

# **Sustainability of Global Compact Networks**

***A perspective from a supporting organisation –  
UNDP in Eastern Europe and the CIS***

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# To start with...

- No single blue print or model
- The role of UNDP in a Network has been evolving
- Achieving sustainability as a process which takes time
- Gradual approach

*It is about money – but not only...*

Main elements of GC Network sustainability question:

- Relevance and creation of value
- Institutional backing
- Governance
- Financing

# Institutional backing

## 1. Initially, UNDP a supporter and Network builder

- Promoter and catalyst of a Network
  - Human and financial resources provider
  - Creator of a neutral platform for all stakeholders and actors
- + Conditions for a Network start-up
- Risk of creating dependency and becoming too much associated with the initiative and possible transfer to a local institution more difficult

# Institutional backing

## 2. Continued institutional backing and building local capacities

- Identifying local partner (s) who can provide support to Network facilitation/act as a Secretariat (business association, chamber, NGO)
- If such partner lacks capacity, help build it

Or

- Facilitate legalization of a Network as a separate legal entity to support and facilitate

However, UNDP continues to be associated with the initiative, can act as activity initiator, mediator, advisor, etc.

# Governance

## **Focused on creating a workable and transparent governance structure**

- To function efficiently, a network needs to formalize relations among its participants.
- The level and depth of such formalization depends on network participants.
- Governance structure provides for accountability and legitimacy of a network.
- You create a mechanism for making decisions, including the decisions on Network's future.

# Governance

## *Experience:*

- Fairly light-weight and semi-formal , mostly not legalized (yet)
- A coordinating/steering committee elected – various stakeholders represented, fairly small group of 5-10, with elected rotating chairperson, with thematic or activity-based working groups created
- General annual meeting/assembly held
- Consultation with the network participants – may take longer but is important for building ownership and legitimacy

## **Be business driven, while remain multi-stakeholder**

- + Voluntary principles, collaboration, trust building
- + Neutrality
- + Flexibility, faster decision-making and “freedom to experiment”
- Too light, too voluntary, may lack authority

# Financing

1. Initially, finance provided by UNDP as a Network developer/builder

- Human resources – secretariat

- Cash for activities

- + Resources for a Network to start to function, build governance, undertake activities to demonstrate its (potential) value

- Risk of creating dependency

2. Continued UNDP financing and **increasing contributions** from the Network participants

- Voluntary

- Cash or in kind

- Activity-based financing, sponsorship

- + Diversification of funding, decreasing dependency

- Lack of predictability

# Financing

3. **Mixed sources of funds** with majority of finance generated through the Network
  - Fee – membership and/ or services
  - Activity-based financing from GC participants
  - Public funds

**Thank you.**

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