

GLOBAL COMPACT



NETWORK NEWS

ISSUE 3

FEBRUARY 2005

DEAR NETWORK FOCAL POINTS,

We are pleased to present this new issue of the Global Compact Network News with information from the Global Compact Office and country networks around the world.

ANNUAL NETWORKS MEETING

The Annual Network Meeting in London in November laid the foundation for gaining a better understanding of the role of local networks in the future governance of the Global Compact. With the ever-increasing number of participants and stakeholders in the Global Compact, managing growth in ways that improve accountability and impact is paramount. For local networks, it is clear that establishing more defined governance systems, while retaining flexibility and nuance, will be a key success factor in moving forward.

Also, a consensus emerged in London, that each network should pursue a set of minimum governance requirements, (commitment to the principles, establish a focal point, produce annual report, etc). However, networks expressed different views as to the degree of organisational structure they found appropriate. It was agreed that the implications of further defining Global Compact networks needed careful and thorough discussion. To this end, two working groups were formed.

The following ten networks volunteered to be part of Working Group One: Argentina, Brazil, France, Colombia, India, Italy, Malawi, Spain, United Kingdom, Zambia. This group will explore and define the rationale and the detailed characteristics of a more formal network governance structure and its required activities. At present, the group is in the middle of consultation process and will submit a draft report to the GC Office in early March 2005.

Working Group Two is made up of network representatives from the Dominican Republic, Germany, Nordic Network, South Africa, United States, and Canada. It will explore and discuss implementation of the minimum governance requirements and the parameters for the use of the Global Compact name and logo by net-

works with a less formalized structure, with a view to protecting the integrity of the initiative. The consultation process of this working group is also underway and first findings will be presented at the end of March.

SEED FUNDING AVAILABLE

As a general rule, Global Compact country and regional networks need to be self-financed by their business participants and/or other network stakeholders. This form of financial or in-kind sponsorship underlines the willingness of the local or national business community to make the Global Compact part of its business culture.

In some countries, it might be difficult to establish a Global Compact network, particularly if the Global Compact needs first to be made known in the business community before it can attract sponsors. Funding provided by the Swiss government has now made it possible to support country networks in low-income countries with a one-time contribution of up to US-\$ 25,000. The money is intended to pay for start-up investments (e.g. computers, websites, first promotion events, first case studies, training of the business community on the ten principles).

Networks in need of such seed funding are requested to submit a two-page proposal with a description of the activities to be funded to Ms. Nessa Whelan (whelan@un.org) by 25 March 2005. Please see the attached guidance document for further information. Incoming proposals will be evaluated by the Global Compact Office. If approved, funds will be channeled through the local UNDP Office which will audit the expenditures. Networks that receive funding under this program are expected to provide a short report, outlining the results and impact of the funded activity, by 30 November 2005.

ANTON STADLER
GLOBAL COMPACT NETWORKS COORDINATOR

MEET THE GC TEAM

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GOOD HOUSEKEEPING

Update on the Welcoming Process of New Global Compact Participants

As the Global Compact continues its rapid growth, the administrative activities at the global level are becoming increasingly challenging to manage. Many local networks involved in outreach activities and in recruiting more companies provide much needed assistance in obtaining accurate and up-to-date contact information critical in ensuring successful communication with our participants. The overall success of the initiative depends on its ability to communicate effectively with participants and other stakeholders. We very much appreciate your support in this area and would like to encourage you to continue these efforts in the future. Local networks, by their nature, are better positioned to identify new participants and to keep track of changes in contact information.

When new participants join the Global Compact, the CEO letter is processed by the Global Compact Office and the participant is added to both the online and internal database. This requires that the information provided is complete and correct. In addition, we would like to encourage networks to facilitate the process through the following activities:

1. *Communicate to potential participants the "proper documents" (see attachments). We now have two new sample entry letters with the information sheet attached. One for business participants, and the other for non-business participants (business associations, CSOs, labour organizations, etc). You will notice that the sector list on each information sheet has also been updated in order to improve the categorization of GC participants.*
2. *If possible, translate the new sample letters and the information sheets and post them on your local website and/or forward them to the GC Office for posting on the global site.*
3. *Forward only those letters that fulfill the following requirements*
 -  *Letters of commitment have to be written on company letterhead.*
 -  *Letters have to be signed by the highest executive of the organization.*
 -  *The commitment has to be expressed with regard to all ten principles.*
 -  *Contact information sheets have to be completed fully and legibly.*
4. *Contact those participants whose letters do not fulfill the requirements listed above.*
5. *Oversee the participation of micro enterprises (companies with less than ten employees) at the local level. Due to resource constraints we are unable to facilitate their participation at the global level. However, micro enterprises are an important group of participants, especially at the local level. We encourage them to stay informed about all Global Compact activities via our website and to engage with their Global Compact local network.*

In order to keep you updated on new participants, the Global Compact Office will each month send you a spreadsheet listing contact information of all new participants in your country or region.

SOUTH ASIA

Global Compact Regional Conclave

The first Global Compact Regional Conclave in South Asia will take place on 8-9 March 2005 in Jamshedpur, India. The event is jointly organized by the Confederation of Indian Industry-Eastern Region, Tata Steel and the Global Compact Society India. The meeting will bring together senior representatives of companies, civil society, labour, as well as UN representatives from the South Asia region to facilitate regional collaboration, share knowledge and present case studies of corporate-led initiatives in several areas. The Conclave will also include sessions on "The Fortune at the Bottom of the Pyramid - Eradicating Poverty through Profits"; Corporate Social Responsibility as a business strategy; Governance and Ethics; and Fostering Entrepreneurial Development.

