

Terms of Reference for the „Global Compact Donor-meeting“

1. Background

Since inception of the United Nations Global Compact, governments are engaged in the initiative in a variety of ways. A number of governments support the Global Compact through financial contributions to a United Nations Trust Fund that has been created to support the work of the Global Compact Office (GCO) and the initiative as a whole.

The support of donor governments to the Global Compact is based on a mutual understanding that the Global Compact initiative is coherent and complementary to public policies and that its overarching goal is to mainstream the ten principles in business activities around the world and to encourage companies to engage in partnerships in support of the broader UN goals, particularly the Millennium Development Goals (MDGs).

While appreciating its character as a UN-private enterprise initiative with its own governance structure, donors / Governments never the less need to ensure that their funds are used effectively and efficiently. To this end, they engage with the GC in a regular exchange on the strategic (overall) orientation as well as the definition and monitoring of the annual planning and the results achieved.

The donor group encourages reaching out to other member states of the United Nations – and notably also emerging donor and developing countries - to join the group of donors.

The Trust Fund is managed by the UN Department of Management according to the rules and regulations of the United Nations. The donors agree to rely as far as possible on UN reporting in defining their own reporting needs.

2. Purpose and functions of the donor-meeting

- a) Donor-meetings are held bi-annually on invitation of individual donor governments and in coordination with the Global Compact Office (GCO).
 - In principle, the “spring meeting” will address the achievements of the previous year, including the use of funds; while the “autumn meeting” will be dedicated to the planning of the following year.
 - Responsibilities for the organisation and the convening of the donor meetings are shared on a rotating principle
 - Additional donor meetings might be scheduled by donors in conjunction with high-level meetings, e.g. in New York to leverage political support and public attention

¹ Agreed by the group of donors of the Global Compact Trust Fund.

b) Friends of UN Global Compact

- The Friends of the UN Global Compact is a group of interested Member States (including any interested donor countries) which meets 3-5 times per year or as needed in New York. Meetings can be held at the Ambassador or Counsellor level and are hosted by a Permanent Delegation in close coordination with the GCO. The purpose of this Group is to be a sounding board for the GCO and the Secretary General, and support the GCO in its interactions with the intergovernmental bodies. The missions involved report directly to their respective Head Quarters. .

c) At the occasion of the bi-annual donor meetings:

- Donors and the GCO exchange information and ideas in order to foster coherence and coordination of GC strategic planning and activity with donor governments' initiatives.
- Donors advise on the overall strategy of the Global Compact and monitor the implementation of the annual work plan drawn up on the basis of the GC multi-year strategy.

d) Donors pledge funding on the basis of a multi-year strategy and funding proposal. Donors are encouraged to provide funding for the multi-year period covered by the funding proposal.

3. Documentation provided by the GCO

To allow for well-structured meetings, the GCO will provide the following information:

- An annual work plan and budget based on clear objectives, expected results with (qualitative and quantitative) indicators of success, and including the estimated costs – catering to a Results Based Management, RBM;
- A yearly operational report, measuring progress against the annual work plan
- A financial report providing information on the total contributions by donor, the expenditures incurred, interest accrued, and any other financially relevant data.

Reporting documents should be made available to donors at least two weeks before the donor meeting.

To allow for a strategic discussion and (multi-year) funding, the GCO will provide a funding proposal covering a period of three years

- The GCO drafts the funding proposal in advance of the given period covered by the proposal in order to allow consultation and input by donors.
- The GCO sends a draft to donors at least 30 days before the next donor-meeting.
- It is then consulted and discussed with donors at a first donor-meeting.
- The comments of donors shall be integrated in an updated draft which is then re-sent to donors by the GCO at least 30 days before the second donor-meeting, where it is endorsed by consensus.²

² With an opt-out option for donors, leaving it up to individual donors to commit funding on the basis of bilateral funding proposals and agreements.