



**Regional Meeting for Global Compact Focal Point in Europe and CIS**

**Final Report**

**Divani Caravel Hotel, Athens – Greece**

**28-29 May 2008**

Meeting Supporter:



**Wednesday, 28 May 2008<sup>1</sup>**

**Opening Session: Overview of GC Networks in Eastern Europe and CIS**

The opening session began with Mr. Soren Petersen providing participants with a brief update on the current status of the Global Compact. His presentation detailed the growth of the initiative to date in terms of the participant numbers and geographical spread. It also outlined the Global Compact's priority issue areas and various engagement mechanisms.

Mr. Jonas Haertle followed-up with an overview of the current statistics related specifically to Eastern Europe and CIS. His presentation highlighted the level of participation and COP submission rate for each country. It also indicated the various governance models adopted by each and whether a funding mechanism is in place.

Participants were then provided with an update on the preparations for the upcoming Annual Local Networks Forum taking place on 21-22 October in Bonn, Germany.

- Networks were invited to provide input regarding the themes to be addressed at this year's Forum. Current GC Network policies/practices regarding the engagement of micro enterprises was suggested as a possible topic.
- Instead of presenting activities within the geographical context, the idea to invite Networks to present their activities related to specific themes/topics was introduced. A number of the themes suggested were: COP facilitation, Outreach/Awareness-raising, Alignment with other CSR initiatives and Civil society engagement.
- Soren Petersen informed Focal Points about the GCO's current undertaking to develop a knowledge-sharing system for GC Networks. This will be a web-based resource tool which will facilitate and encourage the sharing of learning and best practice related to the GC Network management and activities. The intention to have the tool launched at the ALNF was announced.

Most importantly however, the governance element of the Forum was presented and Focal Points were informed that each Network is requested to send a "representative" to the ALNF. This representative would have a mandate from all Network participants to act on behalf of the Network should the need arise.

Participants were informed about the recent MOUs that the GCO has entered into with the JCI and the Lion's Club. Focal Points were encouraged to engage with their local counterparts. Please refer to following documents on the GC website for further information:

- 1) [http://www.unglobalcompact.org/NetworksAroundTheWorld/communication/Letter\\_GC\\_JCI\\_Cooperation.pdf](http://www.unglobalcompact.org/NetworksAroundTheWorld/communication/Letter_GC_JCI_Cooperation.pdf)
- 2) [http://www.unglobalcompact.org/NetworksAroundTheWorld/communication/2008\\_JCI\\_National\\_Presidents\\_xname\\_and\\_emailx.pdf](http://www.unglobalcompact.org/NetworksAroundTheWorld/communication/2008_JCI_National_Presidents_xname_and_emailx.pdf)

The following issues came up during the subsequent Q&A session:

1. Clarification of the current GC Foundation's fundraising strategy was sought:

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<sup>1</sup> The meeting on 28 May was attended by GCLN Focal Points from Eastern Europe and CIS.

In addition to emphasizing the public-private character of the initiative the GCO highlighted the voluntary nature of the contributions being sought primarily from the Global 500 participating companies. The GCO regards the call for company contributions to the initiative at the global level as paving the way for Networks to do the same locally.

- Some Networks indicated that they had not been adequately informed of the campaign and saw it as a missed opportunity to use GC Networks on the ground to support this effort.
2. Further clarification on the use of the Network Logo was requested.
  3. It was suggested that the Forum explore Network practices related to COPs of subsidiaries companies.

Giuseppe Belsito, Programme Manager of UNDP Black Sea Project presented the project to support the regional integration process in the Black Sea Region.

- GC Networks are a good platform to support regional economic integration among the Black Sea countries
- Focus countries are those which are of priority for ODA from Greece. However support is not available to countries who receive funding from other donors, at least this will be explored on an ad hoc basis
- Focal Points in each country should explore potential synergies which could receive support through the project
- The project is not intended to be an added layer/structure for Networks

*Outcomes and Recommendations: Overview of GC Network in E Europe and CIS*

- Networks were invited to provide input regarding the themes to be addressed at this years Forum. The following came up as suggestions during the session:
  1. Current GC Network policies/practices regarding the engagement of micro-enterprises
  2. Policy regarding subsidiary COP postings
  3. GC Network Logo policy
- Each Network is requested to send a "representative" to the ALNF. This representative would have a mandate from all Network participants to act on behalf of the Network should the need arise.
- Focal Points were encouraged to engage with their local JCI and Lion's Club counterparts.
- Focal Points in the relevant countries should explore potential synergies with the Black Sea Project which could potentially receive support from the Athens Office.
- The GCO will work harder to effectively communicate all important strategic aspects with Focal Points eg GC Foundation's fundraising campaign.

