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EXECUTIVE OFFICE OF THE SECRETARY-GENERAL

CABINET DU SECRETAIRE GENERAL

REFERENCE

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Dear Global Compact Stakeholder,

Today I want to share with you an important update on the UN Global Compact – information that will help your company or organization derive maximum benefit and value out of what is now the world’s foremost voluntary corporate citizenship initiative.

The Global Compact now includes 2,900 participants and other stakeholders from 90 countries. The growth and evolution during the past year has been particularly noteworthy. Nearly 50 country networks operate worldwide – many in high-growth emerging and frontier markets.

A major milestone in the evolution of the Global Compact occurred on 22 December 2005 when the 191 Member States of the UN General Assembly officially endorsed the Global Compact as a voluntary initiative. This means that the initiative will receive on-going support and backing from Member States following the end of Secretary-General Kofi Annan’s term later this year. To help guide the initiative a Global Compact Board – composed largely of leaders from business, labour and civil society – is being constituted as an advisory body and will hold its first meeting in the summer.

For participants and other stakeholders, the value proposition of the Global Compact has never been stronger. We wish to draw your attention to the most important aspects of engagement in the Global Compact, while laying out a spectrum of opportunities and upcoming developments. In many ways, what follows provides a roadmap for your involvement in the Global Compact for 2006 and beyond.

1) Communicating Progress

As you are no doubt aware, the Global Compact – in order to promote transparency and accountability, showcase best practices and protect the “investment” made by participants – requires companies to develop, annually, a “Communication on Progress”. The policy stipulates that companies communicate with their stakeholders about progress in implementing the ten principles through their annual reports, sustainability reports and other prominent corporate communications. While non-business stakeholders of the Global Compact are not required to develop a Communication on Progress, they are encouraged to do so when appropriate.

This policy is now central with respect to engagement in the Global Compact, and our recently redesigned website (www.unglobalcompact.org) reflects this by prominently displaying a database with links to these communications. The database also indicates which companies have not developed their Communication on Progress.

I cannot overstate the importance of this policy, which represents the Global Compact's most important quality assurance mechanism. If your company has not yet developed a Communication on Progress, we ask that you give this urgent attention. If you have begun to institute this policy and are reporting annually, we thank you, as this both enhances the credibility of the initiative and inspires others to act.

2) Country Networks

One of the most important assets of the Global Compact is the many country networks that have been established and now number close to 50. These networks, spanning every region of the world, offer "on-the-ground" engagement opportunities – including learning and dialogue activities, as well as projects – for companies and other stakeholders. Networks' knowledge of the local business environment and their familiarity with social, cultural and political factors are positive drivers for the implementation of the principles and collective action. Please consult the "Networks Around the World" section of our website to familiarize yourself with the country network(s) most relevant to your organization.

For multinational corporations, country networks provide an opportunity to engage in activities with stakeholders in the countries or regions where subsidiaries are located. At present, too few multinationals in the Global Compact are taking advantage of this opportunity, and we encourage global companies to become involved at the local level through subsidiaries and affiliates.

3) Priority Issues

Issue leadership is central to advancing the Global Compact's objectives, delivering value-add engagement opportunities for participants, and scaling-up successful projects through joint partnerships. The priority issues of the Global Compact Office include the four topical areas of the principles – human rights, labour standards, the environment and anti-corruption – plus three issues where the Global Compact has, by virtue of its unique position within the UN system or its own enterprise, carved out special expertise: conflict prevention and peace-building, partnerships for development, and responsible financial markets.

These priority issues cut across all activities of the Global Compact – at the global and local levels, as well as at their nexus. Learning, dialogue and partnership projects are conceived, developed and implemented with some or all of these priority issues in mind. In addition to providing value to participants in their implementation efforts, focus on the priority issues helps the Global Compact Office establish thought-leadership and contribute to the advancement of these issues in regions and markets around the world, often in partnership with other influential organizations and actors. As political, economic and social frameworks evolve, the Global Compact Office will continue to re-contextualize the initiative and adjust the selection of priority issues accordingly. The "Issues" section of our website provides comprehensive information on each of the priority issue areas.

