

# GLOBAL COMPACT



## NETWORK NEWS

ISSUE 5

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### DEAR NETWORK FOCAL POINTS,

This September 2004 edition of our Networks Newsletter keeps you updated on Global Compact Network activities and upcoming events. We encourage you to share your successful or innovative activities with other networks by contributing to this publication. **Send your articles for the next edition to Nessa Whelan ([whelan@un.org](mailto:whelan@un.org)) by 15 January.**

The Global Compact, a Network of Networks, evolves rapidly. The importance of well-functioning decentralized networks has been highlighted by the McKinsey Impact Assessment earlier this year. At the end of the Leaders Summit in June, Secretary-General Kofi Annan announced and started a process that should lead to a new and more effective governance structure of the Global Compact.

The roles and responsibilities of country, regional and sectoral networks under the new governance model will be among the main topics of the Global Compact Networks Conference in London on 4-5 November. This second Networks Conference invites you to help shaping the future development of the initiative. Amongst other aims, the London Conference is targeted to produce a more decentralized and more democratic governance structure in the future. Under "Tapping the Full Potential of Networks," the conference will collect ideas on how networks can be better multipliers of ideas, actions and the effective promotion of the ten principles. Under "Making Progress Tangible," we will discuss how networks ensure that communication on improved performance is transparent, relevant, comparable and trustworthy. The Conference will

also tackle how to best manage the brand, so that participation in the initiative itself is increasingly seen as moving in the right direction.

Sufficient momentum should come out of London on these subjects to advance the process for a reconfiguration of the Global Compact by June 2005, as called for by the Secretary-General. Network Focal Points should return from the conference with new ideas, additional guidance, more awareness on how to measure and communicate change, and the motivation to scale up and deepen the Global Compact Initiative in their country or region.

The Global Compact UK Network and the UK Foreign Office are hosting the Conference. The UK Network has produced three issue papers covering the topics of the Conference that were sent out to all networks some time ago. It is important that networks discuss the content of the agenda and the issue papers beforehand, take a position on all important issues and mandate to some extent the person representing them in London. Network Focal Points: If not done so yet, please copy the London documents to all participants of your network. Note that the invitation is not a personal invitation for Network Focal Points. Networks must decide who will represent them at the Conference.

Looking forward to a productive meeting in London,

**Anton Stadler**

**Global Compact Networks Coordinator**

### NEW VIDEOS AVAILABLE!

*The Global Compact Office has made available two new video clips for use by Global Compact regional and local networks. First shown at the Global Compact Leaders Summit in June, the videos can now be downloaded from the Global Compact website at [www.unglobalcompact.org](http://www.unglobalcompact.org). Please contact*

## MEET THE GC TEAM

Anton Stadler ([stadler@un.org](mailto:stadler@un.org))  
Network Coordinator

Regional contact points in the  
Global Compact Office:

### Latin America & the Caribbean

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## BULGARIA Global Compact Vaccination Campaign

The UN Global Compact Vaccination Campaign against Hepatitis has successfully been started in the Roma community of Sliven. UNDP, the Global Compact and GlaxoSmithKline Bulgaria recently announced the launch of this joint immunization campaign against Hepatitis A and B. GlaxoSmithKline, the Sliven Municipality, Pfizer Bulgaria and the "Health for Romany People" foundation are important partners in this project.

"The UNDP in Bulgaria strongly supports the eradication of Hepatitis through preventive immunization available to all segments of the population, as well as the improvement of living and sanitary conditions and the generalization of prevention and education measures to stop the spread of the disease," said Neil Buhne, UNDP Resident Representative in Bulgaria.

The pilot phase of the vaccination campaign involves 250 children and youths from the Roma community of the Nadezda district in Sliven. GlaxoSmithKline will provide Hepatitis A and B vaccines free of charge. The vaccinations will be conducted by Dr. Panayotov, chair of the "Health for Romany People" foundation at the Nadezda Medical Center.

