

Global Compact Network News

Issue 2, February 2003

Dear GC Network Focal Point, Here is the second newsletter, sent as a bi-monthly information to the Global Compact country and regional networks around the world. This edition includes a number of interesting reports about activities around the world, sent to the GC Office by eleven networks. We invite you to distribute this information within your network.

Preparations are taking place for the Leaders Summit of 24 June 2004 at United Nations Headquarters in New York. The Summit will bring together the leaders of the various sectors involved in the initiative - business, labour, civil society and selected governments - for a full day of deliberation. The objectives of the Summit are two-fold: to assess the Global Compact's progress, and to shape its future. Please be aware that we only invited those participants that are listed on our website (including SMEs), as well as NGOs, business associations and labor organizations that operate on a global level. We are currently finalizing the agenda and hope to send out to all participants the new, more detailed agenda next week.

We also plan to distribute a special report at the Summit containing the Communications on Progress, describing how companies are implementing the Global Compact's principles. It is therefore crucial that each network encourages their participants to submit their Communication on Progress for the fiscal year 2003 to the Global Compact Website prior to the Summit as per the attached guidelines.

With many thanks for your support to the Global Compact,

Sincerely,

Anton Stadler, Head Outreach/Networks, UN Global Compact Office

The Philippine Global Compact National Steering Committee is implementing the project Philippine Global Compact Initiative: **Reaching Out to Enhance Local Development - Mindanao Component of Inception Phase**, in cooperation with selected local government units.

Philippine Global Compact Initiative Expanded to Mindanao



In this phase, the project will promote the Global Compact as a framework for corporate citizenship, and at the same time open discussions with Local Government Units who are interested in forming a Local Compact with their business communities.

To this end, micro, cottage, small and medium enterprises are invited to an introductory forum on "**The Global Compact: Modes of Engagement and Philippine Initiatives**" to be held in three cities in Mindanao. Further, capability-building activities - training of trainers on social compliance and seminars on environmental management systems (with an introduction to greening the supply chain) will also be held in four cities.

The fora aim to bring together the chief executive officers of both private business entities and local government

units in order to advance the nine principles of the Global Compact in each city. The fora are seen as starting point to extend the Global Compact specifically to micro, small and medium enterprises (MSMEs) at the

local level in order to contribute to competitiveness and human development.

This advocacy of the Global Compact marks the first time that the largest and most influential Philippine business associations team up to combine and disseminate their know-how on corporate citizenship.

The fora series is the continuation of the 2003 series of three held in the cities of Iligan in Mindanao, Tuguegarao in Luzon and Tagbilaran in the Visayas.

Upcoming Events - The Philippines

Technical training to assist subscribers and other interested companies integrate the Nine Principles into their daily operations are planned. Two of these are related to the Labor Principles and two others on the Environment Principles.

The list of GC subscribers will also be validated.

The launch of the Global Compact Network for Malawi took place on 10 December 2003 at the Le Meridian Hotel Mount Soche. It was officially launched by the First Vice President Justin Malewezi. The event attracted more than 75 participants from government, private sector and NGO's. Victoria Keelan, Patron of the Global Compact

Global Compact Network Launched in Malawi

in Malawi, chaired the launch event.

In his address, the Vice President emphasised that the Global Compact Network should adopt an inclusive approach and that the main parties which need to be included are government, donors, businesses and communities. He also stressed the need for agreements that govern the activities of the network. Mr. Malewezi described the Global Compact launch as a unique opportunity to make this a truly Malawian initiative that provides Malawian solutions to Malawian problems and creates a basis for multi-sector partnership building drawing on the core competencies, skills and networks of all concerned beyond simply the financial aspects of support. He stressed the importance of ensuring that the Global Compact initiative itself was sustainable and represented a long-term approach to change rather than simply being remembered as a good idea that was not followed through.

On 21 December 2003, representatives of Japanese Global Compact participants and UN agencies have established the

Global Compact Launched in Japan

Global Compact Japan Network in order to help Japanese companies advance the nine principles.