4) Key Events

Each year a variety of Global Compact-related events are held around the world, such as country network conferences and international meetings. With respect to country network events, you will receive invitations as a matter of course to the activities of the network in your home country. Where relevant, you will also receive invitations to the activities of other country networks when your subsidiaries become engaged.

The Global Compact also convenes major global events for participants. In 2006, an international learning event will take place in Ghana, Africa, in November. In addition, the Global Compact – as part of our new governance framework – will hold tri-annual Leaders Summits for chief executive officers, with the next Summit taking place at UN Headquarters in June 2007.

The Global Compact Office keeps an updated calendar in the “News and Events” section of the website, and also includes this schedule in the *Compact Quarterly* newsletter for your consideration.

5) Tools and Resources

Over the past five years, the Global Compact has developed a considerable inventory of practical tools, resources and guidance covering the priority issue areas listed above, as well as other topics of relevance to participants and stakeholders. The Global Compact website offers extensive information on these tools and we encourage participants to take advantage of the range of resources that have been developed to assist in implementing the ten principles.

6) Global Compact Foundation

The Global Compact Office’s modest annual budget comes from a handful of Member States contributing to the Global Compact Trust Fund. In order to help cover the costs of non-core activities, including events, tools and publications, the Foundation for the Global Compact is being established. This non-profit – legally a U.S. 501(c)3 – will begin conducting fund-raising activities starting sometime in the second quarter of this year.

It is hoped that the Foundation will contribute significantly to the financial sustainability of the Global Compact Office, while also contributing to the development of even more value-add activities and resources for participants. The Foundation will have various levels of suggested giving, and we hope that your organization will consider contributing.

I hope that this overview of the Global Compact provides a helpful look at current and upcoming activities. There are many compelling engagement opportunities in the coming year related to planned events, publications and tools. An addendum containing specific opportunities for stakeholders to provide input on a range of activities directly follows this letter; please closely consult this chart and engage where possible. We hope that you will elevate your participation in the initiative to achieve the maximum benefits.

As always, thank you for your ongoing support and commitment.

Yours sincerely,



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

ADDENDUM

OPPORTUNITIES FOR STAKEHOLDER ENGAGEMENT IN THE GLOBAL COMPACT -- Seeking Input and Content for Events, Publications & Tools -- As of March 2006

EVENTS

EVENT	ENGAGEMENT OPPORTUNITY	TIMING & CONTACT
<p>International Global Compact Learning Forum</p> <p>22-24 November 2006 – Accra, Ghana</p> <p>The meeting brings together Global Compact participants and other stakeholders from civil society and academia worldwide, to learn around issues relevant to implementing the Global Compact. The theme of the meeting is: <i>Learning how to make the Global Compact alive!</i></p>	<p>We are seeking independently written case studies on the following themes: business and conflict; business and human rights; collective action against corruption; community engagement and collaboration; new business models against poverty; responsible supply chain management; responsible advertising and sustainable consumption; business and climate change. The case studies should be written according to the Global Compact's case study guidelines: www.unglobalcompact.org/HowToParticipate/guidance_documents</p>	<p>Deadline for submissions: September 2006.</p> <p>Prior notification is necessary.</p> <p>Ellen Kallinowsky Kallinowsky@un.org +27 12 429 3701</p>
<p>Global Compact Leaders Summit 2007</p> <p>End June 2007 – UN Headquarters</p>	<p>Preparations for the 2007 Leaders Summit are underway. Global Compact stakeholders will have the opportunity to provide input on the summit's content and proceedings.</p>	<p>Birgit Errath errath@un.org +1 917 367 3421</p>
<p>Business as an Agent of World Benefit: Management Knowledge Leading Positive Change</p> <p>23 – 25 October 2006 – Cleveland, USA</p> <p>The forum is being convened by the Academy of Management and the Global Compact and hosted by Case Western Reserve University. It will bring together leading business executives, management scholars and top students from around the world to identify and leverage new solutions that endeavor to change the nature of 21st century society. Delegates from around the world will attend the Forum in person, with an additional 3,000 delegates expected to participate virtually.</p>	<p>The Forum theme includes a call for papers and stories on the following topics:</p> <ul style="list-style-type: none">• Business stories of significant innovation and impact, including those involving entrepreneurship to eradicate poverty, new designs to support sustainable enterprise and the use of clean energy, and business as a force and partner for peace.• Research on the tangible and intangible benefits and risks of taking leadership in corporate citizenship—including ways in which a multistakeholder view of the firm can be a source of innovation, brand identity, trust, human motivation, and competitive advantage.• Research for transforming business school curricula and learning approaches that align management and leadership education with corporate citizenship.	<p>For further details please visit the web site: www.bawbglobalforum.org</p> <p>Cat Tully bawbgc@un.org</p>

