairmanship rotate among the members of the steering committee. Having participants in the GCLN with good access to local business leaders, government departments, civil society and labour organizations and the media can significantly drive the effectiveness of the Local Network.

The diverse ways which GCLNs have chosen to organize themselves indicates that there is no “one-size-fits-all” approach. Different models operate equally well in different contexts. Therefore, rather than prescribing a formal governance structure to be established by a Local Network, the following examples are a further development of the strategic recommendations adopted as a result of the ALNF meetings in Berne and London, which outline the basic functionalities of a Local Network.

## India



### FORMALIZED STRUCTURE OF A GLOBAL COMPACT LOCAL NETWORK

In November 2003 the Global Compact Society (GCS) was formed and registered in New Delhi as a forum for organizations participating in the UN Global Compact in India. Global Compact participants in India felt that an institutional framework was needed for organizations to exchange experiences and engage in joint activities to implement the Global Compact principles. The Global Compact Society provides this platform. Thus far, 41 Indian organizations from public and private sector companies, professional bodies and institutions have joined the Society. A Governing Council was also established to ensure a diverse group of interests are represented. GCLN participants contribute a small annual fee to be part of the GCS and benefit from a variety of support services the GCLN provides. Activities include Annual National Conventions of the Global Compact Society, workshops to facilitate the sharing of best practices and the GCLN maintains a GCLN website for information dissemination. The GCLN also provides strong support for the Global Compact’s integrity measure – the Communication on Progress (COP) – by conducting training sessions in an attempt to ensure all participants meet this annual requirement.

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## Spain



### NEW GOVERNANCE MODEL

In 2004, the Spanish GCLN formed the Asociación Española del Pacto Mundial de las Naciones Unidas (ASEPAM) to seek legal status as a charter organization. A growing level of activities of the Global Compact in Spain has resulted in a new governance model. The movement with Spain’s GCLN (which currently has more than 380 members) includes “The Square Table,” a functional multi-stakeholder tool for dialogue, and the ongoing Learning Forums. In terms of its organizational structure, ASEPAM consist of signatories of the Global Compact who pay an annual membership fee depending on the type of entity they represent (e.g., large company, SME, NGO, etc.). In addition, ASEPAM has an Executive Committee, representing the different groups that make up the Association. The Committee decides on the steps to be taken in support of the ten principles of the Global Compact.

**Focal Point: Isabel Garro, ASEPAM ([IsabelGarro@pactomundial.org](mailto:IsabelGarro@pactomundial.org))**

## Bulgaria



### ESTABLISHING A GOVERNANCE STRUCTURE:

Based on the experiences gained through joint activities, the Global Compact country office and partnering business organizations conceived the introduction of a semiformal governance structure for the Local Network. The prevailing thinking was that a governance framework would strengthen and enhance the role of the Local Network; would encourage GCLN members to develop partnership projects; would create a greater sense of solidarity and belonging to a community with shared values and principles.

A number of “drivers” led the process of establishing the governance structure, such as: invigorate the Global Compact national agenda; seek greater involvement in the initiative on the part of members and partners; re-structure the mode of functioning of the Local Network; strengthen the decision-making mechanism by introducing consultative and accountability principles; ensure full ownership of the GCLN by the Global Compact community. The Bulgarian GCLN felt ready to enter a new stage in its development: make a transition from ad hoc and events driven national Global Compact initiative to a visible, viable and efficient national platform for dialogue and collective actions.

**What happened?** The concrete work on establishing a governance structure started in February 2006 during a brainstorming seminar on how to shape the Global Compact national Local Network. Representatives of companies, business associations, and NGOs-members of the GC, as well as an international consultant discussed several options for the Local Network’s future. A unanimous decision was taken to go ahead with: introducing a semi-formal structure for the Local Network; launching the governance principles at a Global Compact National forum; making anticorruption the main topic of the future Action Plan of the Global Compact Local Network. At the seminar the first drafts of the governing structure and principles were agreed. An on-line nomination procedure for members of the Advisory Board was launched. The preparations for the national forum and the introduction of the governance structure continued with consultations with public institutions and stakeholders (Parliament, Presidency, business associations, line ministries, national Ombudsman).



**Outcomes and impacts:** The Forum’s participants endorsed the introduction of the Global Compact Governance framework in Bulgaria with two main structures: Advisory Board and Secretariat. The Local Network’s Advisory Board composition and the principles of its operations were officially announced at the forum. The members of the AB, selected through democratic, open procedure of on-line nomination and voting are champions in applying socially responsible practices. The five members are representatives of private companies, NGOs and academia. Elected for a period of two years the AB holds regular meetings to discuss strategic actions and initiatives of the Local Network. The Global Compact Secretariat coordinates day-to-day activities, maintains communication amongst members; facilitates contacts with national stakeholders; organizes trainings in CoP etc. A special diminutive bilingual publication outlines the governance structure of the Global Compact Local Network.

The new governance structure gives stronger legitimacy of the Global Compact initiative in Bulgaria. It serves as Global Compact Outreach Mechanism to gain the support of perspective members. It allows the GCLN to act as a country, regional or sector platform for dialogue on Global Compact principles, responsible corporate citizenship and other important issues. It facilitates joint advocacy and partnership projects. It represents an impartial and objective voice of the business community. It is recognized as partner by public and private entities. It acts as a collective lobbyist to promote joint initiatives of the GCLN and its partners.

The UN Global Compact initiative was officially launched in Bulgaria in January 2003. By mid-2007, nearly 120 Bulgarian companies and NGOs are members of the GCLN ([www.unglobalcompact.bg](http://www.unglobalcompact.bg))

**Focal Point: Ralitzia Germanova, UNDP Bulgaria ([ralitzia.germanova@undp.org](mailto:ralitzia.germanova@undp.org))**

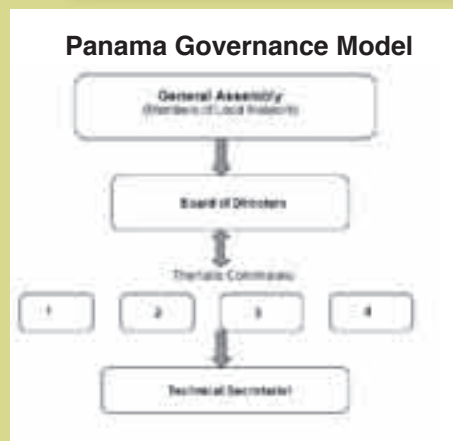
# United Kingdom



In June 2003 a number of UK-based signatories of the UN Global Compact met to explore the value and function of a UK GCLN as part of the Global Compact's program of establishing GCLNs. The GCLN has currently 100 members and continues to evolve. In January 2006 it moved from informal governance to a fee-paying structure, agreed by the members, and led by a Chair with support from a Steering Committee. Since February 2006, the focal point for the GCLN has been provided by the International Business Leaders Forum (IBLF), a not-for-profit organization that promotes responsible business practices.

Focal Points: Jo Hamlyn, IBLF ([secretariat@ungc-uk.net](mailto:secretariat@ungc-uk.net)), Deb Leary, Forensic Pathways ([deb.leary@forensic-pathways.com](mailto:deb.leary@forensic-pathways.com))

## Examples of GCLN Governance Models







### *Continuous quality improvement and integrity*

As part of the integrity measures and part of the commitment made by companies the Communication on Progress (COP) is of central importance to the Global Compact. Both the Global Compact Office and GCLNs support the COP process and showcase good examples.

Essentially, participation in the Global Compact is about a commitment to progress. The credibility of this commitment stands and falls with how this progress is communicated. Good COPs will increase the overall credibility of the initiative, provide a platform for dialogue and learning, and will also work as a major source of inspiration for others.

With the steady increase in Global Compact participation over the years, it is crucial that GCLNs play an active role in relation to the COPs — a role that could be based on positive reinforcement and self-enlightenment, and using learning activities, best case examples, and stakeholder interaction.

GCLNs can gain from an increase in both the quantity of COPs posted and the quality of those COPs. For example, GCLNs may assist in reminding participating companies of the objectives, requirements and benefits of communicating their progress and also by creating/translating tools and publications, convening learning activities and recognizing progress and excellence. Some GCLNs even provide substantial technical assistance and advice to companies in the preparation of the COPs. SMEs are often seen as being in particular need of assistance. One way of raising quality is to provide feedback on COPs via peer review (see the UK example) and learning activities.

Many GCLNs have found that the COP delivers benefits to them as well because it can be an important tool to motivate participants and help them improve their social and environmental performance and deepen their engagement in the Global Compact.

Organizing small training events on COPs are efficient and effective means of spreading awareness about the COP among companies and non-business actors and raising awareness among companies of what the process of completing a COP involves (see Barcelona and Argentina examples below). The Global Compact Office has been conducting training for trainers on the COP and reporting and have developed a number of resources as well as a database of all trained individuals.



# United Kingdom



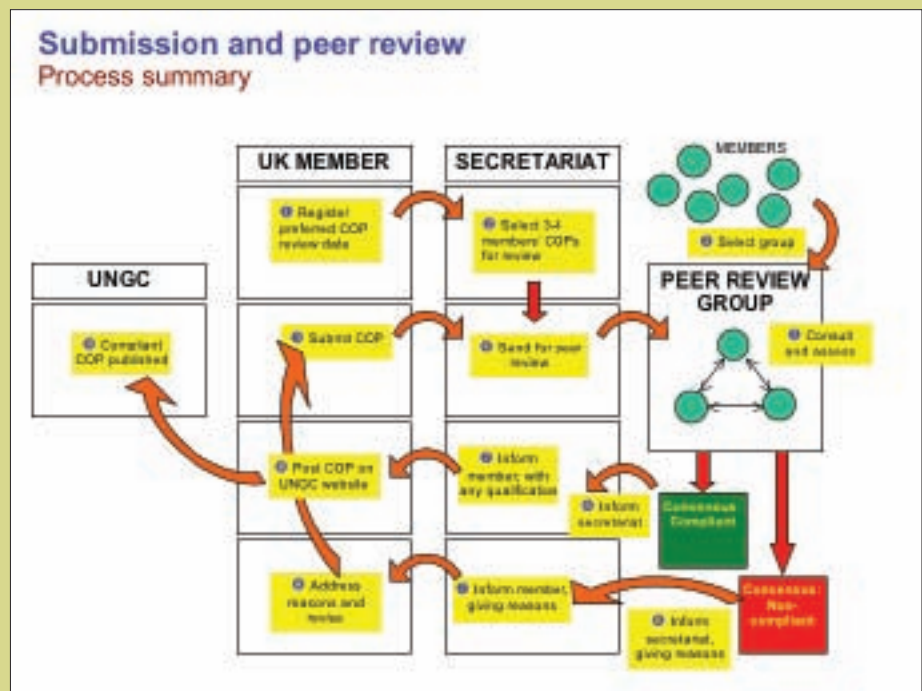
## COPS: TEMPLATES AND GUIDE FOR IMPLEMENTATION, PEER SUPPORT AND EVALUATION PROCESSES.

To provide members with a valuable means for assessing their performance and reporting capabilities in regard to adhering to the principles of the Global Compact, the UK GCLN has developed practical and action-oriented tools.

- A guide for preparing a COP, which includes a simple CoP template
- A pocket guide to complementing a COP, describing practical terms and highlighting examples of how businesses can report and measure their performance with the Global Compact
- A system for mentoring and peer review on the COP, where participants can share practices and experiences on COP preparation
- Members are asked to volunteer as mentors. The secretariat brokers connections between the new member and possible mentors. New members are asked to feed back their experiences
- A process for peer review which includes assessment for compliance with Global Compact requirements for COPs

Each COP must be made available for peer review. All members are required to act as peer reviewers. A peer review group consists of three members. The secretariat organizes the process which aims to ensure that 50% of all members' COPs will be selected for review each year. The review group decides whether or not the COP is compliant and the reasons — there are three possible verdicts: compliant, compliant with qualification and non-compliant with reasons. If non-compliant there is a possibility of resubmitting once.

Focal Points: Jo Hamlyn, IBLF ([secretariat@ungc-uk.net](mailto:secretariat@ungc-uk.net)), Deb Leary, Forensic Pathways ([deb.leary@forensic-pathways.com](mailto:deb.leary@forensic-pathways.com))



## Spain



### COP TEMPLATE FOR COMPANIES: PROMOTING CREDIBILITY AND CONSISTENCY

The GCLN in Spain has developed a COP template comprised of two main parts: The first involves a series of 30 to 40 questions covering both quantitative and qualitative indicators. The second part is less structured, allowing the reporter to include opinions, suggestions and relevant information on the company.

#### Clear, concise content

The template has several goals or requirements:

- Simplicity of delivering information in a clear manner.
- Basic homogeneity, with some specific questions for certain sectors or fields of geographic activity
- Consistency of information—the document should not ask for any information that is not already in the CC report of a company

Some reorganization of information may be required to report to the Global Compact, but only minimal work should be necessary.

The Spanish GCLN formed the *Asociación Española del Pacto Mundial de las Naciones Unidas* (ASEPAM) in 2004, to become the second GCLN in the world to seek legal status as a charter organization. It currently has more than 380 members, including large company, SMEs, NGOs, among other stakeholders.

**Focal Point:** Isabel Garro, ASEPAM ([IsabelGarro@pactomundial.org](mailto:IsabelGarro@pactomundial.org))



# Argentina



## MANAGING THE COP PROCESS IN ARGENTINA

Ensuring that Global Compact participants submit thorough and timely Communications on Progress (COPs) is critical to the success of the Local Network's efforts.