## **Network sustainability**

The Network sustainability session was lead by the UNDP Europe and CIS, Bratislava Regional Center and began with the new Private Sector Engagement Policy Specialist, Ms. Pascale Bonzom, introducing herself to Focal Points.

Ms. Bonzom then called upon a number of Focal Points to share their experience with respect to the facilitation of sustainable networks. Please refer to the link below to view the powerpoint presentation with the questions BRC developed to guide the discussions. Due to time constraints however, it was not possible to go through the list of questions as per the powerpoint, however it was suggested the BRC team would get in touch with Focal Points directly in order to obtain their views.

Powerpoint presentation: *Governance and Sustainability of Global Compact Networks* ([http://www.unglobalcompact.org/NetworksAroundTheWorld/Regional\\_Meetings\\_2008/Europe/index.html](http://www.unglobalcompact.org/NetworksAroundTheWorld/Regional_Meetings_2008/Europe/index.html)).

In the discussions that followed:

- Ms. Nyagolova, *GC Network Bulgaria*, stressed that the sustainability and performance of a Network is based on how the Network is set-up. The Network in Bulgaria has a semi-formal structure with an Advisory Board and GC Secretariat hosted within UNDP. Housing the Secretariat within UNDP has resulted in most of the Network activities being initiated by the UNDP office. They noted a lack of business champions willing to take a more leadership role. They face the challenge of transferring the role of "secretariat" to the business participants by the end of 2008 early 2009.
- Using the GC Network as a platform for learning was identified as a good Network activity as it helped build the case for the Network. Business participants appreciated the learning aspect. Examples mentioned were sharing best practices at annual meetings/retreats and site visits to companies.
- An online training tool for participants on the COP was also developed by the Network in Bulgaria. An award for a notable COP was established to provide more of an incentive to participants.
- Ms. Jakuleviciene, *GC Network Lithuania* described how all new members are asked to present their CSR strategy in an effort to promote learning among participants. The Network participants in Lithuania appreciate the flexibility of an informal and light structure in which a different company within the Network takes leadership of the Network every six months.
- *GC Network Ukraine* emphasized that the sustainability of a Network was dependent on its organizational and financial viability. With respect to the organizational aspect, they involved companies in the establishment of the Network from day one. The organizational principles were developed in consultation with participants in order to ensure buy-in. They brought Network representatives from other countries (UK and Bulgaria) to present on their own Network structures. The first general meeting was used to agree on the Steering Committee and to present the work-plan. The creation of working groups to tackle specific topics was highlighted as a useful way to facilitate communication and partnerships among participants.
- Regarding financial aspects, the Network in Ukraine has successfully implemented a funding mechanism, but stressed a value in building trust among participants before introducing fees.

- *GC Network Armenia* made a call for a clearer articulation of the “business case” for a Network. *GC Network Lithuania* suggested that the “business case” could be developed using the results of the New EU Member States and Candidate Countries CSR baseline study produced in 2007 which assesses the specificities of the region and makes the “business case” for CSR. Bilateral knowledge sharing between the “Accelerating CSR in the New EU Member States and Candidate Countries” project led by Lyra Jakuleviciene of UNDP Lithuania and Armenia may be beneficial.
- *GC Network Lithuania* also suggested that a resource of inspirational examples of management models for CSR implementation s within companies would be useful to share with Network participants, and contribute towards building the business case for Networks..
- Ms. Pascale Bonzom, *Bratislava Regional Center (BRC)*, mentioned that the BRC was working on a knowledge product that would highlight case studies/best practices from all around the world on the topic of network governance and sustainability, and that they would share it at the Annual Local Network Forum in Bonn or at the latest by the end of the year.

#### *Recommendations*

- Involve participating companies from the beginning in the development in the Network’s organizational principles and activities plan.
- A business-led Network is essential to ensuring financial sustainability, although it is good to build trust among participants first.
- Inform Network participants that UNDP will eventually hand over the “secretariat” role. This will manage expectations and create an incentive for participants to explore alternative models by a given deadline.
- Share examples of how the western European Networks finance their activities.
- Exchange regional experience of making the business case for CSR and for a Network, that applies to the specificities of the region.
- Collect inspirational examples of management models for CSR implementation within companies. This would be a good resource/tool for Networks to promote and support CSR implementation among participants.

#### **GC Networks as a platform for partnerships**

This session focused on the value of the GC Networks as a platform for partnerships during which the GC Networks from Ukraine and Turkey presented their experiences. Both presentations can be accessed online.