Acknowledging the increasing role of corporate social responsibility (CSR) as an essential element in achieving long-term sustainable success, the Global Compact Japan Network will work to develop a unique approach to meet the needs of Japanese business leaders.

The Japanese Network will work to strengthen partnerships with business organizations and other CSR-related groups in Japan and around the world and provide companies an opportunity to share experiences and practices through a range of activities including study and briefing sessions.

The United Nations Information Centre (UNIC) Tokyo will act as the network hub and as a proactive source of information for participating enterprises. UNIC serves as the liaison with the Global Compact Office in New York and the five core UNGC agencies.

<http://www.unic.or.jp/>

Chirac and Annan Welcome French Compact Network and Support Fight Against Corruption

On the occasion of the launch of the French Global Compact Network in Paris on January 27, French President Jacques Chirac and

UN Secretary-General Kofi Annan stressed their support for the Global Compact and the importance of international business cooperation. Both leaders also underlined the devastating effects of corruption.

In his keynote speech following the launch event, Secretary-General Kofi Annan underlined the leadership role of many French companies and welcomed their commitment to the Global Compact. "I am grateful to French business leaders for organizing such an impressive national movement and giving practical meaning to the Compact", the Secretary-General said. He also expressed hope that the French Global Compact Network would become a model for other national networks to follow. Referring to the Global Compact's ongoing work on transparency and anti-corruption, which included a policy dialogue on the issue in Paris on 26 January, the Secretary-General called on all stakeholders to "recognize that the fight against corruption is essential to give meaning to all the principles we seek to uphold".



President Chirac, in his address, stressed the role of companies in society and made a forceful call for solidarity and more partnerships to end poverty. "The business community needs to strengthen its ties with international organizations and states to gain a better understanding of what is at stake," he said.

The two speeches were preceded by a very successful launch of the French Global Compact Network. More than 200 French business leaders gathered at the Elysée, the seat of the French Presidency, following the invitation of Jérôme Monod, Special Advisor to President Chirac. During the meeting, Bertrand Collomb, CEO of Lafarge, accepted to be Chairman of the French Network. In addition, several business leaders shared their experiences on how to work with the Global Compact.

For more information, please visit <http://www.idep.asso.fr>

Would you like to contribute to our newsletter? Please send all suggestions, comments and news articles to Susana Weyer at weyers@un.org

<http://www.unglobalcompact.org>

More than 200 leaders representing Egyptian business, government, civil society and academia

Global Compact Launched in Egypt

gathered in Cairo on 9 February to formally launch the Global Compact in Egypt. The event, which was hosted by the Egyptian Federation of Industries, marks the first launch of the Compact in an Arab nation.

Addressing the opening session, Antonio Vigilante, UN Resident Coordinator in Egypt, stressed the role of the Global Compact for human development and applauded Egyptian businesses for their strong support of the initiative. A special message to the launch from UN Secretary-General Kofi Annan was delivered by Under-Secretary-General Iqbal Riza, his Chef de Cabinet. Mr. Annan welcomed the launch and expressed his hope that the good example of the Egyptian business community will inspire similar initiatives in the region. "It will be a new and practical source of hope for citizens that the benefits of globalization will reach them too, and that economic progress will truly improve their lives - and our world," he wrote.

Following speeches by Dr. Abdel Moneim Seoudi, Chairman of the Egyptian

Federation of Industries and Ahmad A. El Amawi, Minister of Manpower and Immigration, Dr. Abdel Moneim Bekhit, Managing Director of the Federation of Industries presented the Cairo Declaration, a joint statement issued by Egyptian Global Compact participants. The declaration is a pledge of the companies' continued advocacy and support of the Compact and calls on the entire Egyptian business community to join the initiative. Mr. Bekhit then announced the names of 35 new Global Compact participants, bringing the total number of participating businesses from Egypt to 52.