### Methodology: Getting started

The first COP is critical in getting companies really engaged with the Local Network. Several actions can help ensure that organizations get started properly:

- Inform companies about COP requirements before they join the Global Compact
- Encourage companies to designate a Focal Point for the Global Compact. This contact person will be responsible for implementation of the principles and creation of the COP
- Train organizations on the proper preparation of a COP right from the beginning, including quality characteristics, processes and best practices
- Advise on implementation. New members (especially smaller organizations) may be unclear about what is involved in implementation of the principles. Coaching members can help them recognize best practices and generate ideas for implementation

### Maintaining requirements: Managing the flow

Though the Global Compact requires only one COP per year, only 45 per cent of companies comply with the requirement. Focal Points can use a variety of method to increase the percentage of complying companies:

- Integrate information on COPs into all GCLN communications.
- Send reminder e-mails as deadlines approach – three months before deadline, two months before, one month before, etc
- Build a database to track submissions
- Follow up with the non-compliant
- Create incentives for timely submission
- Help facilitate the submission with a step-by-step document in your language. For companies lacking capacity to read and write in English, or for companies with no Internet access, this can be particularly useful
- Congratulate the compliant – even a simple letter helps

### Improve the quality of COPs

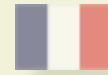
Quality is as important as quantity. For all stakeholders to properly benefit from these communications, quality standards are essential. Companies are often unaware of how a good COP looks and sounds.

- Providing feedback on the quality of a COP helps. Offer recommendations for improvement
- Organize learning workshops to help participants develop best practices

The Argentine GCLN is one of the largest of all GCLNs. 82 per cent of the Network participants are businesses, 7 per cent are business associations, 4 per cent are NGOs, 2 per cent are corporate citizenship organizations, and 5 per cent are a part of other organizations. The submission of Communications on Progress has steadily increased over recent years and all trends call for a record number this year.

**Focal Point: Flavio Fuertes, UNDP Argentina (flavio.fuertes@undp.org)**

## France



### ONE-ON-ONE ASSISTANCE HELPS IMPROVE IMPLEMENTATION AND COMMUNICATION

With a large number of members representing numerous types and sizes of organizations spread across different French provinces, the French GCLN faces challenges in the area of sharing experiences and writing of best practices and Communications on Progress (CoPs).

Individual assistance has proven the most effective method of improving GCLN communications. On average the French GCLN has at least one working dialogue daily with an SME regarding the principles of the Global Compact or the writing and implementation of best practices and/or CoP. For multinational corporations that typically have a team dedicated to Corporate Citizenship issues, individual assistance is often beneficial in promoting the Global Compact and in the writing of their own CoPs. In 2007, the French GCLN set aside two afternoons per month for individual meetings with various organizations to discuss any Global Compact issues they wish.

Proximity to members continues to be a key issue, as members rely upon the GCLN to adapt themselves to addressing Global Compact and CC principles to the needs of their respective communities. The French GCLN continues to hold on-going meetings for the purpose of promoting dialogue on the 10 principles and CC. And with roughly 400 active members, the needs and experiences span quite a range.

The Global Compact was officially launched in France in 2004. The Network became an association "Forum des Amis du Pacte Mondial en France" in 2005 and is lead by a steering committee of 15 entreprises (7 SMEs, 7 MNCs) and one academic organisation. There are currently 430 participants of the Global Compact in France.

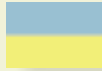
**Focal Point:** Forum des Amis du Pacte Mondial en France, Konrad Eckenschwiller ([eckenschwiller.konrad@wanadoo.fr](mailto:eckenschwiller.konrad@wanadoo.fr)), and Geraldine Camara ([pacte-mondial@idep.net](mailto:pacte-mondial@idep.net))



The Global Compact's disclosure approach through the Communications on Progress underlies the role of the initiative as a neutral facilitator, or platform, of dialogue and learning. Civil society, media and the public at large have a crucial role to play in stimulating constructive public debate about the engagement of companies in the Global Compact. For many companies, the social vetting aspect has proven to be a powerful motivator, notably when the communication status of participants has been publicized by media and civil society organisation. Therefore, Networks are increasingly seeing the value in encouraging these stakeholders to become more aware of and engaged in the Global Compact and in the social vetting aspect in particular.



## Ukraine



### MEDIA FORUM ON CORPORATE CITIZENSHIP

In July 2007, the United Nations in Ukraine, in partnership with the Expert magazine and MTS Company conducted the first International Media Forum on Corporate Social Responsibility (CSR). The Forum brought together more than one hundred media representatives from all around the world together with experts from the private sector to discuss how media can reinforce the CSR development. The main objective of the Forum was to launch a debate about the two distinctive roles of media – on one hand as promoter, watchdog and educator on CSR related issues, and on the other hand as business itself which has its social and environmental responsibilities. The two-day international event focused also on frameworks enabling media to promote CSR. The International Media Forum brought together more than 100 prominent journalists and editors from nine countries together with experts from the private and public sector as well as government and academia to discuss how media can reinforce the CSR development. Opening the event, Mr. Francis O'Donnell, UN Resident Coordinator to Ukraine stated, "Today, corporate social responsibility is becoming of ever greater importance in the world agenda. Media is the main driver in communicating the value of Ukraine's engagement in CSR and is also society's watchdog on its implementation". "Besides, media is, in its own right, business that can promote social and environmental responsibility by observing CSR principles", he added. The Forum discussions stepped on the understanding that nowadays media is expected to take a real lead and get truly involved in CSR public agenda by becoming a partner, reinforcing transparency and accountability of businesses. It is commonly accepted that media has to play a role of an educator and promoter of CSR by raising awareness and provoking public discussion on the social and environmental responsibility of business. Being business itself, media has responsibilities similar to other sectors' organizations, including customer relationship, environmental management, investing and supporting staff, etc. In addition, media has also distinct responsibilities like freedom of expression, responsible editorial policy, creative independence, etc.

Some of the declared outcomes of the Forum were the following:

- To create media coalition for lobbying CSR with establishment of committees on specific CSR related issues;
- To build the capacity of the journalists through publishing manual "CSR for Journalists" and glossary of CSR terms, including terms as social advertisement and PR;
- To organize trainings for journalists on CSR related topics;
- To establish working group for developing "Code of Ethics for Journalists" with the engagement of associations of journalists, media companies, etc.;
- To promote CSR concept through the organization of "press tours" to companies, organization of "CSR Expo" and display best CSR practices, etc;

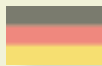
**Focal Point: Elena Panova, UN Ukraine (elena.panova@un.org.ua)**



### Other Integrity Measures

Another integral part of the integrity measures is the dialogue facilitation in case of credible complaints against a Global Compact participant where GCLNs can play an important initial role.

## Germany



### COOPERATION BETWEEN GCLN AND THE GERMAN NATIONAL CONTACT POINT FOR THE OECD GUIDELINES

In 2006 the German GCLN reached an agreement with the German National Contact Point for the OECD Guidelines for Multinational Enterprises. In order to mediate conflicts concerning violations of the ten Global Compact principles the following procedure was agreed:

1. First, the German Global Compact Local Network, specifically the GCLN Focal Point, attempts reaching a solution by means of confidential talks with the parties involved
2. If this is not successful, the parties are referred to the arbitration mechanism of the German National Contact Point for the OECD Guidelines, which in turn then will function within the framework of the OECD Guidelines as a forum for arbitration
3. If no solution is found with the help of the OECD's National Contact Point, the dispute is presented to the UN Global Compact in New York. The Global Compact Office may then decide whether the enterprise's association with the Global Compact is any longer appropriate

So far, this arbitration mechanism has been applied in one case.

The German network was launched in March 2002 and it is coordinated by GTZ, the German development cooperation agency. It seeks to promote dialogue and cooperation between business, governments and other areas of society in terms of learning activities, policy dialogues, outreach and the development of partnership projects.

**Focal Point: Jörg Hartmann, GTZ (Joerg.Hartmann@gtz.de)**  
**Constanze Helmchen, GTZ (constanze.helmchen@gtz.de)**

## Websites and other communication tools

A large number of GCLNs have chosen to localize the Global Compact by setting up their own websites. They are encouraged to do so and to link to the Global Compact website at [www.unglobalcompact.org](http://www.unglobalcompact.org), thereby also facilitating communication with participants and between other GCLNs. The Global Compact Office are happy to advise and support GCLNs on IT issues.

### A SIMPLIFIED VERSION OF THE GLOBAL COMPACT WEBSITE

The UK GCLN has developed its own website (<http://www.ungc-uk.net>) based on the design of the main Global Compact website (<http://www.unglobalcompact.org>). The UK GCLN website provides crucial information for members (e.g. on how to write a COP), but also offers a variety of information to the wider public (e.g. case studies about the implementation of the ten principles). In addition, the site serves as an information center regarding upcoming events.

**Focal Points:** Jo Hamlyn, IBLF ([secretariat@ungc-uk.net](mailto:secretariat@ungc-uk.net)), Deb Leary, Forensic Pathways ([deb.leary@forensic-pathways.com](mailto:deb.leary@forensic-pathways.com))

### Template for website development – available for all GCLNs!

The UK GCLN also shares the collection of files and images developed for the website with all other GCLNs. Please contact the Global Compact Office to request the design files.



## United Kingdom





# Local Network Websites

Argentina <http://www.pactoglobal.org.ar>



Armenia <http://www.undp.am/?page=GlobalCompact>



Brazil <http://www.pactoglobal.org.br/>



Bulgaria [www.unglobalcompact.bg](http://www.unglobalcompact.bg)



Chile <http://www.pactoglobal.cl/>



China <http://gcp.cec-ceda.org.cn/>





Dominican Republic <http://www.unglobalcompactdr.org/>



France <http://www.institut-entreprise.fr/?id=644>



Georgia <http://www.globalcompact.ge/>



Germany <http://www.gtz.de/de/leistungsangebote/2677.htm>

Italy [www.globalcompactitalia.org](http://www.globalcompactitalia.org)



India <http://www.globalcompactindia.org/>



of the Society is to provide a forum to companies/Organizations to exchange k and work together on activities related Responsibility(CSR). This is expected to e growth besides encouraging good

Lithuania <http://www.globalcompact.lt/>

Japan <http://www.unic.or.jp/globalcomp/index.htm>





Macedonia

<http://www.undp.org.mk/Default.asp?where=projects&project=73>

Mexico

<http://www.pactomundialmexico.org.mx>

Moldova

<http://www.undp.md/gc/index.shtml>

Panama [www.redpactoglobalpanama.org](http://www.redpactoglobalpanama.org)



Paraguay <http://www.undp.org.py/pactoglobal/>



Poland <http://www.globalcompact.org.pl/>



Spain [www.pactomundial.org](http://www.pactomundial.org)



Switzerland [www.unglobalcompact.ch](http://www.unglobalcompact.ch)

Tunisia <http://www.pactemondialtunisie.org/>



Turkey [www.undp.org.tr](http://www.undp.org.tr), <http://www.undpistanbul.org/>



Ukraine <http://www.globalcompact.org.ua/en>

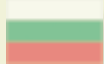


**Network Newsletters**

Some GCLNs have also developed informative and visually attractive Network Newsletters which they use as a means of communicating among their participants. The following are some examples:



## Bulgaria



### Best Practice publications

Best practice publications which contain examples of participants' good practices are also a useful way of showcasing the varied and interesting activities participants from a particular GCLN are engaging in.

#### RESPONSIBLE BUSINESS DIRECTORY PROMOTES PRINCIPLES AND PARTICIPANTS

A directory has been created featuring profiles of 70 Bulgarian and international companies that are members of the local Global Compact network. Included in the company profile are:

- Up-to-the-minute contact details
- Information of the company's activities for the benefit of the public
- Efforts to support young people and education
- The company's environmental track record and policies for employee care
- Principles that have been incorporated into the company's code of ethics.

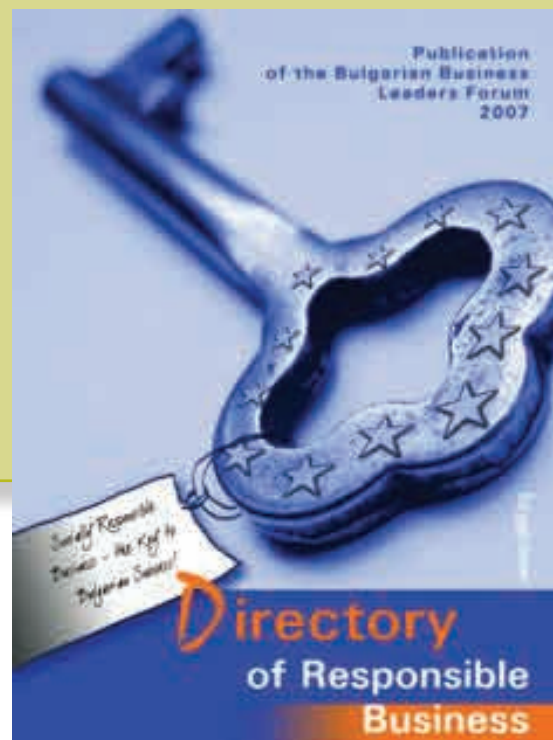
Spreading the word on organizations that support Corporate Citizenship

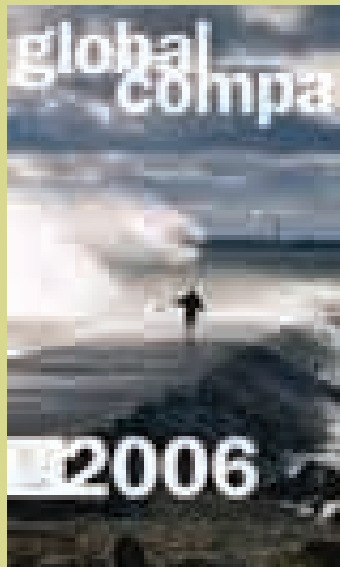
The range and depth of Corporate Citizenship in Bulgaria is greater than commonly perceived. The directory is proof. The UNDP and Global Compact work with all business associations and organizations across Bulgaria to inspire the exchange of experiences among members of the business community. If Bulgaria is to benefit from the opportunities of its EU membership, it will be crucial that more and more businesses operate according to European and international standards of efficiency, productivity and ethics. The directory offers:

- A comprehensive database for future investors
- Valuable contact information for potential partnerships
- A number of analyses on corporate citizenship in Bulgaria, Europe and worldwide
- A useful manual for business players on how to best cooperate with the non-governmental sector to achieve sustainable development
- An easy-to-handle index by industry and an alphabetical directory

With the support of President Parvanov, senior representatives from more than 50 companies and numerous business associations, the Global Compact was launched in Bulgaria in 2003 and focused on the ten principles that form the Global Compact framework. Today, there are more than 120 members and interest continues to grow from leading corporations around the country. The network includes more than 20 large multinational companies, over 70 small and medium enterprises and 20 non-governmental organizations.