*For more information on the Global Compact in Bulgaria, please contact Ms Elena Panova ([elena.panova@undp.org](mailto:elena.panova@undp.org)) or Maria Metodieva ([maria.metodieva@undp.org](mailto:maria.metodieva@undp.org)) Tel.: +359 2 96 96 100.*

## ZAMBIA GC Participants Support Conference

The UNGC Zambia Network has been focusing on promoting HIV/AIDS programs at work places and has received great interest from its participants. Additionally, many member companies have been engaged in community work, including providing goods and services for a conference on "Violence Against Women and Children," which was spearheaded by Maureen Mwanawasa, the First Lady of Zambia, and UNICEF. Contributing companies in the network include: Tata Zambia, Total Zambia, Barclays Bank, Pricewaterhouse, Celtel, Zambian Breweries, Stanbic Bank, Unilever and Zambia State Insurance.

The Zambia Network also held a workshop entitled "How to do Business with the United Nations Systems of Organization" in conjunction with UNDP. The workshop brought together more than eighty participants from small, medium and large companies. This event allowed many companies to see the benefits that can emerge when the United Nations and the private sector work together for the public good.

*For more information on the activities of the Global Compact Network in Zambia, please contact Mrs. Rosaria Fundanga at [gczambia@zamnet.zm](mailto:gczambia@zamnet.zm)*

## PAKISTAN

### *Global Compact Foundation Established*

In its most recent meeting on 26 May 2004, the UNGC Pakistan Steering Committee passed a resolution to establish the Global Compact Foundation as a not-for-profit company. It was also agreed that the Board of Directors would be a multi-stakeholder forum, whose leadership would lie with the private sector. The majority of the proposed Board members are representatives of the private sector, and notably of leading industries and groups, identified for their ability to mobilize resources and provide cross-sectoral leadership and networking. The United Nations Resident Coordinator will participate as an observer. The proposed structure, composition and resources of the Foundation were also approved and finalized. All necessary legal formalities and requisite actions with regard to the establishment of the Foundation have been finalized and the organization is expected to become fully functional in the near future.

The work of the Foundation will be organized through the establishment of Sub-Committees that will assist the Board in providing necessary policy guidance for the Global Compact and to initiate, lead and monitor various activities included in a Work Plan.




The response from stakeholders and the support from potential partners has been extremely encouraging. A resource mobilization strategy has been developed to ensure sustainable initiatives by the Global Compact Foundation. The strategy primarily emphasizes: building its own resource base through purposeful engagement with the corporate sector; tapping into available resources with international donor agencies, as well as the non-governmental sector; and embedding the Global Compact agenda within existing, relevant, successful initiatives and forums. Deliberations and negotiations with a diverse set of stakeholders have resulted in firm commitments and development of frameworks for partnership to support and collaborate on Global Compact activities in Pakistan.

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## GERMANY

### *Past and Future Events*

-  Amnesty International, FIAN, Misereor and DGVN organized a "Business and Human Rights" dialogue that was hosted by GTZ on 23 September. At the event, Professor David Weissbrodt talked about recent developments, objectives and implementation of the *UN Draft Norms*. Professor Alan Miller (McGrigor Donald) presented findings from the Business Leaders' Initiative on Human Rights.
-  A meeting of the German Global Compact Network will be held at GTZ House, Berlin, on 9 November.
-  A workshop on the implementation of the 10th Global Compact principle on transparency and anti-corruption, with a focus on the "Business Principles" (Jermyn Brooks), will take place at the SAP representation in Berlin on 16-17 November. The evening event is a joint initiative by SAP, GTZ and Transparency International and will also feature a presentation of the joint SustainAbility/Global Compact report *Gearing up* by John Elkington.

## FRANCE

The French Global Compact Forum held a luncheon dialogue with NGOs on 21 September. Bertrand Collomb, Chairman of Lafarge, and Claude Martin, Director-General of WWF International, discussed the the long-standing partnership between their organizations with 60 CEOs from Global Compact participating companies.

The French Forum has recently created two regional platforms within the national organization in order to be more accessible to small and medium-size enterprises (SMEs). Each platform is organized around local enterprises, local business and engineering schools, and the local division of the Ministry of Trade and Industry. Through regular meetings, the local firms can express their opinions and discuss issues related to the GC. Also, students from each school will conduct research on a pre-defined subject analyzing the actions of a chosen enterprise and assisting management in making progress in the selected area. It is planned to develop case studies and other best practice examples from the students' research.