For more information, visit www.un.org.eg/globalcompact

Mozambique

The Global Compact was launched in Mozambique in 2003. Mozambique is considering setting up a National Global Compact Network, and a workshop is planned for March 2004, convening representatives from business, civil society and the public sector. Beyond discussion on the practical application of the Compact and the functions and uses of the NGCN, it is hoped that the workshop will also serve to identify key stakeholders who would be willing to form a steering committee (or similar set-up) to spearhead the creation and operation of the NGCN.

For more information, please contact Mr. Miguel Castanha, UNDP: miguel.castanha@undp.org

Global Compact Launch in Peru

On 26 November, the Global Compact was successfully launched in Peru. More than 100 representatives from business, civil society, labour, government, the UN system and the Roman Catholic church attended the meeting in Lima.



In the course of the event, 38 Peruvian companies signed letters of support, including some of Peru's largest corporations.

For more information, please contact Ms. Nani Albonico at the GC Network Secretariat in Lima: nannialbonico@terra.com.pe

Second Global Compact Steering Board Meeting in Pakistan

The second Global Compact Steering Board meeting was hosted on 16 January 2004 by Shell Pakistan Limited in Karachi.

The objectives of the meeting were to crystallize future steps and responsibilities of the GC Steering Board, and to present and discuss the proposed 2004 strategy and road map. The proposed strategy focused on the following elements:

Institutional mechanisms and platforms, and notably the creation of a GC Trust;

Advocacy/exchange/learning and research;

Local level initiatives and partnership proposals; and development of positive incentives as well as reinforcement of self-regulatory frameworks to promote commitment of the private sector.

The 2004 resource mobilization strategy and proposed work plan were also discussed. Finally, the members were presented three concrete examples of companies that internalized the principles of the Global Compact by launching concrete partnerships and projects - namely Shell Pakistan, OMV and PSO.

Mr. Hafiz Pasha, UN Assistant Secretary General and Director of UNDP Regional Bureau for Asia and the Pacific, also participated in the meeting.

The members unanimously agreed to establish the proposed GC Trust. The Trust will be a unique platform, where partners, skills, ideas, proposals and resources could be matched, while giving the necessary gains, opportunities and expertise to all participating stakeholders. It is expected that this initiative will receive the highest political and business support, and provide a worldwide example of how the United Nations, both as a partner and as a broker, can engage in and promote partnerships between the public and private sectors, which advance sustainable human development.

Please visit the GC Pakistan website for more information:
<http://www.globalcompact.org.pk>

International Trade and Industry Fair (ITIF) Asia, 2004

The International Trade and Industry Fair (ITIF) Asia, held in Karachi from 26 to 28 January 2004, provided a showcase of the latest trends in the manufacturing sector and related technologies.

The Global Compact was invited to participate to the event, and create awareness among participants and visitors about the GC principles and initiative. The joint UNDP/UNIDO/ILO booth set up for the occasion generated great interest, and an extensive data of interested business, academia and civil society representatives was established, for follow-up and information sharing.

First National Development Agency to Join

On 8 January 2004, Agence Française de Développement (AFD) became the first public development institution to embrace the Global Compact and the nine principles.

In a letter to UN Secretary-General Kofi Annan, AFD Director-General Jean-Michel Severino pledged to give his full support to the Global Compact and committed to integrating the nine principles into the operations of his organization.

AFD's participation in the Global Compact is a reflection of the growing recognition of the benefits to be gained when development activities are underpinned with a value-based approach.

Please visit www.afd.fr for more information.

Global Compact and efmd Launch Global Responsibility Initiative

On 29 January, the Global Compact and the European Foundation for Management Development (efmd) announced a unique partnership to address the question of how to best develop a new generation of globally responsible business leaders. The partnership is manifesting itself in a joint and open invitation which was launched on the occasion of efmd's 2004 Annual Meeting in Lisbon for the deans and directors of more than 200 business schools worldwide.

The "Global Responsibility Initiative" invites Global Compact participants and efmd members, including more than 500 of the world's leading business and management schools, to participate in a 12-month hands-on learning process, forming effective global alignments and establishing pace-setting practices for business schools and companies.