**Focal Point: Ralitza Germanova,**  
UNDP Bulgaria  
([ralitza.germanova@undp.org](mailto:ralitza.germanova@undp.org))





#### YEARBOOK COMMUNICATES BENEFITS OF GLOBAL COMPACT IN DEUTSCHLAND

“Global Compact Deutschland” is a yearbook published by members of the German Global Compact Network and the Macondo Media Group, one of Germany’s leading Corporate Citizenship publishing houses. The publication began as a means for companies and NGOs to explain and substantiate their membership in the local network of the GC.

#### Distinguished authors aid the momentum

The yearbook provides a thorough analysis and overview of the central issues, projects and visions of the German network. Best practice examples from involved companies are the main focus, with roughly one-third of all participants in the German Global Compact getting involved in the yearly publication.

Distinguished authors have helped increase interest in the Global Compact among not only participants, but interested NGOs, media, academia and political organizations. A few notable authors include Chancellor Angela Merkel, President Horst Koehler, former UNDP-Director Klaus Toepfer, Minister Heidemarie Wiecek-Zeul, UNGC Executive Director Georg Kell and the famous Swedish novelist Henning Mankell. The yearbook has become a valuable reference tool for promoting shared experiences and dialogue between stakeholders. The professional production of the yearbook adds to its credibility—presenting case studies and other information in an unbiased and meaningful manner.

**For further information: Dr. Elmer Lenzen, Mediengruppe Macondo, (info@macondo.de)**

## Germany



#### COP BEST PRACTICES PUBLICATION

“Comunicación del Progreso (CoP)—Lecciones comprendidas en el proceso de desarrollo”, a publication by the Local Network Argentina, summarizes lessons learned on developing a Communication on Progress by Argentinian companies. The publication is an outcome of a series of COP workshops held in 2006 which brought together 65 Global Compact company participants representing different sectors, sizes as well as regions of Argentina.

The recommendations on how to successfully create a COP is depicted in an eight-stage model making it an easy-to-understand guide:

1. Taking the decision
2. Understanding the challenge
3. Understanding the company
4. Establishing objectives
5. Benchmarking
6. Elements of a COP
7. Collecting information
8. The COP

The guide is used by new Global Compact participants unfamiliar with the COP concept and also helps to attract new signatories.

**Focal Point: Flavio Fuertes (flavio.fuertes@undp.org)**

## Argentina







### *Funding*

Most GCLNs will need to secure funding to support a steady level of ongoing activities. Seed funding for running a GCLN will most likely be needed to cover basic expenses of organizing public events, training sessions, publishing, and translation of key documents. One of the most important elements is the cost of coordination staff who can serve as Global Compact focal points. Some GCLNs seek funding from their participants, especially the larger corporate participants, to help run and support their activities.

The following describes different ways GCLNs have funded their activities:

- \* Fund-raising from companies (e.g. an alliance of large or multinational companies put together funds for the GC network to be used as start-up money, or they commit money to support the secretariat.
- \* Companies/business associations/NGOs host secretariat and assume costs related to secretariat.
- \* UN agencies (UNDP, ILO, UNIC etc) have in some countries helped out with the administration and management of the local networks in the start-up phase.
- \* A combination of UN Agency and private sector support. The secretariat would be hosted by the UN Agency, with activities and events supported by private sector contributions.
- \* Donor community, for instance the European Commission and/or bilateral organizations operating in a country
- \* Specific fund-raising events/campaign for this purpose
- \* Participant fees
- \* Any combination of the above

GCLNs are encouraged to explore their own sources of funding to support their activities. However, to ensure brand protection and integrity, they are expected to consult with the Global Compact Office on their fundraising plans and activities.

## **4.2. The multi-stakeholder nature of the Global Compact**

The main focus of the Global Compact is to engage the private sector to help realize the Secretary-General's vision of a more sustainable and inclusive global economy. The private sector is thus the main target group of the Global Compact. However, it is recognized that for the private sector to be as effective as possible in contributing to sustainable development, it needs to work in close collaboration and in complementary ways with other social actors, including governments, civil society and the UN system. The Global Compact and its GCLNs can serve as an important engagement platform that brings together these various actors for the main purpose of exploring the private sector's role in sustainable development.

Multi-stakeholder engagement can be promoted through inviting non-business actors to participate in dialogue and learning activities, projects and partnerships. Some GCLNs include non-business actors in their steering committees. The specific mode of multi-stakeholder

engagement is for the companies participating in the GCLNs to decide, provided that the Local Network's core activities are undertaken in such a way that the inclusive and open nature of the Global Compact is respected.

#### SUGGESTIONS FOR EFFECTIVE STAKEHOLDER ENGAGEMENT:

- Organize specific events that target various partners (e.g. training for media, NGOs and government).
- Effective promotion of the Global Compact to various stakeholders requires an understanding of what different types of partners look for and what their strategic interests are.
- Anticipate how the Global Compact can potentially benefit different groups of stakeholders based on their strategic interests and explain the role of each partner/sector
- Emphasize that the GCLN should be business-led

### 4.2.1. *Business associations*

The GCLN includes a number of important business associations representing leading companies from around the world. These associations are well known for their thought leadership and private-sector expertise on critical issues related to sustainable development and corporate citizenship.

#### POTENTIAL BENEFITS OF BUSINESS ASSOCIATION PARTICIPATION IN GCLNS:

- Attract new participants through outreach and awareness raising
- Organize learning events, workshops and training for their participants on the topic of corporate citizenship in general and the Global Compact in specific
- Mobilize collective action efforts on different issues
- Function as a platform for sharing of experiences and ideas
- Host the secretariat for GCLNs

### 4.2.2. *Civil society and labour*

Civil society organizations ("CSOs" or "NGOs") and labour add a critical dimension to the Global Compact's operations. They offer not just their competencies and substantive knowledge but their problem-solving capacity and practical reach. Also, they can help to provide checks and balances and lend credibility and social legitimacy to the initiative. These characteristics help establish the Global Compact's principles in a broader social context.

As project partners, the practical reach and skills of these organizations are often crucial to the design and implementation of initiatives which give practical meaning to the Global Compact's principles. These initiatives also help to maximize learning efforts associated with a company's Compact-related activities.

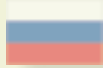
Because labour is part of both industry and civil society, it plays a role that is distinct from both business and other elements of civil society, and is therefore recognized as a separate group by the Global Compact. The Global Compact is working together with global trade unions to ensure increased engagement by labour at the local level, including in GCLNs and at regional and local event.

#### POTENTIAL BENEFITS OF CSO PARTICIPATION IN GCLNS

In addition to CSOs contributing to the processes of relationship building, informationsharing, problem solving and consensus building, civil society further advances the Compact's goals by:

- advocating the ten principles to larger audiences
- challenging business to take a stand on the principles
- taking concrete action through partnership projects
- participating in Global Compact activities at the local level as part of the open multistakeholder dialogue

# Russian Federation



## LOCAL NETWORK TRAINS NGOS AND JOURNALISTS ON GLOBAL COMPACT AND RESPONSIBLE INVESTMENTS IN RUSSIA

In conjunction with the international conference “Social Investments in the Economic Development of the Regions of Russia,” a seminar was developed for NGOs and journalists. The event was organized by UNDP, together with the Russian Union of Industrialists and Entrepreneurs and the South Federal District of Russia, all within the framework of the Global Compact.

A total of 18 journalists were brought together from the regions and Moscow to discuss several topics:

- Corporate Citizenship and Global Compact: why businesses may be interested in joining the Global Compact and what potential benefits exist
- How responsible investments can support achievement of the MDGs
- Corporate citizenship best practices in Russia, in particular the South Federal District
- UNDP and its role in promoting the Global Compact

Open discussion followed on how corporate citizenship is understood and covered by Russian mass media and how various mass media vehicles might be used to promote the Global Compact.

### The power of the media and the promotion of CC

Unfortunately, corporate citizenship in Russia is often misunderstood as pure philanthropy or a tactic for providing jobs. The seminar helped to raise awareness of CC and the Global Compact among journalists and NGOs. The benefits of participation by Russian and international companies were also highlighted. Practical issues, such as how to avoid being accused of advertising individual businesses and the communication of best examples were also discussed. Most importantly, the seminar prepared journalists on the regional level for better coverage of corporate citizenship- and Global Compact-related topics. The Global Compact was launched in Russia in 2001, during a round table organized by the Ministry of Foreign Affairs and the Russian Union of Industrialists and Entrepreneurs in partnership with UNDP and other UN agencies. Since that date Russian Union of Industrialists and Entrepreneurs jointly with UNDP have concentrated efforts on the establishment of a GCLN in Russia.

**Focal Point:** Focal Point: Larissa Zelenina, UNDP Russia ([larissa.zelenina@undp.org](mailto:larissa.zelenina@undp.org))

## 4.2.3. Governments

‘The Government believes that responsible business underpins many of the much larger challenges that we are tackling today. It is essential in driving sustainable development, tackling climate change and in many cases preventing and resolving conflict. Only if governments, businesses and civil society groups working together, can we successfully tackle these key global issues.’

Dr Kim Howells, UK Minister of State, Foreign and Commonwealth Office, 6 December 2006.

Governments often see it as their role to cultivate an environment which has sufficient economic institutions and supportive policy to provide long-term stability and promote transparency, innovation and entrepreneurship. An investment climate that encourages business development and rewards good practices is critical.

In relation to the Global Compact, governments from around the world have provided broad-based support for the initiative and the ten principles. In many countries, high-level government officials – including heads of state and government – have presided over Global Compact launches and events. Their actions have given legitimacy and public policy support to the initiative.

**EXAMPLES INCLUDE THE FOLLOWING STATEMENTS:**

**BRAZIL:** The 2004 Global Compact Summit in New York offered the opportunity for Brazilian President Lula da Silva to reflect on the Compact's tenth principle. Noting that the Global Compact could help change history, he called on the world's corporate leadership to embrace other needed reforms, including helping end agricultural subsidies.

**BULGARIA:** Opening the launch of the Global Compact in Bulgaria in January 2003, President Georgi Parvanov described the "special role" that the Global Compact had to play in Bulgaria. Among its virtues, he identified its status as "a sign for the social commitment of a given company but also as a hallmark of its legitimate position on the market". He also saw the Compact as helping Bulgarian enterprise to meet wider EU economic, social and environmental standards.

**CHINA:** In an interview prior to the 2004 Global Compact Summit, Cheng Siwei, Vice Chairman, National People's Congress told the Chinese media that the Global Compact reflected the "new trend" within corporations to "pay more attention to their corporate responsibilities toward society and people", and said that "China supports the principles of the Global Compact and hopes they will become the voluntary actions of entrepreneurs" (unofficial translation from China News Agency, 24 June 2004).

**GERMANY:** Addressing the high-level conference "Toward Fair Globalization" held in Berlin in October 2006, Chancellor Angela Merkel supported the Global Compact initiative and encouraged companies to join the Global Compact. In calling for more companies to comply with the Global Compact's principles when they invest and do business, she noted the potential for politicians and national states to "achieve much more if we engage in partnerships with companies".

**KOREA:** In a statement made at the United Nations in September 2006, the Ambassador of the Republic of Korea noted that "various methods to facilitate real partnerships between governments, international organizations, and the private sector have to be considered. In this regard, the case of the Global Compact provides a worthy model of a successful business partnership".

**MEXICO:** Describing the Global Compact as "this great cause", at the Compact's launch in Mexico City in June 2005 President Vicente Fox announced the commitment of his administration and the country's entire public sector to the 10 Global Compact principles. 120 Mexican businesses joined the Global Compact at the launch, but the number rose to 200 by the end of the day.



**Traditional pottery in Viet Nam**



**Modern pottery in Viet Nam**

**MOZAMBIQUE:** The Global Compact was launched in Mozambique in June 2003. At its launch, President Joaquim Chissano welcomed the uptake of the Global Compact across Africa, noting that it fitted well with the New Partnership for Africa's Development (NEPAD). Both were aimed at the fight against poverty through an active participation of the private sector

**NIGERIA:** Addressing an international conference on corporate citizenship held in Abuja on 6 March 2007, President Olusegun Obasanjo told participants that Nigeria would "continue to encourage companies operating in Nigeria to disclose their corporate citizenship activities and provide encouragement for good corporate citizenship practices". He expressed pleasure at the number of Nigerian companies that had signed on to the Global Compact principles and encouraged others to do so as well.

**PAKISTAN:** Welcoming participants to the pre-launch of the Global Compact in Pakistan, the Minister of Commerce, Humayan Akhtar, expressed his belief that the Global Compact initiative will not only set a roadmap for developing countries like Pakistan for creating greater viability and competitiveness in trade but will contribute to poverty alleviation through more job creation and economic activity. (15 May 2003).

In turn, the Global Compact can help governments promote responsible behavior of companies and raise awareness of the multilateral regulatory frameworks. This should be seen in conjunction with other efforts to strengthen the competitiveness of the national private sector as can be seen in the following example from Panama:

## Panama



### COMPETITIVE ADVANTAGES IN EMERGING MARKETS THROUGH CORPORATE CITIZENSHIP

The "Corporate Citizenship as an Instrument of Competitiveness" conference in Panama was held with the goal of sharing experiences on the implementation of the principles of the Global Compact that can improve the welfare of the people of Panama. A particular focus was on how corporate citizenship can improve the competitiveness of companies in Panama and how it can help improve relations with interested parties, namely clients, suppliers, partners and the communities. This conference was a follow up to the Conference of the Americas (Partnerships for Development), during which the Global Compact of Panama, along with several Panamanian business leaders, presented successful cases involving corporate citizenship practices.

#### Looking at long-term value

To effectively create competitive advantages in emerging markets; corporate citizenship must be sustainable in the long-term. The Conference demonstrated that corporate citizenship adds economic value by addressing social and environmental concerns as part of a company's long-term business strategy. Cases also illustrated that corporate citizenship can help small and medium sized companies to be more profitable. And just as significantly, the Global Compact network in Panama gained a high degree of visibility to further its plans.