<p>Peace Through Commerce: Partnerships as the New Paradigm</p> <p>12-14 November 2006 – University of Notre Dame, South Bend, Indiana</p> <p>Organized by the Association to Advance Collegiate Schools of Business, the Global Compact and the University of Notre Dame.</p>	<p>The meeting will have presentations by scholars and leaders from the business community, NGO community and the government. The focus for all contributions will be on how partnerships between business and NGOs or the United Nations offer promise for advancing peace.</p> <p>Case studies should focus on good practices of business which serve either conflict prevention or post-conflict peace-building. Authors should be academics or meeting participants.</p>	<p>The case studies will be published within six months of the conference.</p> <p>Denise O'Brien obriend@un.org +1 212 963 4890</p>
<p>UN System Private Sector Focal Points Meeting</p> <p>1-2 June 2006 – Paris, France</p> <p>The Global Compact Office plays an important role in the development of the UN's policies and practices in the area of partnerships with the private sector. In order to offer UN staff working with business an opportunity to share recent experiences and facilitate partnership capacity-building across the UN system, the Global Compact Office convenes an annual "UN System Private Sector Focal Points" meeting.</p>	<p>A small group of business and civil society organizations will be invited to participate in a portion of this event, based on their experiences in partnering with the UN.</p> <p>These participants will be invited to offer a candid critique of their partnership relations with the UN and make proposals that will enable the UN to improve relationships with business.</p>	<p>Melissa Powell powell1@un.org +1 212 963 0566</p>

PUBLICATIONS & TOOLS

PUBLICATION/TOOL	ENGAGEMENT OPPORTUNITY	TIMING & CONTACT
<p>Africa Leads</p> <p>Africa Leads will be published by the Global Compact and the University of South Africa Press and will be launched at the 4th International Learning Forum Meeting. The book feature success stories of African Leadership and Innovation, with the intention to contribute to a more positive image of Africa among private sector decision-makers and the investor community worldwide.</p>	<p>This book will be a compendium of stories of how individuals and companies in Africa reflect the globally responsible business paradigm. The stories will be short – sometimes just a single photo with a few words.</p> <p>Please send stories, names of people who might have stories, or references we can follow-up. There is no specific format required – information can be as short as a few bullet points in an email.</p>	<p>Deadline for input: As soon as possible – March/April 2006</p> <p>Launch date: November 2006</p> <p>Ellen Kallinowsky Book@globalcompact-africa.org +27 12 429 3701</p>
<p>Business against Corruption – Case stories on collective action to prevent corruption</p> <p>Following the first collection of case stories which focused on aspects of internal implementation of anti-corruption programs in companies, this second edition will focus on the external and collective dimension of the implementation of the 10th principle (e.g. national pacts, national platforms, sectoral activities).</p>	<p>Guidelines for submission of case stories on collective or national initiatives against corruption:</p> <ul style="list-style-type: none"> • 3000-5000 words per case story • Contributions may be from all Global Compact stakeholders, with a main focus on business examples • See Global Compact website for case story guidelines: www.unglobalcompact.org/HowToParticipate/guidance_documents 	<p>Indicate interest by 30 April. Deadline for submission is 30 September 2006.</p> <p>Launch date: Late 2006/early 2007</p> <p>Birgit Errath errath@un.org +1 917 367 3421</p>
<p>Business Guide to Partnering with NGOs</p> <p>To improve collaboration between the private and non-profit sectors, the guide will provide useful information on the partner selection process, assessing the competency of top NGO/UN potential partners from around the world who are skilled in collaborating with corporations in a variety of areas. The guide will equip companies to survey the NGO/UN landscape at the global and national levels and match their competences with those of potential partners.</p>	<p>We are seeking input from corporate participants regarding their experience partnering with specific NGOs or UN agencies. The information provided in the Guide will be derived from a survey of Global Compact participating corporations who have previously undertaken projects with partners – in essence, a market-based assessment. Input will be sought through a short web-based survey that will be launched in the Autumn of 2006. Analysis of the results collected will be a critical input to the Guide.</p>	<p>Launch date: End 2006</p> <p>Melissa Powell powell1@un.org +1 212 963 0566</p>

