

## What is a Local Network?

The United Nations Global Compact strives to be the world's most inclusive voluntary initiative to promote responsible corporate citizenship, ensuring that business, in partnership with other societal actors, plays its essential part in achieving the United Nations' vision of a more sustainable and equitable global economy.

Local Networks play an essential role in the initiative and are an integral part of the overall governance of the Compact. They and their annual meeting – the Local Networks Forum – comprise two of the six entities with differentiated tasks within the Global Compact's multi-centric governance framework.

Company participants, including their subsidiaries, are encouraged to be involved in Local Networks.

### Global Compact Local Networks

Local Networks are cluster of participants who come together to advance the Global Compact and its principles within a particular geographic context. They perform increasingly important roles in rooting the Global Compact within different national, cultural and language contexts, and also in helping to manage the organizational consequences of rapid expansion. Their role is to facilitate the progress of companies (both local firms and subsidiaries of foreign corporations) engaged in the Compact with respect to implementation of the ten principles, while also creating opportunities for multi-stakeholder engagement and collective action.

Local Networks determine their own internal governance arrangements and activities. However, all Local Networks are expected to meet the following basic requirements:

#### *The mission of Local Networks*

1. Each network must be committed to the principles and practices of the United Nations Global Compact. This includes the ten principles themselves and the initiative's modes of engagement including learning, dialogue and partnerships. Within this framework, it is expected that they will define their own agenda and activities according to the local conditions and priorities of their particular country.

#### *Composition of Local Networks*

2. Local Networks should be business-led, but inclusive. They must have at least some company participants. No single company or other organization should dominate the Local Network. Special care should be taken that SMEs are invited to play a part and/or other efforts should be taken to cater for the special needs of SMEs. They should also strive to create opportunities for multi-stakeholder engagement, including by representatives of civil society, labour, academia and/or governmental organizations. Any major decisions made by the Local Network should have the support of a majority of its participating companies. Local Networks should make a special effort to involve the local affiliates of the IOE (see [www.ioe-emp.org](http://www.ioe-emp.org)) and of the ICFTU (see [www.icftu.org](http://www.icftu.org)).

### *Minimum activities*

3. Each network is expected to run a minimum number of events/activities annually and to hold at least one General Meeting to which all its participants are invited.

### *Effective communication*

4. To facilitate communication with the Global Compact Office and the network's own participants, each network should establish a Focal Point authorized by the network to interact with the Global Compact Office and the wider Global Compact network.

### *Integrity measures*

5. To ensure proactive brand management and protect the integrity of the initiative, each network should display a willingness to actively support efforts by participants to develop Communications on Progress and to help find solutions to situations related to the integrity measures.

### *Annual report*

6. Each network should produce an Annual Activities Report, describing activities and initiatives undertaken in the previous year and planned for the next year. If the Local Network undertakes fundraising activities, the report should include a detailed financial statement.

A Local Network that ceases to meet these requirements will no longer be regarded as a Local Network and may have its authority to use the name and logo of the United Nations Global Compact revoked.

Local Networks are encouraged to explore their own sources of funding to support their activities. However, to ensure brand protection and integrity, they are expected to consult with the Global Compact Office on their fundraising plans and activities.

### **Annual Local Networks Forum**

Local Network representatives come together for an annual meeting coordinated and chaired by the Global Compact Office, which is known as the Local Networks Forum. The purpose of the Local Networks Forum is for Local Networks to learn from each other's experiences in building a network, review and compare progress, identify best practices and adopt recommendations intended to enhance the effectiveness of Local Networks, including relating to governance.