As one of 10 pilot countries to develop the Global Compact in 2001, Panama was among the first nations to formalize a network of its members to promote Corporate Citizenship and the Global Compact principles. A Board of Directors was chosen and membership has grown to include a wide range of representation from various organizations.

**Focal Point:** Donna Grant, Red Pacto Global ([dgrant@redpactoglobalpanama.org](mailto:dgrant@redpactoglobalpanama.org))



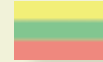
#### THE LOCAL CONTEXT AND STAKEHOLDERS: PARLIAMENTARY PARTICIPATION ESSENTIAL TO PROGRESS

Following a discussion on responsible business between professional associations, the UNDP and the World Bank, members of the Lithuanian Global Compact, concluded that responsible business cannot happen without support from legislative bodies. Plans to include programs for social responsibility and responsible business practices are now on the agenda of the Members of Parliament and the Government of Lithuania. The UN Global Compact comprises 40 companies in Lithuania (expanded from initially 11 companies at its launch in 2004), where the GCLN is called a National Network of Responsible Business.

**Focal Point: Lyra Jakuleviciene, UNDP Lithuania**  
(Lyra.jakuleviciene@undp.org)



## Lithuania



As illustrated by the following example from Bulgaria, actions taken by business can also feed into the work of governments in the form of recommendations for public policy responses to particular challenges.

#### RECOMMENDATIONS FOR LEGISLATIVE CHANGES TO RESTRICT CASH PAYMENTS

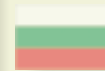
In 2006, the Advisory Board and the business organizations in Bulgaria collectively decided to develop recommendations for legislative changes to limit the size of cash payments above 10 000 BGN.

An expert group was convened to review European and Bulgarian legislation and to prepare concrete proposals for legislative changes, which would be endorsed by the Bulgarian business representatives during a session of the Parliamentary commission for fight against corruption. The second concrete measure, supported by all participants of the Network was to conduct a detail review of the legal, trade, financial and other aspects that generate an environment for corrupt practices related to the movement of goods. Based on this review a set of concrete measures for changes in the existing legislation were made.

On 1 February 2007 the legislative proposal was presented at a session of the Parliamentary commission for fight against corruption and was approved by the Members of the Parliament. The initiative "Business against Corruption" is the main focus of the Global Compact Network in Bulgaria. This legislative proposal is one of the few successful examples of collective action by business in the fight against corruption. More than 120 companies have come together in the Global Compact in Bulgaria, making it one of the most active GCLNs in Europe and supporting the widespread exchange of socially responsible practices among members.

**Focal Point: Ralitzia Germanova, UNDP Bulgaria** (ralitzia.germanova@undp.org)

## Bulgaria

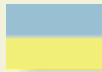


### 4.2.4. United Nations

#### Global Compact as a platform for UN engagement

The Global Compact fosters collaboration between several UN entities that are interested in promoting responsible business practices and engaging companies for development purposes. From the initial core group of three agencies, ILO, UNEP, OHCHR the group has grown to now include UNDP, UNIDO, UNODC and many others supporting and advocating it. As the engagement with the private sector increasingly is becoming a priority to a number of UN agencies, coordination on this front becomes an imperative. The Global Compact has evolved as the most important approach to outreach to businesses and the argument can be strengthened by recent emphasis on UN reform and harmonization. In this context, the UN Global Compact could also be used as an effective and practical way of advancing UN reform at the country level.

# Ukraine



## MUTUAL BENEFIT FROM DIALOGUE AND COOPERATION

In Ukraine, the GCLN is led by the United Nations Resident Coordinator's Office (UN RCO) which functions as the private sector liaison office of the UN system in Ukraine. The UN RCO is responsible for developing, coordinating and implementing the Global Compact.

### Working together toward a single goal

"Fostering Multistakeholder Partnership for Sustainable Development in Ukraine" is a joint program between the UN RCO and other UN agencies and units (UNDP, ILO, UNIDO, and IFC). The program comprises three main components:

1. Encouraging Ukrainian businesses to adopt corporate citizenship models through promotion of the Global Compact
2. Increasing corporate responsibility by improving the regulatory policy environment
3. Promoting the concept of public-private partnerships for the achievement of the Millennium Development Goals and national development goals

Since its official launch in April 2006, the Global Compact in Ukraine has recruited 42 participants, including 21 multinational and large Ukrainian companies, two national employers and trade union associations, 19 small and medium-size enterprises and five non-governmental organizations.

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## 4.2.5. Academia

Academia adds critical dimensions to the Global Compact's operations. Through research, educational resources, and learning know-how and infrastructure, this sector can increase knowledge and understanding of corporate citizenship, and thereby advance the agenda of the Global Compact at the local and global level. In addition, academia plays an important role in shaping future business leaders and educating them on the importance of responsible citizenship. Strategic alliances can be established with academic institutions in order to encourage research activities that respond and propose local solutions to the country's challenges on human rights, environment, labour and anti-corruption.

## 4.3. Regional support centers and projects

A number of sectoral or topical support centers have been established to support GCLNs. Some of them have a regional reach whereas other are global. They all share the same objective, of providing support to GCLNs within their specific mandate which has shown to be a very valuable support for a lot of GCLNs.

### 4.3.1. The Forum Foundation-Barcelona Center for the Support of the Global Compact

The Forum Foundation-Barcelona Center for the Support of the Global Compact (hereafter the Barcelona Center) was born as an agreement between the United Nations Global Compact Office in New York and the Universal Forum of Cultures Foundation, regulated by a Memorandum of Understanding signed on 1 March 2005. The Barcelona Center is solely financed by the Universal Forum of Cultures Foundation.

The Barcelona Center was established to support the work and goals of the Global Compact Office, and to continue the dialogue that was started during the forum dialogue entitled "The Role of Businesses in the 21st Century" at the Universal Forum of Cultures in July 2004. Generally speaking, the Barcelona Center is a "support hub" to the Global Compact Office.

### What categories of activities are supported by the Barcelona Center?

The activities that are carried out by the Barcelona Center are of a global reach and do not compete with GCLNs. The activities of the Barcelona Center include:

- (1) *Resource Creation*: The goal of resource creation activities is to foster the development of tools to facilitate the implementation of the Global Compact's principles around the world. Furthermore, resource creation also implies to analyze Communication on Progress reports and to generate information on GCLNs
- (2) *Action-Oriented Research*: Research at the Barcelona Center focuses on monitoring trends on contemporary corporate citizenship challenges with an emphasis on those with a special relevance to the Global Compact
- (3) *Organization of the Annual Global Compact Local Networks Forum (ALNF)*: The ALNF promotes the exchange of experiences and best practices regarding the implementation of the principles of the Global Compact, promotes dialogue and mutual understanding between GCLNs and regions and also identifies the main problems that GCLNs face
- (4) *Organization of Open Events*: The Barcelona Center also organizes a series of informative and multi-sector workshops on contemporary issues in the sphere of Corporate Citizenship
- (5) *Training*: The Barcelona Center has placed training activities at the core of its work program. The Global Compact Progress and Value Workshop Series was launched by Barcelona Center in 2006 with several goals: (a) inspire real commitment to the Global Compact; (b) deepen participants' understanding of the value of continuous assessment and communication on progress; (c) provide practical guidance in relation to some tools and resources that can be used to facilitate implementation and reporting; and (d) enable participants to become mentors within their organizations and in their GCLN
- (6) *Building Bridges for Relationships and Co-operation*: In a more general sense, the Barcelona Center also drives dialogue between a diverse set of players and thus helps to create the conditions that favor collective actions in the face of specific challenges



The daily activities of the Barcelona Center are based on five core values: education, transparency, dialogue, leadership, and communication. The aim of *education* is to help different stakeholders recognize their potential as protagonists in solving problems and as participants in joint initiatives that support the ten principles of the Global Compact. Information *transparency* is a basis on which to construct relationships of trust and find out about the progress that has been made. *Dialogue* between different parties opens up roads towards mutual understanding and partnership. *Leadership* is a necessary element since it backs up the daily activities with inspiration. Finally, *communication* is vital since it allows to not only disseminate best practices, but also supports learning by encouraging different parties to share the lessons learned through their mistakes.

### What are specific activities that were/are supported by the Barcelona Center?

Over the last years, the Barcelona Center has carried out a variety of activities that fall within one or more of the six categories mentioned above. The Progress and Value Workshop Series is one of the most important initiatives of Barcelona Center. By Fall 2007, more than 120 people from over 45 countries had participated in a seminar organized by Barcelona Center. Additionally, Local Network and regional replicate workshops are supported through an online web resource. The Barcelona Center has also helped to coordinate and support a group of experts on "Collective Action in the Private Sector and National Initiatives against Corruption". This expert group acts as a bridge for building relationships and co-operation on a wider level. The Corporate Citizenship Tools Database, available for online consultation, is one example of the Center's work in terms of resource creation. On the side of action-oriented research, the Center conducts an annual study focusing on the governance and development of the GCLNs in the Compact. Highlights from this research are presented at the Annual Global Compact Local Networks Forum in the Fall of each year.

### 4.3.2. *The Global Compact Bratislava Hub*

The Global Compact Bratislava Hub (GCBH) is based within the UNDP Bratislava Regional Centre which has developed a crucial role in the outreach and growth of the Global Compact in the Eastern European and CIS region. The hub has been established after it became apparent that Global Compact related activities of the UNDP Bratislava Regional Centre have been growing constantly and rapidly since 2003. As a result of the advocacy and organizational work of the GCBH, GCLNs have been established in a variety of countries such as Bulgaria, Macedonia, Bosnia Herzegovina, Poland, Lithuania, Hungary, Romania, and Ukraine. Hence, the GCBH was the natural result of the work in support of the Global Compact undertaken by the UNDP Bratislava Regional Centre.

The hub supports a variety of activities that are needed (a) to establish more GCLNs in the region and (b) to assist existing GCLNs in their operations. Important categories of activities that are supported by the GCBH include:

- (1) *Awareness Raising Prior to Network Launches:* Activities in this area are vital since they directly support the establishment of GCLNs in countries which have no formal Global Compact network. Awareness raising and commitment building primarily aim at conducting outreach activities which communicate the mission and goals of the Global Compact to interested parties. Accordingly, activities in this category support “recruiting” activities by the UN Country Offices and local UNDP offices
- (2) *Learning and Training Activities for Existing GCLNs:* Activities in this category primarily aim at supporting already existing GCLNs to set up collective actions in support of the ten principles of the Compact. Ultimately, carrying out collective action requires learning-by-doing. The goal is to help local champions to lead and implement initiatives that then spread throughout the network. Training activities focus on the Focal Points of the GCLNs, but are not limited to them
- (3) *Tool Development:* The development and dissemination of tools (i.e. practical publications) supports the day-to-day operations of Global Compact participants in the region. Many issues that arise out a participant’s commitment to the ten principles are very contextualized and embedded in the particular requirements for doing business in the region (e.g., regional issues in East Europe and the CIS region include anti-corruption and compliance with labor principles)

#### **What are specific activities supported by the GCBH?**

In cooperation with the Global Compact Office and UNDP Headquarters, the GCBH has developed a tool called “Facilitating High-Impact Global Compact Local Networks: A Practical Guide”. This guide has been frequently used by Global Compact participants in the region and is now being updated by UNDP to extend the identified best practices to other developing regions in the world.

Within the Global Compact framework, the GCBH also supports GCLNs in setting up policy dialogues and partnership projects that support the ten principles. To do so, key activities include supporting existing GCLNs in the identification of topics for policy dialogues and partnerships.

### 4.3.3. *Regional Sub-Saharan Office in Support of the Global Compact*

The Regional Sub-Saharan Office in Support of the Global Compact was established based on a joint agreement between the Global Compact Office in New York and the Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ) to support the activities of the Global Compact Learning Forum in the sub-Saharan Africa region. In 2005, GTZ established an office located in Pretoria, South Africa that serves as an organizational hub to support the activities of existing GCLNs, helps with the development of new GCLNs in the region, and most of all also supports the Global Compact Regional Learning Forum for sub-Saharan Africa. In terms of its operations, the Office collaborates not only with the Global Compact Office in New York, but also with regional offices of the United Nations Development Programme (UNDP).

#### **What categories of activities are supported by the Office?**

The overall array of activities supported by the Office can be classified as follows:



- (1) *Capacity Building*: The Office serves as a service provider regarding corporate citizenship issues within the sub-Saharan Africa region. This is needed since there still is a knowledge deficit when it comes to issues surrounding the ten principles of the Global Compact and their implementation
- (2) *Engagement*: Foster learning and dialogue among existing Global Compact participants and their GCLNs. However, engagement does not simply mean to provide opportunities for dialogue and learning, but also to promote the value of these engagement mechanisms
- (3) *Structural Development*: The Office also helps to establish GCLNs in the region and make them function. The latter aspect seems crucial to make GCLNs “work” and thus leverage their full potential
- (4) *Awareness Creation*: Raising awareness for the Global Compact and its mission means to engage the media on a regular basis by providing additional contextualized information about the Global Compact, its ten principles, and the challenge of implementing them.
- (5) *Support of the Global Compact Learning Forum*: Support activities include the development of a strategy and plan of implementation for the activities of the Global Compact Learning Forum in the sub-Saharan Africa region

#### **What are specific activities supported by the Office?**

In June 2005, a launch event for the Regional Learning Forum, sub-Saharan Africa was convened at UNISA Business School in South Africa. The event attracted over 70 participants, among them representatives from all active Global Compact GCLNs in sub-Saharan Africa.

The Office also helped organize the 4th International Learning Forum Meeting which took place on 22-24 November 2006 in Ghana. As an outcome of this event, ten case studies were identified and developed, relating to the issues of business in zones of conflict, business and community engagement, business and human rights, collective action against corruption, and partnerships for development. In addition, several field visits were convened as learning experiences that facilitated direct interaction with stakeholders on concrete initiatives run by Ghanaian Global Compact participants. Furthermore, three pre-meeting workshops on climate change, partnerships, and hidden hunger were offered by the forum’s respective partner organizations UNEP, BASF, and GTZ.

