

## **2007 Annual Report Croatia GC Network**



### **Network objectives and priorities**

The Global Compact was launched in Croatia on March 20, 2007. Consequently, the majority of this year's activities consisted of outreach events. They were carried out in collaboration with all national and international business organizations active in the country, and have proven very successful, as demonstrated by the fact that the Compact was launched with 77 participants, and all the business organizations in question are now its members. Since the launch, 5 additional participants have joined the network.

In addition to ensuring a successful launch, this year's priority was the identification of priority issues for network's engagement. In that end, the outreach events were used to explore the issues each of the partner organizations focused on, and two additional policy dialogue events were organized, on issues of climate change and business ethics/anti-corruption. Individual meetings were held with some 60 companies, to explore these issues in depth.

The development of the work plan for network activities has also been successfully completed. Funding for the network through bilateral donor grants is currently being explored.

### **Organization**

At present, the UNDP Croatia/Business Partnerships Program is serving as network secretariat. All the activities so far, including the launch of the initiative, have been carried out in the context of a CSR project funded by the Norwegian MFA. Heidi Eterović, CSR project manager, is the nominated focal point for the initiative ([heidi.eterovic@undp.org](mailto:heidi.eterovic@undp.org)). No steering committee is currently in place, but its establishment is envisaged for the next year for, among other things, the purpose of creating conditions for networks' sustainability beyond UNDP's involvement.

## **Participation**

The network participants are overwhelmingly from the business sector, but include all relevant business associations, major business schools, and a few civil society organizations. They include the majority of large domestic companies, 29 multinationals/ their HQ or subsidiaries in Croatia, and a number of SMEs with a developed responsible business practices. Government is currently not participating, but is expected to become involved in collective action/partnership projects. The initiative was launched under the auspices of the President of the Republic, and with his participation.

## **Activities**

As explained above, the GC was launched in Croatia in March of 2007. In preparation for the launch, a number of events have been organized, with the dual purpose of outreach to potential members, and of scoping out the issues viewed as a priority for engagement on the part of the business sector.

- Business responsibility and competitiveness, with Croatian Competitiveness Council
- Business Ethics and Transparency, with Croatian Competitiveness Council, Croatian Employers' Association, and in collaboration with International Business Leaders' Forum
- GC and the environment, with Croatian Council for Sustainable Development
- GC and business priorities, with CSR Association at Croatian Chamber of Economy
- GC and business priorities, with American Chamber of Commerce, and British-Croatian Business Network
- GC and business priorities, with Nordic Chamber of Commerce
- GC and responsible business, with Spona Communications / regional event in Split, Croatia
- Individual meetings with some 60 companies have been carried out as well.

All the participants in these events have received a packet of materials consisting of: Your Guide to Global Compact CD, GC leaflet (attached), memory stick with technical information needed for joining the initiative, translation of Business against Corruption, and a copy of CSR manual developed by UNDP Croatia.

Particular attention was given to media relations in this process, with specific activities as follows:

- Half-day press briefing / training on Global Compact and CSR
- Individual briefings with editors-in-chief of two major business weeklies, and business editors of two major daily newspapers.

- Three special supplements in Lider business weekly: Business Ethics and the Global Compact; Corporate governance; and GC and CSR for SMEs.

Additional channels of communication with the general and specialized public:

- The CSR project web page carries information on Global Compact [www.drustvena-odgovornost.undp.hr](http://www.drustvena-odgovornost.undp.hr)
- The Fall edition of UNDP Croatia Development and Transition newsletter (mailed to 700 key addresses in the country) is dedicated to GC.
- Presentation on GC and CSR at the annual congress of Croatian Association of Quality Management
- Presentation on GC and UN partnerships at the International Summer School at Zagreb School of Economy and Management

Policy dialogue and learning:

- Policy dialogue on business ethics and transparency, to determine priority areas for collective action.
- Policy dialogue on climate change, to determine priority areas for collective action
- Learning event entitled Ready Steady Go! For selected GC companies and community counterparts on developing community programs based on employee engagement as a starting point for future partnership projects, in collaboration with International Business Leaders' Forum and IMPACT (UK GC member).
- Four training programs entitled What Should Businesses Know about Gender Equality, to be carried out in collaboration with local NGO CESI by the end of the year.
- Training program on COP to be designed and delivered by the end of the year, in collaboration with GC companies.

Since the launch of the initiative, five additional members have joined the GC. For the next year, the following will be the focus of attention:

- Establishment of the GC governance structure
- Development and implementation of collective action and partnership projects
- Roll-out of COP training, and promotion of reporting
- Strengthening the mechanisms for exchange of best practices, nationally and internationally
- Development of optimal methods for engaging the government

## **Progress**

As listed above, the 2007 was the year zero for Global Compact in Croatia. In light of that, we can report that the initiative has been launched successfully, and that the interest for joining is still high. The great advantage of the Croatian case stemmed from the fact that the activities leading up to the launch have been developed and funded under the MFE Norway three-year grant to UNDP for the project aimed at promotion of the concept and practice of CSR in Croatia, which helped eliminate the issue of lack of human and financial resources needed for the operation of the Compact. A significant challenge stemmed from the fact that several serious cases of corporate misconduct were very prominently featured in the media at the time of the launch, and the questions on what guarantees did GC offer that their members adhered to ethical standards had popped up regularly. These questions were answered by referring to the concepts of responsibility and public accountability, as well as to the commitment to continuous progress, in line with the communication strategy prepared in advance of the pre-launch and launch events.

## Attachment: Network Fact Sheet for 2007:

Network Management								
Annual Network Meeting (yes/no)	COP facilitation (yes/no)	Helped to facilitate other integrity measures (e.g. complaint mechanism) (yes/no)	Website (if yes, URL)	Name Focal Point	Steering Committee (yes/no)	Steering Committee has non-business participants (yes/no)	Secretariat hosted by	Member fees (if yes, amount for Company/ SME/ other)
Yes	No	No	www.drustvena-odgovornost.undp.hr	Heidi Eterović Heidi.eterovic@undp.org	No	N/A	UNDP	No

Number Local Network Participants										Government participation in Network
TOTAL	MNCs	SMEs	Micro-enterprises (<10 employees)	Business Organization	CSR Organization	Labour Organization	Civil Society organizations	Academic Institution	Other Stakeholders	Yes/ no
82	29	19	4	5	1	0	2	3	1	No

Number of Activities					
Outreach Events	Learning Events	Policy Dialogues	Partnership projects	Cooperation with other Local Networks	Other activities
8	5	2	0	0	5