

**United Nations System
Private Sector Focal Points Meeting 2010**

MEETING REPORT

**UN Global Compact
801 2nd Ave.
New York
USA**

24 September 2010

Representatives of over 30 UN Agencies, Funds and Programmes gathered for a second United Nations System Private Sector Focal Points Meeting this year in New York on 24 September 2010. The meeting was organized by the UN Global Compact Office.

Discussions focused on follow up on recommendations from the Annual Private Sector Focal Points Meeting held earlier this year in April. In particular, updates were provided on the UN-business partnership gateway (business.un.org) as well as efforts to support UN entities with the due diligence and partner selection process. In addition, the recently launched Global Compact Blueprint for Corporate Sustainability Leadership was introduced and its next steps discussed.

1. Strategic Update on the Partnership Platform, business.un.org

The UN-business partnership gateway was launched in all UN languages in June 2010 (a soft launch occurred in January 2010). **Matthew Gow of Global Hand**, the developers of the site, provided a briefing on site usage, suggested improvements and shared ideas to further promote the site. Several indicators regarding the site were presented:

Positive Indicators

- Business is willing to engage – To date there have been thousands of visitors and hundreds of partnerships proposed
- Partnerships are starting to germinate
 - Improving value chain for hibiscus tea (UNDP)
 - 888 number for disaster zones (UNOCHA)
 - Physical resources to Haiti
- Website is technically solid and constantly improving – There has been 0% downtime since launch and several aspects have been enhanced (e.g. administrative features, accessibility for persons with disabilities, print formatting)

Challenges Identified

- Variable quality of offers
- Some good offers not published due to lack of clarity
- Few UN responses to (quality) proposals
- Variable quality of UN requests
- Staff turnover has led to lack of clarity among UN groups
- Referrals to NGOs are rare
- Promotion to business needed to attract responses to UN requests

Solutions were offered to address the identified challenges. Focal points were encouraged to assume more autonomy for their entity's profile and to scale up usage of the site. Each entity was encouraged to consider adding staff resources to monitor their profile, provide more guidance regarding their approach to the site and to have central oversight for describing their needs. Additionally, where relevant, country offices should be engaged to utilize the site for their specific needs.

Using clearer, attractive and user-friendly language can increase the quality of partnership proposals submitted to the site. Further, more clearly articulating the value of the website can inspire more businesses to engage. Global Hand is in the process of refining the website so that users can interact informally to share information regarding specific proposals. A forthcoming “comment” feature will allow both relevant UN users and the business proposing a partnership to remark on the proposal. This will increase the interactivity of the site, which could ultimately lead to an increased number of successful partnerships.

Additionally, to facilitate the process of updating relevant information for each UN entity it was suggested that Global Hand determine whether this process – as it applies to partnership stories – can be automated. Subsequent to the meeting Global Hand indicated that they are able to develop the capability for the site to automatically update content from other UN websites. Entities that wish to have their partnership stories automatically updated must provide an “RSS feed” from their website which collects the content relevant to corporate partnerships. To establish such a feed will require the help of those responsible for the UN entity’s own website.

To increase exposure of the site, Global Hand proposed that a promotional strategy should be developed. The aim of the strategy would be to attract quality businesses and direct UN requests to targeted industries. A public relations firm should be recruited to provide active outreach to increase awareness of the site. Concurrently, steps can be taken by UN focal points to promote the site. One of the most useful steps would be to provide a link to business.un.org from each UN entity’s website. Site traffic figures indicate that many visitors to business.un.org are referred there by other UN websites.

2. Due Diligence and Partner Selection

Acting on action points from the April meeting, the Global Compact is preparing several resources to support UN entities’ partner selection due diligence process. An update was provided by **Ursula Wynhoven, UN Global Compact**, on the status of each resource. All resources are currently in a development phase; input from Private Sector Focal Points on each of these resources is crucial as the resources are being built on best practices already in place across the UN system. A one page form, circulated prior to the meeting, is being used to collect best practices and procedures and inform each of the resources listed below.

- ***Sample Due Diligence Questionnaire*** – All private sector focal points have been asked to provide input to develop a sample due diligence questionnaire that entities will be able to ask potential corporate partners to complete. The information obtained from completed questionnaires would help agencies to assess the desirability of the company as a potential UN partner. UN entities were asked to provide samples of existing assessment questionnaires and/or information that they would like to have about companies they are considering for potential partnerships. A draft list of topics that such a questionnaire might contain was circulated at the meeting. Agencies indicated that the list contained the kinds of information that they would want to know.