The Office also organized an awareness-raising workshop for Africa on standardization of Corporate Citizenship (CC) hosted by ISO, the African Institute of Corporate Citizenship (AICC) in partnership with the Malawi Bureau of Standards.





#### 4.3.4. *Global Compact Project Hosted by the Economic and Social Commission for Asia and the Pacific*

The Economic and Social Commission for Asia and the Pacific (UNESCAP) hosts a project that supports the goals of the Global Compact in general and the formation and development of GCLNs in Asia and the Pacific region in particular. The project entitled “Increasing the contribution of business to sustainable development through more effective implementation of the principles of the Global Compact in Asia and the Pacific” started on 1 July 2007 and will run for three years. The main focus of the project is to provide existing and developing GCLNs in the Asia and Pacific region with support regarding their activities to promote the effective implementation of the Compact’s ten principles. The project not only aims at supporting existing and developing GCLNs and coordinating exchange between them, but also wants to foster the establishment of new GCLNs in the Asia and Pacific region.

The project is coordinated and led by the Trade and Investment Division of UNESCAP with further support from the Emerging Social Issues Division as well as the Environment and Sustainable Development Division. A steering committee consisting of representatives of the three participating UNESCAP divisions oversees the project in close cooperation with the Global Compact Office in New York. The project also collaborates with other UN agencies (i.e. ILO, UNDP, UNEP, UNHCHR, UNIDO, and UNODC) via focal points. Collaboration occurs for instance with regard to joint research efforts and the co-hosting of events.

##### **What categories of activities are supported by the project?**

The categories of activities that are performed by the project cover a wide variety of issues; however all aim at equipping GCLNs with necessary knowledge and support.

- (1) *Review of Existing Global Compact Material* (research, case studies, manuals, publications, etc.): The review activity is to provide an overview of what is happening in different countries in Asia and the Pacific to identify what material is already available and avoid duplication of work
- (2) *Stakeholder Consultation and Drafting of Strategy How to Support GCLNs*: The strategy outlines how to achieve increased participation in and activities of GCLNs. Furthermore, the goal is to identify contacts within GCLNs that can act as champions
- (3) *Support to GCLNs*: Support activities include, for instance, help with the organization of events and trainings, including follow-up activities. In addition, support includes the translation of Global Compact materials such as guidelines on Communication of Progress (COP) into national languages
- (4) *Networking of GCLNs*: This category includes all those tasks that help to increase cooperation and exchange of experiences between GCLNs in the Asia and Pacific region

##### **What are specific activities supported by the project?**

Among other things, the project plans to set up a website to support the interactive debate and exchanges of ideas within the overall regional network, including the establishment of an online interactive network of focal points and participating companies to share experiences and best practices. Furthermore, the project organizes an annual Global Compact meeting covering topics that focus on the needs of the participants in the Asia and Pacific region. The meeting is held on a rotating basis in different countries in the region in cooperation and consultation with the respective country GCLNs.

The production and translation of publications focuses on tools that help to integrate the ten universal principles of the Global Compact into the day-to-day operations of participants. The project puts a lot of emphasis on the production of publications that educate GCLN participants with regard to available reporting mechanisms in the corporate citizenship area (e.g., the guidelines issued by the Global Reporting Initiative), putting a special emphasis on the Global Compact’s own COP policy. The project also supports GCLNs in organizing outreach activities that disseminate the idea and mission of the Global Compact. These “road shows” are supposed to attract new participants for the GCLNs, but also serve as a platform to exchange ideas between representatives from business, governments, and civil society.

# SECTION FIVE

## Energizing Global Compact Local Networks – engagement mechanisms

Global Compact Local Networks undertake a wide range of activities to maximize the benefit of participation in the Global Compact and to assist companies in their effort to implement the two objectives of the Global Compact:

- To mainstream the ten principles in business activities around the world
- To catalyse actions in support of broader UN goals, such as the Millennium Development Goals (MDGs)

This chapter outlines some of the main instruments for taking action in GCLNs; facilitating learning and training between network participants; encouraging public-private dialogue; promoting partnerships and collective action among GCLN participants.

Some of the ways GCLNs can engage business are the following:

1. **Learning**
  - Workshops and seminars
  - Training
  - Study tours and network collaboration
  - Adapted tools and resources
  - Peer support
2. **Advocacy and Policy Dialogues**
3. **Collective Action**
  - Partnerships for Development



## 5.1. Learning

Learning is an important mechanism for engaging Global Compact participants, and provides an opportunity for companies and other stakeholders to get a better understanding of conceptual and practical aspects of corporate citizenship and the Global Compact.

Experience has shown that there are a number of good reasons for networks to engage in Learning, some of which are the following:

- While interest in the Global Compact exists among network participants, experience to date indicates that there is often limited **knowledge** about the substantive issues and how to translate the principles into practical action
- Engaging companies in learning activities on the principles and partnerships, helps create **enthusiasm** among the network participants which is crucial for the sustainability of a network
- Learning activities provide a platform and an opportunity for **sharing** information, ideas, experience and best practices, thereby **deepening the commitment** of businesses to integrate Global Compact principles into their strategy and operations
- Regular learning events may contribute to **increased trust** between the network participants – crucial for the long term success and sustainability of the network as well as to spur multi-stakeholder partnerships for development
- Learning also plays an important role in clarifying the concept of corporate responsibility and the Global Compact principles for participants. Learning can also provide companies with the necessary knowledge and tools to adopt the principles in a more coherent and systematic manner within their overall business strategy

### 5.1.1. Workshops and seminars

Workshops and seminars are common forms of learning activities within network and can cover a wide range of issues. GCLNs may choose to focus on building knowledge and understanding about corporate citizenship issues and informing companies about the benefits of engaging actively in the Global Compact. Most importantly, local learning events may help companies translate the universal values and principles of the Global Compact into local practical action. Learning events can also provide an excellent opportunity for interaction between the network participants to exchange ideas and experience.

In GCLNs with a good representation of leaders and newcomers on the corporate citizenship agenda, the former are well positioned to ‘educate and inspire’ more inexperienced companies.

Learning events also provide an opportunity for Focal Points to learn about the specific needs participants may have on corporate citizenship issues. Consultations with and involvement of the business community at the design level can be critical to secure interest and participation in forthcoming training courses and ensure commitment to implementation.

Finally, workshops and seminars can be a great opportunity for GCLNs to engage external stakeholders in the network – such as representatives from academia, civil society and the political sphere – and thereby both raise awareness about the Global Compact and the Local Network in the country as well as provide new input to the network participants on critical local issues.

#### TIP:

- Organize thematic workshops which deal with one or more principles or the role of the private sector in development. These meetings can be smaller in number (5-20 companies) organized by sector or by theme in order to share experiences and discuss good practices within the group.
- Make sure to invite company representatives who can share their experience in implementing the principles. Usually a good way to plan and prioritize these focus meetings is through conducting a simple survey among all interested companies requesting their feedback and gauging interest in relevant areas/principles.

### UN GLOBAL COMPACT LEARNING PLATFORM FOR SWISS SMES

**Objective** This initiative sets out to create a dynamic learning platform within the scope of the Global Compact Network Switzerland and offers small and medium-sized Swiss companies the opportunity to orient themselves on the most important concepts of corporate responsibility. A variety of special events will be held for the purpose of discussing the principles of the UN Global Compact, their relevance for Swiss small and medium-sized companies, and ways in which they can be integrated into business processes. Multinational companies will also be involved as partners in this dialogue process.

**Target group** The main target group concerns small and medium-sized Swiss companies that already carry out business activities in developing and transition countries or plan to do so in the near future, and those that are already finding it necessary to subject their business principles to critical self examination or find ways of integrating them into their daily activities.

**Dynamic learning platform for feasible solutions** The project generally sets out to promote proactive thinking and the development of feasible management solutions. The solution here is a dynamic learning process that gives rise to a common understanding of practices relating to corporate responsibility. The first step is to establish dialogue with Swiss companies that have signed the UN Global Compact, or want to abide by its principles even if they have not undertaken a formal commitment. Success factors and potential risks need to be identified so that recommendations can be drawn up regarding the implementation of the principles of the UN Global Compact. The main focus of the learning platform is therefore on the exchange of know-how and experience among companies, and on dialogue between companies and those governmental and civil society organisations that are able to – and want to – make a contribution towards the concept and verification of corporate responsibility. The aim is that the various special events will give rise to the development of a permanent learning and know-how platform to which a broad variety of players have access, and which thus promotes and supports joint initiatives, in particular the development of suitable management tools. The key to success here is professionally moderated and documented dialogue processes with clearly defined rules, in which companies and their topic- and sector-specific strategic target groups can actively participate.

This initiative was launched jointly by the Swiss Federal Department of Foreign Affairs / Political Affairs Division and the Sustainability Forum Zurich. For more details please refer to <http://www.unglobalcompact.ch/en/pdf/UNGC-SME.pdf>

**Focal Point:** Thomas Pletscher ([info@unglobalcompact.ch](mailto:info@unglobalcompact.ch))

### DENMARK, FINLAND, ICELAND, NORWAY AND SWEDEN

**Principle-specific forums for learning and discussion** With approximately 50 companies and two business organizations, the GCLN in the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) has met twice annually for the past five years, rotating between the five nations. The network is one of the earliest GCLNs and has operated with the primary goal of increasing members' insight and understanding of the principles and the challenges involved in successfully implementing and sustaining them. Membership has been restricted to business, but NGOs, government officials and trade union representatives have been invited to discuss selected principles at the meetings. With each meeting focused on a few selected principles, the Nordic Network acts as a learning and discussion platform for members and invited contributors. By sharing experiences, success stories and failures, and through input from other participants, the aim is to inspire participants to implement the principles in their daily operations.

The Focal Point of the Nordic Network serves as a link between the Global Compact Office in New York and its participants. The Focal Point also coordinates the contact with other GCLNs and participates in the Annual Local Networks Forum. The network is financed through membership fees (EUR 500 per year) which covers the Focal Point's costs and all expenses related to meetings.

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## Switzerland



## Nordic Countries





## Macedonia



### A PLATFORM FOR LEARNING AND SHARING EXPERIENCES

With the aim to make the Global Compact and its principles become part of the core business strategy of participating companies, the training events organized by the network in Macedonia are designed to promote overall changes in the country's business environment. While detailed presentations on corporate citizenship issues in the local context have been made, the emphasis has been on personal interaction between participants to facilitate the exchange of views and experiences on the matters discussed. Understanding that interpretations vary according to geography, culture and level of development, training programs have been custom-tailored for the particular needs of participants as determined in a pre-training e-mail survey.

### Coming together to promote future success

The two-day training events have strengthened the relations between network participants – important for facilitating future partnership projects and to ensure the future success of the Global Compact in the country. In addition, the event enabled participants to take a close look at the ideas, aims and practical tools behind the initiative. After an awareness-raising campaign and in-depth consultation on the relevance and feasibility of such a program, the Global Compact was launched in Macedonia in 2004 with 25 companies signing on by the end of the year. The network has nearly doubled in size since, with now 49 members, including two NGOs.

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## Bosnia & Herzegovina



### PROACTIVE ABOUT ANTI-CORRUPTION EFFORTS

With business leaders expressing serious concern about widespread corruption and the lack of transparent policies in both the public and private sector, the first objective of the Global Compact in Bosnia is to explore concrete ways to combat corruption and restore trust. Training on corruption and the subsequent development of anti-corruption tools have brought the best practices to the Bosnian business community.

### Reporting is critical

In addition to the training, systems have been set up for both reporting on corruption and seeking assistance from anti-corruption initiatives. The Global Compact was launched in Bosnia-Herzegovina in 2005. Embracing the ten principles, 24 national companies joined the GCLN to initiate changes to business operations.

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## Panama



### WORKING TOGETHER: PROMOTING THE GLOBAL COMPACT AMONG ENTREPRENEURS

The Global Compact in Panama, in collaboration with the Foundation EMPRETEC Panama and the national Workers Union of Panama, organized and provided a training program for the unemployed entitled "Applying Entrepreneurialism in the Creation of Micro Enterprises." The effort produced multiple benefits. It initiated collaboration between the Panama Global Compact Network, the Panama Technology Business Accelerator (ATEP) of the City of Saber and the Foundation EMPRETEC, and as a result, the training module will become permanent in the training of entrepreneurs of ATEP extending the impact and reach of the beneficiaries. Secondly, with financing from the Multilateral Investment Fund (FOMIN) of the Inter-American Development Bank, the Panama Network launched the project "Promotion of CC in Panamanian Companies" in 2006. It is expected that this experience will greatly assist the creation of tools, services and products with an emphasis on micro, small and medium-size companies, taking into account the particular needs of different sectors.

As one of 10 pilot countries to develop the Global Compact in 2001, Panama was among the first nations to formalize a network of its members to promote Corporate Citizenship and the Global Compact principles. A Board of Directors was chosen and membership has grown to include a wide range of representation from various organizations.

**Focal Point:** Donna Grant, Red Pacto Global ([dgrant@redpactogloballpanama.org](mailto:dgrant@redpactogloballpanama.org))

**TIP:**

- A good idea is to design and organize training activities in conjunction with companies that are particularly knowledgeable of the specific issues and/or with academic institutions with relevant corporate citizenship programmes. It is also important to leverage the resources and experiences of specialized UN agencies, for example, ILO on labour rights and decent workplace, UNEP on environment and UNDP on development.
- The Forum Foundation Barcelona Centre in Support of the Global Compact offers the Progress and Value Workshop and Toolkit that can be used to train participants on how to implement the Global Compact. Contact the Barcelona Centre for more information.