*([www.pactemondial.org](http://www.pactemondial.org))*

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## INDONESIA




### ***Linking the Global Compact with Achievement of the Millennium Development Goals -- The Partnership for Sustainable Development --***

For countries like Indonesia, there is good progress towards achieving the Millennium Development Goals (MDGs) at the national level, but the challenge remains to effectively bring development gains to sub-national groups lagging behind. Achieving further development gains will also depend on the ability to renew and sustain an adequate level of economic growth. While renewed private investment in Indonesia will be a significant achievement, the context for growth has changed. Not only must growth translate into development gains for poor communities, it must also address demands for local autonomy and inclusion of civil society in decision-making. Partnership with business will be critical, since business serves as the driver of growth and revenues needed to achieve development goals.

Indonesia's largest province, Papua (formerly *Irian Jaya*) holds a special challenge in this regard. She hosts the nation's highest levels of poverty, with approximately 60% of her population in extreme poverty; while also hosting upwards of 60% of Indonesia's biodiversity. A major test for achieving development goals in this context will be a planned Liquefied Natural Gas (LNG) operation known as "Tangguh". With a US\$3 billion investment by a consortium of foreign investors, Tangguh will stand as Indonesia's largest Foreign Direct Investment (FDI) since the Asian economic crisis began in 1998.

The challenge for local government and partners in Papua's Birds Head region will be to manage the change expected from Tangguh and other investments in a way that can meet development goals equitably and sustainably. A major opportunity now exists to bring the poverty reduction platform of the MDGs together with the corporate responsibility platform of the Global Compact to address issues of labour, rights and environmental sustainability in business operations. The unprecedented levels of local revenues that will flow from this and other investments can be a major boost to local poverty reduction efforts. However, local communities have faced many obstacles in the past to benefit from FDI-led growth to improve the rate of progress towards local development goals. Achievement of corporate responsibility and the Global Compact principles is increasingly seen as a means to improve performance in this regard.

In July 2004, UNDP launched the Partnership for Sustainable Development, a three-year \$1 million programme with Government, and business and civil society partners, focused on local capacity development to ensure that the growth resulting from Tangguh and other future investments is sustainable and equitable towards achievement of the MDGs. It also seeks to engage the commitment of the private sector to corporate responsibility under the framework of the Global Compact. The strategy of the programme is to elaborate a Strategic Plan for the region that aims to reduce poverty and prevent conflicts by analyzing key drivers of change, such as local autonomy and new FDI, and support policy responses and capacities to manage future change under the three pillars of sustainable development:

-  **Economic:** diversification of local economy to build on revenues from FDI-led export, empowering local business, meeting infrastructure needs and improving permit and license systems, and promoting corporate responsibility.
-  **Environment:** to ensure sustainable and equitable use of land, water and other resources for poverty reduction, building local capacities to monitor and correct environmental impacts from investments and protecting globally critical ecosystems.
-  **Social:** finding synergies between indigenous and state systems of regulation regarding land and resource use, promoting equitable benefit-sharing through dialogue among communities around common visions and strategies for local development

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## AUSTRALIA

### *New Project Targets Debt Spiral*

In Melbourne, the Utility Debt Spiral Project, the principal “test” of the GC Cities Project, is advancing extremely well. The project has been underway for 1.5 years and has achieved strong outcomes that are effectively upholding the GC principles (in this case, GC Principle 1 relating to Article 25.1 of the Universal Declaration of Human Rights). Following the completion of a groundbreaking 250-page study on utility company-related hardship, project participants are now moving forward with two main objectives to A) change government policy and B) change the behavior of business vis-à-vis those customers who are in financial hardship and unable to pay.

This is great news because when the project began in 2003, a theoretical Melbourne Model was developed with the aim to combine the resources, ideas, experience and capabilities of the private and public sector to affect outcomes of benefit to all. Now, the Melbourne Model has been proven to work in reality. It is important to note that this process would not have been possible without the Cities Program Melbourne Model and the imprimatur of the UNGC.