- Ms. Ruken Tekes, *GC Network Ukraine* outlined Ukraine’s “One UN” approach to the private sector, coordinated within the UN Resident Coordinators Office.
- Emphasis was given to the value of the GC Network Ukraine’s Working Groups – which were established as part of the Network’s governance structure – to serve as platforms for joint projects and collective actions.

- In order to ensure successful partnerships with the private sector, it is necessary to identify areas of common ground between country programmes and the priority CSR areas of the private sector.
- Mr. Hansin Dogan, *GC Network Turkey*, provided an overview of the GC Network in Turkey, its organizational structure and participant composition. He also referenced their current activities and partnership projects. His last slide listed the many ways of looking at the GC as a platform to support partnerships.

#### *Recommendations*

- Start by implementing joint initiatives between the GC network members, build the trust between the stakeholders and then move to partnership projects.
- Develop flagship projects around national development challenges that have the potential to unite partners and serve as example.

### **Incentives and award systems**

During this session Network Focal Points had the opportunity to share experiences on the establishment of incentives and award systems as a means to recognize good performance and promote implementation by GC Network participants.

Ms. Lyra Jakuleviciene, *GC Network Lithuania* coordinated this session. Ms. Jakuleviciene began the session by presenting the results of a recent study carried out by UNDP at the request of the Government of Lithuania. The presentation is available for download online.

In the discussion following the presentations:

- The perception of awards in different countries vary greatly – particularly privately run awards which can often be linked to a company's willingness to pay
- Public perception of the award is very important to its worth – third party auditing can provide more credibility
- It is important to clarify what the award is for – the award should be given to a company's activity, not to the company itself.

#### *Recommendations and Outcomes*

- Awards should be given in different categories depending on size and ownership of the company
- The decision-process to award a company should include a visit to nominated company as site visits often tell a different story
- A workshop to help companies prepare for participation in the award by explaining the criteria would benefit
- It would be helpful to develop a clear set of criteria for award systems that could be shared among Networks.
- Further discussion at the ALNF could provide input to a set of criteria
- GC Network Lithuania will make the results of their research regarding "Performance Indicator Systems" available at the ALNF.

### Meeting for UNDP Focal Points from Eastern Europe and the CIS

Mr. Casper Sonesson, UNDP, presented the Growing Inclusive Markets (GIM) report. The presentation is available online. Following the presentation, options for producing national GIM reports and advocacy platforms were discussed

#### *Recommendations*

- In order to assist their efforts to promote the report within the region, Focal Points requested examples from the region and press releases adapted to the local context.
- Focal Points would like to know about other donors (aside from ADF and USAID) that have indicated support or interest in the strategy for fundraising purposes.
- It would be good to have someone from HQ come to present the report.

### **Thursday, 29 May<sup>2</sup>**

#### **Soft-Power of Governments**

This session focused on the engagement of government at the local, country and regional level to promote CSR. The regional and country specific analysis by Ms. Alessia Sabbatino, GC Network Italy and Ms. Liudmilla Istomia, GC Network Belarus can be accessed online.

In the discussion following the presentations:

- Ms. Jakuleviciene, *GC Network Lithuania*, stressed the essential role of governments/public authorities in Eastern Europe and CIS states as main “enablers” of CSR and pointed out that market-based drivers are less developed as for example in Western Europe.
- Mr. Eckenschwiller, *GC Network France*, pointed out that recommendations to governments on how to promote CSR has to take into consideration the national context and there is no ones-size-fits-all approach for European countries
- Ms. Garro, *GC Network Spain*, informed that Spain is shortly launching a “CSR Council” comprised of government, CSO and business representatives.

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<sup>2</sup> The first half of the meeting on 29 May was attended by GCLN Focal Points from Europe and CIS

*Recommendation*

- Participants recommended holding a discussion on this issue at ALNF 2008 to bring in perspective from other regions.

**Climate Change**

The session was led by Mr. Cornelis van der Lugt, UNEP and served to give an overview as well as to discuss how GCLNs can engage with companies on the topic of climate change. The presentation can be accessed online.

During the discussion:

- Mr. Wyszowski, *GCLN Poland*, informed about the Polish multistakeholder initiative "Climate Coalition" which is supported by the UNDP country office and intention to invite other neighboring countries to join the coalition.
- It was pointed out that the GC Caring for Climate (CfC) statement includes a reference to the policy-making role that companies ask governments to have.