### 5.1.2. Study tours and network collaboration

Study tours are an excellent opportunity for companies to learn from the experience and challenges faced by other companies. This can provide visiting companies not only with hands-on knowledge on how to mainstream corporate citizenship practices into their business strategy but also raise their awareness about the benefits and value added that this entails. These study tours can take various forms:

- Company-to-company interaction to share experiences and information concerning corporate citizenship practices and how they can be applied to the benefit of companies
- Network coordinators collaborating to learn more about the activities of other GCLNs (interact with other stakeholders engaged in the same process and learn about their roles, interests etc., and share lessons from implementation of the principles, partnership projects and governance structure of the network)

Inter-network collaboration can potentially boost performance of GCLNs through:

- the support of network to network learning and brainstorming of ideas
- the support of business to business learning
- additional value to companies offering business linkages that reach beyond national boarder, offering access to new markets, ideas, etc.
- empowering focal points by providing access to ideas, other GCLNs and companies

Inter-network collaboration was mentioned as one of the main priorities by GCLNs during the Annual Local Networks Barcelona GCLNs Forum in 2006. For instance, Global Compact Bratislava Hub and UNDP Mexico are currently facilitating closer cooperation.

#### LEADING BY EXAMPLE – BELARUSIAN BUSINESS LEADERS LEARN ABOUT GLOBAL COMPACT PRACTICES IN LITHUANIA

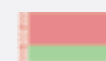
After a field visit to Lithuania, a group of Belarusian business leaders see better organization and networking among businesses as a key to making the Global Compact work in Belarus. Promoting social responsibility was the purpose of the visit, during which meetings were held with members of the Lithuanian business community, international organizations, government agencies, academia and other groups and individuals who discussed their experiences and ideas on sharing corporate citizenship in a transitional economy.

#### Small steps can eventually generate big impact

Following the success of the visit, Belarusian participants have decided to form a steering group of business leaders considering accession to the Global Compact. The Global Compact was formally launched in Belarus in 2006 and consists of 25 companies and three business associations. A Network and Steering Committee was formed in 2007 and Alexander Denisov, Executive Director of Coca-Cola Beverages Belarus, was elected as the Network's leader. CC principles have been the main focus and numerous programs and activities.

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UNDP Belarus ([liudmila.istomina@undp.org](mailto:liudmila.istomina@undp.org))

## Belarus



### 5.1.3. Production and dissemination of tools and resources

While numerous globally-designed and generic tools and publications on various aspects of the Global Compact have been produced, it is advisable that GCLNs adapt or produce resources and tools more specifically targeting the local context of the country. This can take the form of, for instance, development of publications on local corporate citizenship practices, including examples of the experience of local companies and how they mainstream the principles into their business strategy. GCLNs are advised to translate and develop material in the local language to enhance the usefulness for local companies and other stakeholders.

## Mexico



#### PRODUCING LOCAL MATERIALS TO PROMOTE IMPLEMENTATION OF THE PRINCIPLES

A major focus in Mexico has been on the development of learning and training materials that illustrate how the Global Compact can be an innovative tool for Mexican organizations seeking to face the challenge of globalization through universal principles that promote corporate citizenship.

The following are a number of tools that have been developed so far:

**1. The Mexico Global Compact's Practical Guide—a concise, easy-to-use guide to implementing the ten principles**

Choosing a group of organizations to represent the diverse types and sizes of companies in Mexican business, a “Practical Guide to the Global Compact” was produced to strengthen participation among current member organizations and to attract new interest in the wider business community. In addition to outlining the objectives the Global Compact and highlights of the initiative, the document spotlights case studies and practical analyses of good practices of selected companies

**2. The advantages of implementing the Global Compact for SMEs**

The 30-page guide is an excellent tool for understanding the ten principles of the Global Compact and how they can be practically and successfully implemented into current business practices in Mexico. The guide is designed for management teams from SMEs to large size companies and offers practical guidance for all industry sectors

**3. Global Compact Guide for Local Governments**

Mexico's GC participants include local and sub national public administrations. Four of the sub national administrations that participate in the GC represent 10.6% of the national GDP. The Network in Mexico established a strategic alliance with ICMA (International City Management Association) to develop a GC Guide for local and sub national governments. The objective of this Guide is to introduce the 10 Principles of the GC as a tool for incorporating CSR into public practices; it includes a self evaluation that allows local governments to identify the state of the art for each of the 10 Principles and helps to define a specific action plan in the implementation of the GC.

**4. On line CSR Seminar for Medium and Large Size companies**

In alliance with Cemex, one of the ten largest cement companies in the world, and the Monterrey Institute of Technology, ITESM, a 96-hour-on line training seminar has been developed. The course is designed for junior and mid management of medium and large size companies; it introduces the basic concepts of corporate citizenship and presents the GC as an innovative initiative that can enhance the competitiveness of organizations.

New materials are currently being produced, based on the needs and requests stated by participants. The underlying objective of the material is to enhance the understanding of the Global Compact and how to incorporate the ten principles into Mexican business practices.

With more than 400 participants since the launch in 2005, the Mexican Global Compact is extremely diverse. Members include Fortune 500 companies, SMEs, academic institutions, civil society organizations and public entities.

**Focal Point: Diana Chavez, UNDP Mexico (diana.chavez@undp.org.)**

**TIP:**

- The vast majority of the material produced by the Global Compact Office – such as publications, reports and tools – is in English. To maximize the usefulness of this material for companies around the world, the Global Compact Office encourages GCLNs to assist in translating this material into local languages
- Remember to share the material with the Global Compact Office so that it can be made publicly available on the Global Compact website and through other communication channels

**GHANA BUSINESS CODE: DOING BUSINESS RIGHT!**

The Ghana Business Code is a set of principles introduced into the Ghanaian business environment through the initiative of three key business associations in Ghana – the Association of Ghana Industries (AGI), Ghana National Chamber of Commerce and Industry (GNCCI) and Ghana Employers Association (GEA).

The Ghana Business Code is a series of prescriptions based on the universal principles referred to in the UN Global Compact relating to human rights, labour standards, the environment, and anti-corruption. The GHBC emphasizes the triple bottom line (3ps) of corporate responsibility with regard to People, Profit and Planet.

With the help of this initiative, the Ghana business community appreciates increased international attention on Corporate Responsibilities (CR) and the ‘triple bottom line’ that emphasizes corporate measurement of social, environmental and economic responsibilities.

Alhaji Aliu Mahama, Vice President of Ghana, launched the network in 2002. There are currently approximately 20 participants representing business, business associations, labour and civil society organizations. Efforts are underway to involve the private sector in more and stronger roles.

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## Ghana

**APPLYING THE LESSONS OF A GUIDEBOOK TO YOUR OWN COMPANY**

Addressing the 10th principle of the Global Compact, the guidebook “Ethics and Transparency: How to prevent corruption risk by SMEs” was produced in partnership with several organizations: The Forum des Amis du Pacte Mondial en France, La Chambre de Commerce et d’Industrie de Paris, Centre Français d’Information des Entreprises, Société IRH Environnement and Société Loc Maria under the coordination of Transparency International France.

Primarily focusing on medium-size enterprises rather than small enterprises, the guidebook discusses public and regulatory attention to ethics in business with particular emphasis on social and environmental impacts. The guidebook also takes a look at the fight against corruption and its negative impacts on sustainable development. It delivers practical guidance on how to take precautions against the risk of corruption. Each reader, however, is invited to draw lessons from the text that they deem relevant to the specifics of their respective company (with size, sector and extent of activity in mind).

The Global Compact was officially launched in France in 2004. The Network became an association “Forum des Amis du Pacte Mondial en France” in 2005 and is lead by a steering committee of 15 entreprises (7 SMEs, 7 MNCs) and one academic organisation. There are currently 430 participants of the Global Compact in France.

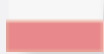
**Focal Point:** Forum des Amis du Pacte Mondial en France, Konrad Eckenschwiller, ([eckenschwiller.conrad@wanadoo.fr](mailto:eckenschwiller.conrad@wanadoo.fr)) and Geraldine Camara ([pacte-mondial@idep.net](mailto:pacte-mondial@idep.net)).

## France





## Poland



### THE GENDER INDEX PROJECT: RESPONDING TO DISCRIMINATION AGAINST WOMEN IN THE WORKPLACE

In 2005, a project was begun with the goal of eliminating discrimination in employment and occupation in connection with principle six of the Global Compact. The project was called Gender Index and it was financed by the European Initiative EQUAL. The project was developed in response to the widespread problem of discrimination against women in the workplace in Poland:

- The unemployment rate is higher among women
- Women often only work part-time
- Women's salaries average approximately 20% less than men's
- There are a disproportionately low number of women in decision-making, management and executive positions

The results of the Gender Index project are already becoming evident in the Polish business environment. Awareness of discrimination against women is increasing, standards for good practices among employers are being implemented. Information and experiences regarding discrimination are being incorporated into academic curricula and human resources policies. Surveys and systems monitor the ongoing situation.

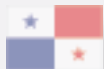
The Global Compact was first presented in Poland in 2001, when the Global Compact Steering Committee was established. The goal of the Steering Committee is to promote the principles of the Global Compact and to promote Corporate Citizenship in Poland. The project has also gained large scale media coverage and it is beginning to pay off.

The Global Compact was launched in Poland in 2001. The Steering Committee consists of 15 companies with the main objectives of:

- Promoting the Global Compact and corporate citizenship in Poland
- Encouraging new companies to accept and put the principles of the Global Compact into practice
- Implementing new projects with the aim of solving specific problems in the spheres of workplace, community and country

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## Panama



### SYNERGIES AND ALLIANCES BETWEEN THE PUBLIC AND PRIVATE SECTOR

The GCLN in Panama invited a wide array of stakeholders to the forum "Public-Private Partnerships in the Pursuit of Social Responsibility in Panama". The objective of the forum was to facilitate interaction between various stakeholders and to analyze the progress in implementing the Global Compact in the country. Following presentations by companies, governmental organizations and civil society about their accomplishments, open discussion was encouraged among all parties.

The Forum highlighted the success of the Global Compact in Panama by identifying, describing and giving insight into practical solutions that help generate economic, social and environmental value — and responsibility — in Panama.

Panama was one of ten pilot countries where the Global Compact was launched in 2001. Showing early and enthusiastic interest, Panama was also one of the supporters of the network concept. To date, 77 organizations are part of the Global Compact, of which 58 per cent are companies, 9 per cent are enterprise unions, 30 per cent are NGOs and 3 per cent are universities.

**Focal Point:** Donna Grant, Red Pacto Global ([dgrant@redpactogloballpanama.org](mailto:dgrant@redpactogloballpanama.org))

### 5.1.4. Peer support

GCLNs can establish peer-to-peer mechanisms, encouraging companies to share their experiences with other participants. One example could be to establish a mentoring system where companies with more experience in completing a COP can provide guidance to more inexperienced companies. Another example could be for companies that excel in the implementation of the ten Global Compact principles to share their good practices with interested companies – either through a one-to-one mentoring formula or through organized meetings for a larger group.

#### FIELD VISIT TO GET IN-DEPTH UNDERSTANDING OF PRACTICES

In Ghana, GCLN participants visited two large organizations—the Coca-Cola Bottling Co. and the Ghana Ports and Harbours Authority—to interact with the management and staff of the organizations and learn how these companies are incorporating the Global Compact principles into their daily operations.

Visiting the Ports and Harbours Authority, participants learned about how the Global Compact principles were embraced in relation to the users of the Port. The visits triggered general discussions among the participants about how to implement corporate citizenship practices in their particular situations, in addition to more specific discussions about ways to enhance staff morale and improve the overall work environment.

Alhaji Aliu Mahama, Vice President of Ghana, launched the network in 2002. There are currently approximately 20 participants representing business, business associations, labour and civil society. Efforts are underway to involve the private sector in more and stronger roles.

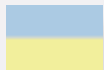
**Focal Point:** Christy Ahenkora Banya, UNDP Ghana ([Christy.a.banya@undp.org](mailto:Christy.a.banya@undp.org))

## Ghana





## Ukraine



### BUSINESS TALKING TO BUSINESS ABOUT THE GLOBAL COMPACT

“Business talking Global Compact to Business” is an initiative introduced by the GCLN Ukraine with the main objective to showcase best practices in implementing Global Compact principles at company level. Two Global Compact Ukraine Local Network member companies-HVB Bank and Tetrapak-were the first to present their experience and practices in the internalization of the Global Compact principles in day-to-day business activities in Ukraine. The initiative included hosting meetings at the company venue and presenting to the rest of the Global Compact members what it means to adhere to Global Compact principles in practice. During the meetings, a presentation of the hosting company’s corporate citizenship activities has been made, analyzing and showcasing how this correlates with the Global Compact principles. Being worldwide Global Compact members, both companies emphasized the importance of local commitments to the Global Compact principles and the benefits for the company in the long term. The meetings have been evaluated by the attending Global Compact members as very useful and helpful to companies in better understanding the Global Compact principles’ practical implementation and the practical ways to inherit corporate citizenship attitude.

The excellent range of presentations by the leading Global Compact champions set the standards for such future company lead best practices meetings. When business talks to business, all benefits and advantages of joining the Compact are highlighted by a proven success stories and strong business cases which motivates the private sector to be more pro-active in terms of the long term commitments to the ten principles.

“Business talking Global Compact to Business” initiative is a tool to better understand the Global Compact ten principles in the local context of the Ukrainian business community. This initiative also allows delivering the message of the Global Compact 10 principles’ practical implementation by private sector showcasing examples from its day-to-day activities. This approach creates additional trust factor to the Global Compact initiative in the local context of the business environment.

Since its official launch in April 2006, the Global Compact in Ukraine has recruited 42 participants, including 21 multinational and large Ukrainian companies, two national employers and trade union associations, 19 small and medium-size enterprises and five non-governmental organizations.

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### 5.1.5 Awards and recognition schemes

As a Local Network develops and its activities become more robust one aspect that receives increased attention, is the area of incentive-creation and the recognition of outstanding activities undertaken by participants. In order to encourage continuous quality improvement and to provide recognition to those participants who demonstrate leadership, the value of establishing award/recognition systems by Local Networks is becoming increasingly apparent. In addition to rewarding companies that have taken their commitment to the Global Compact seriously, it can also act as an effective measure to raise awareness around the Global Compact, and to communicate to the broader stakeholder group on a particular issue. Local Networks may wish to establish their own awards system, or as demonstrated in the case below, create one in partnership with another organisation.