On 6 August, a Utility Debt Spiral Workshop was held and was successful in gaining strong, cross-sector consensus from participants representing industry, government and civil society to pursue two principle courses of action:

#### GROUP A. GOVERNMENT ACTION

Objectives of Group A:

- No person should be disconnected from an essential service solely due to an inability to pay; and
- Essential services should be available to all at a fair and reasonable price, and without compromising health and other welfare needs.

Purpose of Group A:

- Make a formal recommendation to the Victorian Government that it articulate a clear social policy objective for essential services, including funding expectations; and
- Institute a government dialogue on affordability and access issues to ensure its policies and programs are effectively coordinated.

Proposed Agenda for Group A:

- Discuss and map the policy framework, building on the regulatory framework component of the report;
- Identify the relevant agencies and officials to be engaged in this dialogue; and
- Agree upon strategy for engagement.

#### GROUP B. INDUSTRY ACTION

The workshop participants agreed that there was great value in utility retailers continuing to develop and enhance their strategies for dealing with customers in financial hardship. It was also agreed that this work can preempt a statement of government policy, and proceed as if it were in place.

Purpose of Group B:

- Representatives from industry, civil society and government will continue to collaborate and develop industry hardship strategies.

Proposed Agenda for Group B:

- Discuss and evaluate the current hardship policies and procedures with the aim of identifying best practices, building on the hardship policies component of the report;
- Identify avenues for information exchanges between companies to enhance informal cooperation and knowledge base; and
- Discuss possibilities for community education in relation to energy efficiency, energy audits and establishing an environment in which any customer in need of assistance feels able to request it.

Contact: Mr. David Teller, Committee for Melbourne, [dteller@melbourne.org.au](mailto:dteller@melbourne.org.au)

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## INDIA

### *National Global Compact Convention*

The Global Compact Society in India, in association with the Federation of India Chambers of Commerce and Industry, held a National Convention in New Delhi on 27 July 2004. Participants included more than 300 leaders from business, NGOs, Labour, ILO, UNDP, government and academia. The Chairman of the convention was Mr. Subir Raha, President, Global Compact Society and Chairman and Managing Director, Oil and Natural Gas Corporation. The chief guest at the meeting was Mr. Rajeev Ratna Shah, Member Secretary (Minister of State) Planning Commission, Government of India.

In his address, Mr. Shah underlined support for the Global Compact and stated that combating corruption presents a major challenge in the implementation of the 10th principle of the Global Compact. He also highlighted the PURA project (Providing Urban Amenities to Rural Areas), a concept initiated by the President of India, which can significantly enhance the development of the more than 600,000 villages in India by ensuring physical, electronic knowledge and economic connectivity. Mr. Shah called for the public-private partnerships required to improve socio-economic conditions.

Nine case studies were presented at the convention. These included presentations on how the Global Compact principles are being implemented, as well as specific projects aimed at health, education, job creation, empowerment and environmental protection, including a detailed outline of the efforts in support of the PURA project.

An analysis of the discussion at the convention detailed the need for: increased efforts to integrate the principles into all areas of corporate operation; scaling-up and focusing development efforts; and increasing the number of companies participating in the Global Compact to ensure a critical mass.

Following the convention, members of the Global Compact Society from some of India's 100 member companies, as well as other stakeholders, met to consider approaches to reach a critical mass and to set the goals for the Regional Global Compact Dialogue, which is expected to be hosted by Tata Steel (a 100 year old company committed to the Global Compact) in Jamshedpur, India, in late 2004 or early 2005.

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## UPCOMING EVENTS

### International Conference on Corporate Social Responsibility

14-15 October

Humboldt University Berlin

### Consultation on Business and Human Rights

One-day consultation, hosted by the Office of the High Commissioner for Human Rights, in cooperation with the Global Compact Office

22 October

Geneva

### Introductory Workshop for a Global Compact Network Singapore

28 October Singapore

### International Global Compact Networks Conference 2004

Hosted by the Government of the United Kingdom, the Global Compact Network UK and the Global Compact Office

4-5 November

London

### Integrating CSR: New Risks, New Rewards

BSR 2004 Annual Conference

9-12 November

New York

### The Business & Human Rights Seminar

9 December

London

Please visit the Global Compact website at  
[www.unglobalcompact.org](http://www.unglobalcompact.org) for more information.