<p>Embedding Human Rights in Business Practice II</p> <p>Following the success of the first volume, the Global Compact will issue Embedding Human Rights in Business Practice II. This volume will contain detailed case studies of company experiences in implementing human rights within their business operations and activities. This volume will have a regional focus on Africa, but will also contain case studies from other regions.</p>	<p>The first volume is being used by a wide audience around the world including participants, other stakeholders, local networks and academics. It is intended that the second volume will have the same wide appeal. Case studies are written by individuals outside the company (please contact wynhoven@un.org for specific research guidelines). Through its Academic Network, the Global Compact can help match case authors to companies interested in being the subject of a case study.</p>	<p>Launch date: Late 2006/early 2007</p> <p>Please indicate interest in drafting or being the subject of a case study.</p> <p>Ursula Wynhoven wynhoven@un.org +1 212 963 5705</p>
<p>Global Compact Tool on Human Rights and Business</p> <p>This is a web-based learning tool on human rights, utilizing practical examples of how business is implementing human rights within their operations and activities. The tool is designed to be entry-level and to provide business managers and CSR professionals with an understanding of internationally proclaimed human rights and how to implement related Global Compact principles.</p>	<p>We are seeking suggestions for possible human rights case examples demonstrating good practices, as well as human rights tools to reference. Also welcome are specific dilemmas that you would like to see addressed in the training package.</p>	<p>Deadline for input: 30 April</p> <p>Launch date: Late 2006</p> <p>Ursula Wynhoven wynhoven@un.org +1 212 963 5705</p>
<p>Value-add of Engagement in Global Compact Local Networks</p> <p>This operational guide will highlight the value-add of engagement in a GC Local Network. The guide will be developed by an international team of volunteers from all sectors who are participants of GC Local Networks, from around the world.</p>	<p>The aim of this publication is to clearly articulate the business case for Global Compact participants to engage in Local Networks and to increase participation at the local network level. Input and feedback from all participants engaged in GC Local Networks is welcome.</p>	<p>Launch date: Late 2006</p> <p>Melissa Powell powell1@un.org + 1 212 963 0566</p>
<p>Valuing Diversity</p> <p>This publication will be a directory of initiatives, tools and best practices on diversity and non-discrimination in the employment relationship. Through the lens of GC Principle 6, the publication will focus on the intersection between international labour standards and business performance. The target audience for the publication will be company managers and CSR practitioners.</p>	<p>The ILO and Global Compact Office invite submissions of information about guidance materials and tools (relating to model policies, model grievance processes, training packages, performance measurement and reporting) for how to avoid discrimination and promote diversity in the workplace; examples of best practices of implementing diversity and non-discrimination in the workplace; and examples of local public-private partnerships aimed at promoting diversity in the workplace.</p>	<p>Launch date: Early 2007</p> <p>Daniela Zampini, zampini@ilo.org +1 41 22 79 964 35</p> <p>Ursula Wynhoven wynhoven@un.org +1 212 963 5705</p>