#### GLOBAL COMPACT NETWORK SRI LANKA - CIMA SUSTAINABILITY AWARDS

With the creation of the Global Compact Network Sri Lanka - CIMA Sustainability Awards 2008, the Global Compact Sri Lanka Network together with the Chartered Institute of Management Accountants (CIMA) Sri Lanka Division have embarked on a program to recognize best practice and reward activities by participating companies related to management practices, including crisis management by globally positioning them as Sri Lanka's best. In addition to raising awareness of the UN Global Compact and its principles the program intends to showcase illustrative examples which could inspire other companies in Sri Lanka.

The objective of the Sustainability Awards is to verify a company's management of critical environmental, economic and social issues that could have a highly damaging effect on the companies' reputation. In addition, the company's behaviour and management of crisis situations is reviewed in line with its stated principles and policies. The following issues are identified and reviewed in the monitoring process:

- Commercial practices; e.g. tax fraud, money laundering, antitrust, balance sheet fraud, and corruption cases.
- Human rights abuses; e.g. cases involving discrimination, forced resettlements, child labor and discrimination of indigenous people.
- Layoffs or workforce conflicts; e.g. extensive layoffs and strikes.
- Catastrophic events or accidents: e.g., fatalities, workplace safety issues, technical failures, ecological disasters and product recalls.

To ensure quality and objectivity of the Sustainability Assessment, an external review by an independent professional body is undertaken. This panel of judges verifies the quality of a company's crisis management. They assess how well the company informs the public, acknowledges responsibility, provides relief measures, involves relevant stakeholders and develops solutions.

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## Sri Lanka





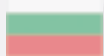
## 5.2. Advocacy and policy dialogues

Engaging in policy dialogues with other stakeholders allows the private sector to make substantive contributions to national discussions. The dialogue process can also help to identify new and emerging issues, promote multi-stakeholder trust and interaction, and support advocacy with policy makers.

Consultations involving various private sector actors such as business associations, labour unions, large and small enterprises, prominent business leaders and the government can improve policy development and implementation. In Cambodia and Uganda, forums involving both the private sector and the government have been important in promoting legal reforms, controlling corruption and creating an environment of trust and entrepreneurship. In Senegal, consultative mechanisms have included several stakeholders, such as labour unions, academics, the media, NGOs as well as the government and the private sector, resulting in a successful policy dialogue and GCLN. In Lithuania, Global Compact participants promoted parliamentary debate on improving a corporate citizenship-enabling environment for enterprises. Global policy dialogues include: “The Role of the Private Sector in Zones of Conflict”, “Business and Sustainable Development” and most recently “Combating Discrimination and Promoting Equality in the Workplace”.

In essence, governments that take into account the views and opinions of the private sector are more likely to promote sensible, workable reforms, while a private sector that understands what the government is trying to achieve is more likely to support these reforms. Interaction between the public and the private sectors help set the right priorities, and to support common interests.

## Bulgaria



### CONFERENCE ON COLLABORATION FOR IMPROVED HEALTHCARE

More than 80 companies in Bulgaria met for the first national conference on the topic of the health of employees. “*Shared Responsibility for Health: The Business Experience*” offered multiple large-scale benefits:

- Dialogue between companies and institutions on the legal and tax environment in Bulgaria, as well as the provision of additional healthcare for employees
- Presentation of positive practices by Bulgarian companies with regard to employee health
- A look at services provided by pharmaceutical companies, private clinics and health insurance funds

Overall, it was made clear that responsible business cannot happen without shared responsibility for the health of employees.

Many companies gave presentations on successful employee-health-related experiences, good labor conditions and safety-related issues. In addition, companies presented future trends and existing experiences in healthcare for employees, and identified opportunities for the development of healthcare in Bulgaria, such as risk evaluation in the workplace, annual medical examinations and many other important topics. As a result, follow-up focus groups and interviews have taken place to identify critical issues that need to be addressed by government authorities.

More than 120 companies have come together in the Global Compact in Bulgaria, making it one of the most active GCLNs in Europe and supporting the widespread exchange of socially responsible practices among members.

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Maya Nyagolova, UNDP Bulgaria ([maya.nyagolova@undp.org](mailto:maya.nyagolova@undp.org))

### CHINESE CORPORATE CITIZENSHIP GUIDE AND THE ISO PROCESS

Efforts are underway to integrate the ten principles of the Global Compact into an official “Chinese CC Guide,” which is to be written and launched by the China National Standards Administration Commission (CNSAC). The Global Compact Promotion Office for China has offered assistance in this endeavor through Global Compact experts.

The Chinese network has already begun to make the Global Compact principles part of their thinking and has committed to increasing the impact of this initiative by becoming actively involved in the working process of international corporate citizenship standards. In fact, a Global Compact Board Member from China, Ms. Chen Ying, is part of the team that participated in the workshop “ISO Working Group on Social Responsibility” in an effort toward developing ISO 26000, an international standard for social responsibility.

The Chinese network includes MNCs, SMEs, and academic institutions. Several labor organizations, local government, civil society and CC organization are invited to participate as guests and advisors to the network.

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Chen Ying, China Enterprise Confederation, (cema@public.bta.net.cn,  
chenying@cec-ceda.org.cn)**

### US NETWORK EVENT: “MANAGING CLIMATE CHANGE”

On 3 April 2007, at UN Headquarters, the US Network convened a learning-and-dialogue session on the topic of Managing Climate Change. Many companies are uncertain as to how to develop a framework for addressing climate risk. The objective of this meeting was to bring together a critical mass of US companies for briefings on the science of climate change, emerging corporate practices, and opportunities to partner with NGOs.

Approximately 40 companies participated at the event, including The Coca-Cola Company, Dupont, Seagate, Calvert, Symantec, Sun Microsystems and Swiss Re. NGO representatives included Ceres, Rainforest Alliance, and WWF. In addition, a leading climate expert from Rutgers University participated.

The meeting featured the following segments: Understanding the Science; Climate Change and Business; Business and Civil Society; Corporate Case Studies; and Developing a Strategic Framework.

Among the key learnings and insights:

- While global and local regulatory uncertainties will prevail for some time, companies should take action now
- Companies should understand the risks as well as opportunities related to climate change (e.g., new products and services)
- Companies should assess the full extent of their own footprint, direct and indirect, and consider the significance of energy consumption related to computing and IT. Companies should work with suppliers and business partners to jointly address greenhouse-gas emission
- In working with the NGOs, companies should consider opportunities and collaboration around climate reporting/disclosure, assessments of emissions, verification, and offsets
- Companies should be mindful of the fact that the investment community is increasingly demanding material disclosure on climate management

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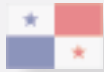
## China



## United States of America



## Panama



### AWARENESS RAISING EVENT ON THE ERADICATION OF CHILD LABOUR

Companies from Panama were invited for an awareness raising event on the issue of child labour. The event was organized by the Global Compact Local Network in Panama, together with UNICEF and the ILO/IPEC, and included participants from the government, unions, NGOs, media, consumers, civil society, among others.

The Global Compact's principle 5 invites companies to engage in actions for the effective eradication of child labour. Companies working in areas where the worst types of child labour occur should understand that one of its consequences is the reduction and future disappearance of qualified workforce. Such practices also create obstacles for economic growth, affect the quality of life of local societies and adversely impact local markets. The companies were invited to reflect about those issues and their role as actors in society. They were provoked not only to stop child labour within its walls, but also to actively engage in social alliances, where which stakeholder accepts its responsibilities and takes action towards the effective eradication of the worst forms of child labour.

Panama was one of ten pilot countries where the Global Compact was launched in 2001. Showing early and enthusiastic interest, Panama was also one of the supporters of the network concept. To date, 77 organizations are part of the Global Compact, of which 58 per cent are companies, 9 per cent are enterprise unions, 30 per cent are NGOs and 3 per cent are universities.

**Focal Point:** Donna Grant, Red Pacto Global ([dgrant@redpactoglobalpanama.org](mailto:dgrant@redpactoglobalpanama.org))

## Sri Lanka



### FACILITATING GLOBAL ADVOCACY OF THE PRINCIPLES THROUGH BUSINESS VALUE CHAIN: GETTING THE GLOBAL COMPACT TO THE GLOBAL CUSTOMER.

A new program facilitated by the UN Global Compact Local Network in Sri Lanka will involve a member company leveraging its strength for an incredible cause. Kelani Valley Plantations Ltd. and Mabroc Teas (Pvt) Ltd., both part of the Hayleys Group, plan to disseminate information about the Global Compact through the distribution of their products. Leaflets explaining the 10 Global Compact principles will be included in each package of Mabroc Kelani Valley Tea. Furthermore, profits from this new product will be used to improve the living conditions of plantation workers living in Sri Lanka.

The Chairman of Hayleys Group presented the first packages of these new tea packages to Georg Kell, Executive Director of the UN Global Compact at the UN Headquarters in New York. More than 18 million packages of the tea containing the Global Compact leaflet, which has been translated into Arabic, English, German, Japanese and Russian will be shipped—sending a strong message about responsible business practices to consumers around the world.

#### Building a better life...with tea

The Kelani Valley Tea also links Global Compact advocacy with implementation. Under the company's new "Home for Every Plantation Worker" program, profits from the new products will help improve living conditions for approximately 10,000 families. The program provides land for housing, improves local infrastructure, offers free medical care services and supports vocational training and recreational activities.

The GCLN in Sri-Lanka has 23 members, comprising companies, business organizations and academic institutions. The network has a business, an academic and an advisory steering committee, each with specific objectives. It aims at building UNGC champions in key business sectors in the country, recognizing and rewarding excellence examples among members, positioning Sri Lanka's Best and further engaging current UNGC company members.

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### 5.3. Collective action

Companies can also choose to engage in collective action with other companies. Collective action can be an effective way of creating a level playing field on which to compete, increasing the impact on local business practices (and regulatory environment) beyond the capacity of any individual company. Joining forces with other companies can also contribute to identifying and developing innovative solutions to key challenges.

Examples of some of the high-profile collective action initiatives that companies have recently engaged in include the Extractive Industries Transparency Initiative (EITI), the Publish What you Pay Initiative, the Business Leaders Initiative on Human Rights, the Voluntary Principles on Security and Human Rights, the Caring for Climate initiative and the CEO Water Mandate.

The Global Compact offers a useful framework for initiating and building relationships between business and other sectors, including governments, civil society and the UN.

One particular mode of collective action concerns joint engagement in partnerships for development. Business interests are increasingly overlapping with societal objectives, and there is a growing need for collaboration and partnerships between the private sector and other stakeholders such as governments, the United Nations system, civil society, local communities, among others.

Through its operations and cross-sector partnerships, business can help the public sector to advance the Millennium Development Goals. Companies typically contribute through:

- **Advocacy and policy dialogue partnerships** – where companies engage with other stakeholders to take a leadership role in championing, advocating for, and contributing to resolving different issues
- **Social investment and philanthropic partnerships** – where companies provide financial support or contribute with volunteers, expertise or make in-kind contributions, including product donations
- **Core business partnerships** – where partners collaborate to create employment and foster entrepreneurship, contribute to economic growth, generate tax revenues, implement social, environmental or ethical standards and provide appropriate and affordable goods and services

It is increasingly clear that the private sector does not engage in partnerships only to manage risks associated with negative externalities, but to better capitalize on opportunities. Through engaging local and global actors in partnerships, companies can acquire a better understanding of the nature of their operations, such as expanding the license to operate, improving access to resources and markets, and increasing operational efficiencies.

According to the “2007 Global Compact Implementation Survey” – a survey among Global Compact participants – the vast majority of respondents engage in cross-sectoral partnerships. GCLNs have an important role to play in providing a platform for cross-sectoral partnerships to emerge and can become important vehicles for promoting partnerships to advance development and the MDGs.

It is through public-private action that GCLNs can make a real impact, or as put by Georg Kell, Executive Head of the Global Compact: *“Ultimately it is by generating developmental benefits through projects that the Global Compact will make its critical contribution. Principles and projects, values and action, go hand-in-hand”*.

Below are a number of instances where GCLNs have played either a facilitating role or have been more directly engaged in the partnership itself. These examples can inspire other GCLNs to encourage action that goes beyond the internal boundaries of the company sphere.





**TIP:**

- Identify critical issues or specific MDGs that are relevant in the local context
- Invite a broad range of stakeholders to a multi-stakeholder dialogue to identify willing and able partners
- Promote resources to design and through the use of the Partnership Assessment Tool
- Facilitate the sharing of good partnership practices among participants

## Pakistan



### PROMOTING PROGRESS THROUGH NATIONWIDE E-LEARNING

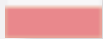
The Global Compact network in Pakistan is working with two multinational corporations, Pakistan State Oil and Islamic Investment Bank (IIBL), to develop certification level IT and Professional Development training courses. The courses are available in for Pakistani for students, managers and professionals via e-learning.

Promoting technology training will enhance the proficiency of local employers and provide growth opportunities internationally. In addition to improving economic growth, this training can help reduce poverty by helping to foster economic development and self-sustainability.

Since the Global Compact launch in 2003, the network has reached 37 participating companies.

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## Poland



### PLANTING HIGH-TECH ROOTS IN RURAL AREAS

“The Internet Republic,” a program under the auspices of the Polish Global Compact Network, is harnessing the power of the Internet to focus on three topic areas: education and development, promotion of the region and integration and tolerance. Participants include representatives from various sectors—schools, authorities, business, local leaders and NGOs. The goal of the program is to strengthen civil society in rural areas by activating local action groups. Under the patronage of the Prime Minister of Poland, the program is supported by a public media campaign. Immediate benefits include job-finding opportunities, easier access to public administration services, web-based business opportunities, promotion of tourism and more.

The Global Compact was launched in Poland in 2001. It currently consists of 15 participating companies who are actively integrating corporate citizenship practices into their operations as well as attempting to attract new Global Compact participants to the network.

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### A HEALTHY APPROACH TO IMPROVE CHILDREN'S HEALTH

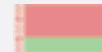
A local dairy company in Belarus, participating in the Global Compact, proposed the project "Healthy School/Healthy Milk". The program calls for increased installation of equipment for producing and dispensing vitamin-enriched milk in small packages. The local Global Compact network, with the support from the UNDP, arranged an international roundtable, "*Development of a healthy diet program for schools and preschool establishments in Belarus: expanding opportunities for partnerships*".