"This initiative will offer schools enhanced interaction with leading companies. Companies who recognise that in an interconnected world successful stewardship requires rethinking the role of business in society", said Georg Kell, Executive Head of the Global Compact. "The professional environment of dedicated business schools will offer a safe learning environment for business representatives to elaborate on and identify viable options that add value to their companies."

The initiative is aimed at developing globally responsible leaders and managers for the organizations of today and tomorrow. Through a series of work meetings, where best practice is developed and disseminated, the project will provide a safe learning environment for business representatives to explore viable options that improve performance and add value to their companies.

There is space for only 12 highly motivated companies and 12 leading business schools to participate in this pioneering team. Companies can apply individually or with a business school partner. The deadline for applications is 28 March 2004.

For more information, visit www.efmd.be/gri/. You can also contact Ms. Liliana Petrella at petrella@efmd.be.

Global Compact Network Established in Argentina

In preparation of the national launch to be held this spring, the Global Compact Network in Argentina was established on 16 December 2003 at UNDP. The Network will have the mission of promoting the Global Compact in the Latin American nation. 39 companies participated in this event and established a Steering Committee for the Network.

Carmelo Angulo, Resident Representative of UNDP in Argentina opened the event and commented that there is a need for companies together with civil society to find common solutions to social problems, making social responsibility part of their business strategies.

Flavio Fuertes, Officer in charge of poverty reduction in UNDP explained the role of the Network: outreach activities, administration of the web page, technical secretariat, and organization of seminars and workshops.

For more information about participating in the Global Compact in Argentina, please contact:

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(interno 18)

The "Growing Sustainable Business for Poverty Reduction" (GSB) initiative was successfully launched in Antananarivo, Madagascar on 25-26 November 2003, marking the third UNDP foray into this groundbreaking initiative. Over 120 participants attended the launch and the meeting included key representatives of government, business, civil society, the UN system and the donor community. Over the course of one and a half days this group debated and discussed the initiative, established the criteria for its success in Madagascar and developed mechanisms for taking the initiative forward and concretising the ideas into action.

The GSB initiative aims to facilitate and increase investments and business activities that have a positive impact on sustainable development and the Millennium Development Goals, in particular on SME development and poverty reduction. It grew out of the UN Global Compact policy dialogue on "business and sustainable development" convened during 2002 and was subsequently endorsed in a high-level meeting at the World Summit on Sustainable Development in Johannesburg in 2002.

The initiative recognizes that little of the increase in foreign direct investment

(FDI) to developing countries over the last decade goes to the poorest countries in the world, in partic-

UN Initiative Sets Stage for Expanding Pro-Poor Business in Madagascar

ular to the 49 least developed countries (LDCs). In addition, it also recognizes that the private sector can contribute significantly to sustainable development through its investments; by developing innovative products, services and approaches and by working in partnership

Underscoring the government of Madagascar's support for the initiative, Prime Minister Jacques Sylla officially opened the meeting. He remarked that: "...for my government the public sector and private sector are complementary and contribute together to development....[in our program for the battle against poverty] the private sector has an important place and the role of companies goes well beyond the production and sale of goods and services ". His views were supported by the Ministers of Industry and Tourism, both of whom attended and spoke at the workshop, declaring their strong support for the initiative.

The GSB initiative is led globally by Mr. Richard Sandbrook, who also previously launched activities in Ethiopia and Tanzania, with proposed activities under consideration in Angola and

Bangladesh. UNDP is coordinating and facilitating the initiative with support from the UN Global Compact Office and other UN partners, including UNHCR, ILO, UNEP, UNCTAD, and UNIDO.

For further information, please contact Bouri Sanhoubidi, UNDP Madagascar (bouri.sanhoubidi@undp.org), or Sanjay Gandhi, UNDP Bureau for Resources and Strategic Partnerships (sanjay.gandhi@undp.org).