*Recommendation*

- It was recommended that GCLNs could serve as platforms to help identify local solution to the global challenge of climate change, for example in Europe, look into improving the energy-efficiency of older buildings etc.
- Mr. van der Lugt recommended that GCLNs propose to create multistakeholder climate change commissions in countries where they don't exist yet.
- With regards to the GC Caring for Climate initiative, it was recommended by some Focal Points to align existing or soon-to-be-launched country efforts with the global CfC initiative.

**Communication on Progress**

The session, led by the GCLN UK, with presentations by GCLNs UK, Spain and Ukraine was used to review and discuss the various models currently offered by GCLNs to engage GC participants in the COP process.

During the discussion:

- *GCLNs UK and Spain* assess that their respective COP practices are highly valued by their LN participants.
- Mr. Haertle, *GCO*, pointed out that the current GC policy is not to recommend one single format for COPs. While there is no specific format for COPs, a COP must include the following three basic: Statement of continued

support by senior executive, description of practical actions, measurement of outcomes).

- Ms. Nyagoolva, *GCLN Bulgaria*, stated that companies in Bulgaria usually do not produce sustainability reports and that the COP is therefore a good first steps towards developing the case for more robust reporting practices.
- Mr. Pletscher, *GCLN Switzerland*, said that often times the company contact point, especially in the case of small and medium sized companies, had changed once a GC participant is required to produce the first COP so it becomes hard for GCLN to sustain active participant basis.
- Mr. Eckenschwiller, *GCLN France*, pointed out that when the GCLN France was launched in 2003 a company participant was not required to report progress on all ten GC principles and he recommended keeping with this practice.

### **Update and overview of GC Networks in Western Europe<sup>3</sup>**

#### *Recommendations:*

- FPs stressed the importance of being informed by GCO before major communications are sent from GCO to GC participants.
- FPs recommend to institutionalize organizing regular phone conference calls with FPs and the GCO.
- With regards to the topics for the ALNF 2008, FPs recommended following topics:
  - Fee structure of GCLNs
  - In-depth analysis of the governance structure and activities of small number of different GCLNs to compare differences and commonalities.
  - Update from GCLNs rather by topic than by region
  - GC processes
  - Micro-enterprise policy of GCLNs
  - Relationship between GCLN and OECD National Focal Point in cases where they exist.
  - Update on PRI and PRME
- The GCO was asked to circulate proposals regarding governance issues that are to be discussed at the ALNF at least 2 months prior to the ALNF in order to give sufficient time to consult with GCLN participants.

### **Responsible Supply Chain Management**

This session was moderated by Mr. Casper Sonesson, UNDP who explained that UNDP was looking for GCLN support and ideas for a conference to be organized later this year or early 2009 to showcase what different sector-specific etc. mechanisms for responsible

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<sup>3</sup> The second half of the meeting on 29 May was attended only by GCLN Focal Points from Western Europe

supply-chain management exist. UNDP is currently working with a group of certification organizations through ISEAL on this conference.

During the discussion

- Ms. Garro, *GCLN Spain*, informed that GCLN Spain is developing a risk-assessment-tool for supply-chain management for different sectors, to be presented by the end of June.
- Mr. van der Loeff, *GCLN Netherlands*, recommended the use of an ICC guidance document on responsible supply chain management.
- Mr. Eckenschwiller, *GCLN France*, pointed to the importance of capacity-building efforts for suppliers.
- Ms. Raleigh, *Barcelona Center*, recommended aligning efforts with CSR Europe's Responsible Supply Chain lab.

#### *Recommendation and Outcome*

- Mr. Sonnesson was asked to send follow-up communication to GCLNs including the suggestions discussed during the meeting.

### **Unique Selling Points of GC Networks**

Network Focal points used this session to discuss how GC Networks add value to participants locally. The session was introduced by Ms. Constanze Helmchen, GCLN Germany and participants used the session to highlight the particular "USPs" of GCLNs:

GCLN Germany:

- UN link
- Integrated CSR model
- Process-oriented
- Multistakeholder initiative
- Clear link to federal government
- Neutrality of GCLN

GCLN UK

- Low cost/low entry barrier for participants
- Reputational benefits for being UN initiative
- Possibility for participants to network with government
- COP review process

GCLN France

- COP services
- Size of GCLN and good government relations makes GCLN reference point for CSR in France

GCLN Greece

- Capacity-building efforts for new GC participants due to the only recent launch of GCLN

GCLN Italy

- COP training
- Supply-chain work

GCLN Netherlands

- Process-oriented approach of aiming at best CSR performance
- Networking opportunities

GCLN Spain

- COP-oriented service provider
- UN brand

GCLN Austria

- SME oriented CSR platform