- ***Internal Due Diligence Procedure Checklist*** – The checklist will provide UN entities with a guide to navigating the due diligence procedure, based on procedures currently undertaken by UN entities across the system. The procedure will indicate the steps that an entity can take to thoroughly vet a potential private sector partner. Two sample checklists – one from UNIFEM and one from ITC – were circulated at the meeting.
- ***Shared Screening Service*** – Based on the interest expressed by a number of agencies, the Global Compact is exploring the option of a shared service that would facilitate the screening of potential corporate partners. Information about a service provided by one such service provider (MSCI – formerly RiskMetrics) was circulated at the meeting; the Global Compact is also looking into other providers. A number of UN entities already use these services as part of their due diligence assessments of potential corporate partners. A number of focal points reiterated their interest in having access to such a service, subject to its cost. This type of arrangement will thus continue to be explored. In the coming weeks, the Global Compact will follow up with those agencies that have expressed an interest in the service to obtain additional information, such as that needed to inform cost estimates.
- ***Sensitive Industries List*** – A draft list of industries considered sensitive by a range of UN entities was circulated (*sensitive* in this context means that, by its nature, the industry carries higher risks of reputational damage if a UN entity were to partner with a company from that sector). The list is incomplete as not all information gathering forms had been received or reviewed prior to the meeting. The list indicates the sectors that specific UN entities are either not willing to partner with, dialogue with or receive funding from, as well as sectors where there is no blanket prohibition, but extra caution is advised. The list is also intended to show which UN entities have particularly strong feelings about partnering with companies from a certain sector and are willing to speak with other UN entities about their perception of the level of risk involved. Although the list was not complete, UN entities indicated that the structure of the list made sense and that they would find the completed list useful.

Other matters related to the due diligence process were raised, such as the importance of considering how to apply due diligence procedures at the country level. It is important that considerations are taken for the unique needs found at different region and community levels. The importance of considering a company's activities, such as potential dealings with other companies from a sensitive industry, was raised. In addition, to support the development of the sample partner selection due diligence processes, procedures undertaken by companies to screen their prospective joint venture partners were suggested as an important source of potential good practices.

A suggestion was made to develop an online discussion forum so that private sector focal points could more readily communicate with each other regarding potential private sector partners. This forum could potentially be housed in the non-public section of business.un.org. Focal points were interested in having such a forum as it would provide the opportunity to pose questions regarding particular companies in a confidential manner; flagging to other UN entities that there is potential partnership interest. UN

entities with feedback on a specific company could then follow-up bilaterally with the party who posed the question.

Overall these efforts are evidence of the increasing convergence throughout the system around the “One UN” brand, it is important that the UN have a united front with the private sector. While there is still more work to do toward this objective, coordination among private sector focal points around sensitive process such as due diligence is a critical step. There was a consensus that developing these resources was welcomed.

3. Global Compact Leadership Blueprint

The “Blueprint for Corporate Sustainability Leadership” (Blueprint) was recently launched at the Global Compact Leaders Summit in June. **Gavin Power, UN Global Compact**, provided an update on the next steps for the Blueprint. An aspect of the Blueprint that is especially relevant for UN private sector focal points is for participants: “to stimulate actions in support of broader UN goals and issues.” This dimension of the Blueprint serves to encourage Global Compact participants to increasingly undertake such activities and projects.

Based on the Blueprint the Global Compact is developing plans for a platform to motivate leaders. The overall objectives are to challenge and inspire higher degrees of performance within the Global Compact. It is expected that 50-100 companies will join the leadership platform at first. Several criteria based on commitment to performance are required for participation which provides a value proposition for both companies and the UN. These criteria include greater participation at UN events and fora, developing new initiatives among UN agencies, launching partnership projects with key UN entities and creating UN focused working groups within the leadership platform.

Recommendations and Next Steps

1. Focal points are encouraged to consider adding staff resources to monitor their profile on business.un.org, to provide more guidance regarding their approach to the site and to have central oversight for describing their needs. Additionally, where relevant, UN agencies should consider engaging country offices to utilize the site for their specific needs.
2. To facilitate the process of updating relevant information for each UN entity it was suggested that Global Hand determine whether this process – as it applies to partnership stories – can be automated. Subsequent to the meeting Global Hand indicated that they are able to develop the capability for the site to automatically update content from other UN websites.
 - a. UN entities that wish to have their partnership stories automatically updated on business.un.org must provide an “RSS feed” from their website which collects the content relevant to corporate partnerships. To establish such a feed will require the help of those responsible for the organization’s own website.

3. To increase promotion of business.un.org, all UN entities should place a link to the website on their homepage. In addition, recruiting a public relations firm to help promote the site should be considered.
4. Due diligence resources
 - a. *Sample Due Diligence Questionnaire* – Focal points are asked to submit examples of existing surveys or questions that they use to vet potential private sector partners. A draft questionnaire will be developed by the Global Compact and circulated for input.
 - b. *Internal Due Diligence Procedure Checklist* – Focal points are asked to provide feedback on the checklist as it is developed. Specifically, input regarding internal procedures used during the vetting process is requested to be sent to the Global Compact. A draft will subsequently be shared with agencies for input.
 - c. *Shared Screening Service* – Focal points are welcome to indicate their interest in participating in a system-wide shared screening service. The Global Compact will follow up directly with interested UN entities.
 - d. *Sensitive Industries List* – The Global Compact will continue working on the draft list based on the information received from UN entities. A more complete draft will subsequently be circulated.
5. Global Compact and Global Hand will explore the potential for creating a discussion forum feature for connecting UN entities, to pose questions during the partner selection process, on business.un.org.
6. Additional due diligence matters raised during the meeting (local relevance, company activities, reviewing corporate models) will be taken into consideration during the development of due diligence resources and procedures.