The dialogue was attended by members of UNICEF, various government agencies from Belarus, standing parliamentary commissions, milk processing enterprises and other organizations. The workshop underlined the need for the school milk program for the prevention of disease and the improvement of health in preschool and secondary institutions. The roundtable also supported a public education program campaign, as well as a plan for the monitoring of improvements in child health over the academic year.

The Global Compact was formally launched in Belarus in 2006 and consists of 25 companies and three business associations.

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## Belarus



### RESPONDING TO THE THREAT OF HIV/AIDS IN EGYPT

The Arab region is at a critical stage in the fight against HIV/AIDS, and it is in the best interest of the private sector that they become more actively involved in this effort. By promoting commitment to awareness, education and tactics, a joint effort between government and civil society could greatly change current trends and contribute to reverse the epidemic before the situation gets out of control.

When stakeholders recently met, concern was expressed that private companies might not act before the epidemic is "right in front of their door." Such procrastination could be devastating. The current efforts are focused on preventing the spread of HIV/AIDS before widespread loss of human lives and financial capital. Working with private companies and foreign investors, Egypt and the surrounding region have the chance to maintain relatively low HIV/AIDS rates.

The Egypt GCLN was launched in 2004, making Egypt the first country in the Arab region to launch the Global Compact. Currently, almost 50 Egyptian companies have joined the initiative and interest continues to grow.

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## Egypt





## Turkey



### USING THE FRAMEWORK OF THE GLOBAL COMPACT TO PROMOTE PUBLIC PRIVATE PARTNERSHIPS FOR LOCAL ECONOMIC DEVELOPMENT

Opportunities for promoting partnerships within Turkey were the focus of “International Public Private Partnership Summit”, where representatives from the private sector, government, civil society and international development agencies gathered. The main topics of discussion centered on aligning the conventional PPP approach with the concept of Corporate Citizenship and the principles of the Global Compact.

#### PPP: One idea that can help in many different areas

The region around Turkey has large infrastructure needs, many of which can be partly financed by the private sector. Many examples already exist where public private partnerships have been utilized to benefit issues such as water, waste management, transport and more. Other areas are also benefiting from such partnerships—including education, health, ICT, and more. The possibility of combining programs with government aid money opens up even more opportunities for widespread help. The principles and structure of the Global Compact are critical to the future success of these programs, as they help to ensure to the proper legal framework and communication strategy.

Launched in 2002, the Global Compact in Turkey was organized by UNDP together with the Turkish Confederation of Employers Association (TISK). The growing membership includes more than 90 signatories, of which several are large-size conglomerates that have signed on behalf of all of the companies in their group. One such example is Koc Holding with 118 of its own companies. Interest is also increasing from public and civil sectors as well as the media within Turkey.

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## United States of America



### US NETWORK: LAUNCH OF THE BUSINESS COUNCIL ON CLIMATE CHANGE (“BC3”)

In 2006, the City of San Francisco — the first US City to join the UN Global Compact’s Cities Programme — expressed interest in developing a unique public-private partnership to address climate change with the regional business community. This was driven in part by the leading role that California has played with respect to climate policy and regulation in the US (eg, “AB/32”).

This desire resulted in a meeting between the City, the UN Global Compact Office, and the Bay Area Business Council, the area’s largest business association. A process was created featuring an exploratory working session with companies, including small and large enterprises. Among large companies, participants included Gap, PG&E, Shaklee, Google, and Gensler.

There was wide consensus that such a partnership would add value in economic, business and societal terms, and this agreement led to the development and approval of a set of Principles on Climate Leadership featuring five areas: Internal Implementation; Community Leadership, Advocacy and Dialogue, Collective Action, and Transparency/Disclosure.

The launch event was held on 1 March 2007 with approximately 20 companies officially endorsing the “BC3” and its Principles. Since then, membership has risen to some 60 companies in addition to several NGO supporters. (See [www.bc3.cc](http://www.bc3.cc))

In July, on an official visit to San Francisco, Secretary-General Ban Ki-moon visited one of the signatories of the BC3 initiative to learn of the innovative steps that local companies are taking to address the risks and opportunities of climate change.

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## 5.4. Global engagement platforms

Energizing GCLNs will also require increased participant engagement in global activities. The Global Compact provides a variety of new platforms for network engagement and input, including:

### *Caring for Climate: The Business Leadership Platform*

“Caring for Climate” is a voluntary and complementary action platform for those Global Compact participants who want to demonstrate leadership on the climate issue. CEOs that sign-on to the initiative are prepared to set goals, to change strategies and practices and to disclose publicly emissions. They also commit to communicate on an annual basis on the progress made as part of their existing disclosure commitment within the Global Compact framework. As of August 2007, “Caring for Climate” had the support of 180 companies, 124 of which are large companies and 56 SMEs. Further information, including the list of the signatories, can be found at: [http://www.unglobalcompact.org/Issues/Environment/Climate\\_Change/index.html](http://www.unglobalcompact.org/Issues/Environment/Climate_Change/index.html).

### *Principles for Responsible Investment*

The Principles for Responsible Investment (PRI) initiative aims to help investors integrate consideration of environmental, social and governance (ESG) issues into investment decision-making and ownership practices, and thereby improve long-term returns to beneficiaries. The first annual PRI event was held immediately prior to the 2007 Leaders Summit. The initiative currently has more than 230 signatories representing in excess of USD 10 trillion in assets under management.

### *Principles for Responsible Management Education*

The Global Compact launched the Principles for Responsible Management Education initiative (PRME, pronounced “prime”) at the 2007 Global Compact Leaders Summit. The Principles provide an engagement framework for academic institutions to advance corporate citizenship through the incorporation of universal values into curricula and research. The Principles were developed by an international task force consisting of sixty deans, university presidents and official representatives of leading business schools. Business schools and management-related academic institutions are encouraged to participate in the PRME Initiative.

### *CEO Water Mandate*

This initiative is designed to help companies better manage water use in their operations and throughout their supply chains. Current focus is being placed on the recruitment of other companies in the initiative. An initial meeting is planned for the first quarter of 2008.





# SECTION SIX

## Where do we go from here?

This first Annual Local Network Report strives to survey the landscape of Global Compact Local Networks – in terms of the location of networks, governance, types of activities undertaken and good practices found around the world.

The growth of existing networks and the emergence of new networks is probably the best indicator of the important role GCLNs play within the Global Compact initiative – showing that there is demand for and value derived from on-the-ground support of Global Compact participating companies. Most networks have been highly involved in awareness-raising, an activity which does not necessarily diminish as a network develops, but becomes one of many important efforts undertaken. As networks evolve, the management of activities and issues in the areas of learning and partnerships become increasingly significant. Additionally GCLNs are increasingly playing a critical role in upholding the integrity of the initiative, for example by assisting companies in developing a Communication on Progress.

In order to ensure the integrity of the initiative overall, it is important that GCLNs undertake activities in a manner that upholds the Global Compact's inclusive and open nature. The multi-stakeholder character of the Global Compact is increasingly being replicated at the local level; many examples in this report clearly demonstrate the advantages of doing so.

Several years ago, consensus was reached on minimum functional requirements of GCLNs. Having basic criteria for the use of the “Global Compact Local Network” name is essential, however, it is also clear that a “one-size-fits-all” approach does not work. On the contrary, each network must find the right model to fit for its local context.

Despite the many differences in networks around the world, it has been shown that in order for a GCLN to survive, it must be capable of adapting its actions and focus over time in order to remain relevant and to continuously add value in the drive to deepen participant engagement in the Global Compact. Based on the understanding that companies most often join the Global Compact to build trust and then further engage in GCLNs in order to “network” with other interested stakeholders, it is critical for networks also to increasingly engage participants in collective activities.

As networks continue to grow in number and strength around the world, it is critical to now intensify efforts in two areas: information sharing and capacity-building. First, there is a need for increased information sharing between the Global Compact Local Networks. This would improve the development of engagement mechanisms for participants and improve the interaction among GCLNs, as well as between GCLNs and the Global Compact Office. A more interactive and inclusive knowledge management system needs to be developed that will allow interaction between GCLNs, particularly between the network focal points. The knowledge-management system will also help to track development and activities within networks.

Additionally, there is a need for capacity-building of the Local Networks in a way that will promote increased management capacity, as well as help develop the facilitating role of the Local Network. Accordingly, the annual regional meetings in addition to other training opportunities will be expanded to include training on issues such as cross-network cooperation, funding opportunities, and understanding and promotion of tools and knowledge products.

In the future, Local Networks around the world can look forward to a possible surge in participants and engagement if indeed Global Compact companies follow-through on the commitments laid out in the Geneva Declaration that was approved at the 2007 Global Compact Leaders Summit. Summit participants vowed to deepen their collective commitment to embedding universal values in economies and markets. The 21-point “Geneva Declaration” identifies priority actions for participants, such as mobilizing subsidiaries to engage in GCLNs and encouraging supply chains to commit to the ten principles. For the GCLNs, this could significantly increase the number of active network participants once subsidiaries and business partners of existing Global Compact participants start to fully engage.

Responsible corporate citizenship and Global Compact is clearly on the rise and the Global Compact Local Networks are ready to pick up on the challenge!



# SECTION SEVEN

## Index

### Case Examples

COUNTRY	CASE	PAGE
Argentina	<i>The GCLN as a means of re-establishing trust in post-crisis Argentina</i>	30
Argentina	<i>Managing the CoP process in Argentina</i>	44
Argentina	<i>COP best practices publication</i>	57
Armenia	<i>A brand new day in Armenia: Breakfast meeting to begin GCLN activities</i>	37
Belarus	<i>Leading by example – Belarusian business leaders learn about Global Compact practices in Lithuania</i>	73
Belarus	<i>A healthy approach to improve children's health</i>	85
Bosnia Herzegovina	<i>Proactive about anti-corruption efforts</i>	72
Brazil	<i>Brazil: Strategic actions to strengthen the Local Network</i>	34
Bulgaria	<i>Establishing a Governance Structure</i>	39
Bulgaria	<i>Responsible Business Directory promotes principles and participants</i>	56
Bulgaria	<i>Recommendations for legislative changes to restrict cash payments</i>	63
Bulgaria	<i>Conference on collaboration for improved healthcare</i>	80
Canada	<i>Global Compact Across Canada Roadshow</i>	26
China	<i>Chinese Corporate Citizenship Guide and the ISO process</i>	81
Cote d'Ivoire	<i>Global Compact Network launched in Cote d'Ivoire</i>	32
Denmark	<i>Recruiting new Global Compact participants</i>	37
Dominican Republic	<i>President Fernandez launches Network in Dominican Republic</i>	32
Egypt	<i>Responding to the threat of HIV/AIDS in Egypt</i>	85
France	<i>One on one assistance helps improve implementation and communication</i>	45
France	<i>Applying the lessons of a guidebook to your own company</i>	75
Georgia	<i>Survey to assess stakeholder interest</i>	30
Germany	<i>Cooperation between the GCLN and the German National Contact Point for the OECD Guidelines</i>	46
Germany	<i>Yearbook communicates benefits of Global Compact in Deutschland</i>	57
Ghana	<i>Ghana business code: Doing business right!</i>	75
Ghana	<i>Field visit to get in-depth understanding of practices</i>	77
Global Compact		
Bratislava Hub	<i>Using the framework of the Global Compact to focus on attracting responsible investment</i>	28
Hungary	<i>Brainstorming breakfast to kick off Global Compact efforts</i>	36
India	<i>Formalized Structure of a Global Compact Local Network</i>	38
Iran	<i>Carefully preparing the path for responsible business practices</i>	27
Korea	<i>Global Compact Korea Network officially launched</i>	33
Lithuania	<i>The local context and stakeholders: Parliamentary participation essential to progress</i>	63
Macedonia	<i>A platform for learning and sharing experiences</i>	72
Mexico	<i>Producing local materials to promote implementation of the principles</i>	74
Moldova	<i>Preparing the ground by surveying the corporate citizenship landscape...</i>	29
Nordic Countries	<i>Principle-specific forums for learning and discussion</i>	71

COUNTRY	CASE	PAGE
Pakistan	Promoting progress through nationwide e-learning	84
Panama	Competitive advantages in emerging markets through corporate citizenship	62
Panama	Working together: Promoting the Global Compact among entrepreneurs	72
Panama	Synergies and alliances between the public and private sector	76
Panama	Awareness raising event on the eradication of child labour	82
Poland	Multiple efforts with one single cause: paving the way for social engagement	35
Poland	The gender index project: Responding to discrimination against women in the workplace	76
Poland	Planting high-tech roots in rural areas	84
Russian Federation	Aligning Global Compact with existing corporate citizenship initiatives	31
Russian Federation	Local Network trains journalists and NGOs on Global Compact and responsible investments in Russia	60
Spain	New Governance Model	38
Spain	CoP template for companies: Promoting credibility and consistency	43
Sri Lanka	Facilitating global advocacy of the principles through business value chain: Getting the Global Compact to the global customer.	82
Sri Lanka	Global Compact Network Sri Lanka – CIMA Sustainability Awards	79
Switzerland	UN Global Compact learning platform for Swiss SMEs	71
Trinidad and Tobago	Active participation creates momentum	31
Turkey	Local promotion focusing on local priorities	36
Turkey	Using the framework of the Global Compact to promote Public-Private Partnerships for local economic development	86
Ukraine	Media Forum on Corporate Citizenship	46
Ukraine	Mutual benefit from dialogue and cooperation	64
Ukraine	Business talking to business about the Global Compact	78
United Kingdom	Governance Structure	40
United Kingdom	CoPs: Template and guide for implementation, peer support and evaluation processes	42
United Kingdom	A simplified version of the Global Compact website	47
USA	US Network Event: "Managing Climate Change"	81
USA	US Network: Launch of the Business Council on Climate Change ("BC3")	86





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# The ten principles of the United Nations Global Compact

## HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

## LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

## ENVIRONMENT

- Principle 7 Businesses are asked to support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

## ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