The event will be used to facilitate cooperation among Global Compact participants in the region to develop and share skills, tools and techniques to help implement the Global Compact principles and to scale-up good practices toward reaching the Millennium Development Goals. Additionally, it will provide an opportunity to raise awareness among non-participants about the Global Compact and its objectives in order to achieve a critical mass of participants in the region.

A regional steering committee with representatives from a number of countries in South Asia are working to organize both the substantive and logistical aspects of the meeting, with the Global Compact Office in New York playing a supportive role.

For more information please contact Mr. Uddesh Kohli, acting as the neutral convener of the Steering Committee, at uddeshkohli@lycos.com.

EGYPT

Egyptian Network Holds Series of Learning Seminars

As part of the efforts to advance implementation of the Global Compact in Egypt, the Egyptian network and the office of the UN Resident Coordinator have planned a learning forum agenda for 2005. The forum will be divided into a number of learning events and dialogues focused around the ten principles and other issues related to corporate social responsibility.

The objective of the forum is to ensure that participants gain a greater understanding of how to implement the ten principles, to engage in substantive dialogue among the various stakeholders, and to produce high-quality Communication on Progress reports due by June 2005.

The first learning seminar on Business and Human Rights took place on 19 January in Cairo. Upcoming learning events are: Business and Labor (February), Business and Environment (March) and Business and Anti-corruption (April).

Contact: Mr. Mohamed El-Kalla, UNDP Egypt, (mohamed.elkalla@undp.org).

CONTRIBUTIONS TO NETWORK NEWS

The Global Compact Office encourages networks to submit articles (if possible with photographs) about their activities for publication in future issues of the Network News. The deadline for the next issue of the Network News is the end of May. Please send your contributions, including contact information to **Ms. Nessa Whelan** (whelan@un.org). If you wish to include photographs and/or other graphical materials, please send them as high-resolution (300 dpi) JPG or TIFF images or as vector graphics (EPS).

UPCOMING EVENTS

Transatlantic Bridge Award Gala

Launch of the **Kofi Annan
International Fellowship
Program in Global
Governance.**
24 February
New York

Alliances for Integrity - Government and Business Roles in Enhancing African Standards of Living

7-8 March
Addis Ababa/Ethiopia

Global Compact South Asia Regional Meeting

8-10 March
Jamshedpur/India

Corruption in Asia - Its Effect on Nations and Business: Third Annual Conference on Managing Corporate Governance (MCGA) in Asia

7-8 April
Bali/Indonesia

Global Compact China Summit

16-17 November
Shanghai/PR China

*For more information on
upcoming events, please
visit the Global Compact
website:*

www.unglobalcompact.org

BULGARIA

News from the Bulgarian Network

For the International Year of Microcredit, Bulgarian partners from the private and non-governmental sectors, academic circles and government institutions are planning a series of thematic round tables and a national conference on microfinance. Neil Buhne, UNDP Resident Representative, said that despite dramatic strides, "the benefit from the changes has not yet translated to everyone. Throughout the coming year our aim, as partners in microfinance, will be to ensure a conducive environment for all actors in microfinancing - banks, cooperatives, popular funds and other alternative institutions to improve their work and to reach a greater number of people."

Following a joint statement of leading private companies and associations and in line with the tenth principle, RR Neil Buhne, Maxim Behar, Chairman of Bulgarian Business Leaders Forum, Ognian Minchev, Chairman of the Board of Directors of Transparency International Bulgaria, and Kirko Kirkov, President of the Bulgarian International Business Association, met on the 1 December 2004 to discuss joint efforts in endorsing and implementing concrete measures in fighting corruption on all levels and in all spheres of public life.

In 2004, UNDP and private businesses from the Global Compact network and Ideo Saatchi & Saatchi launched the Love Bridge Initiative to benefit young people in Bulgaria. One project of the initiative, Snail Art, seeks to beautify the urban environment while urging more corporate social responsibility and mobilizing support for projects aimed at social integration and access to health and education for the young and disadvantaged. A recent auction of the colourful giant snails that for two months adorned central Sofia fetched BGN 8,000 for the special UN Bulgaria bank account funding micro-projects in support of disadvantaged youth.




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

CAMEROON

Rountable Launched to Support Compact

On 23 October 2004 (UN day), a roundtable to promote of the Global Compact was held in the UNIDO office to sensitize public and private sector actors and civil society for the need to build a large alliance and a general consensus around the ten principles of the Global Compact and to consolidate the institutional framework for the strategic management and recruitment of participating companies.

Present at the roundtable were representatives from government, business, employer associations, unions and civil society. Among the issues addressed were:

-  How do Cameroon's important players view the Global Compact?
-  What practical actions are being taken to demonstrate commitment to the Global Compact at the national level?
-  What are, at this stage, the constraints to the development of Global Compact activities in Cameroon?

Participants agreed to create a committee to follow up on the conclusions of this roundtable, composed of the representative of each of the following ministry and organizations. A plan to revitalize the Global Compact network in Cameroon was adopted.

For more information about the Global Compact in Cameroon, please send an email to registry.cm@undp.org.

UNITED KINGDOM

In June 2003, UK signatories of the Global Compact joined together in creating a forum to share experience on embedding the 10 principles in the operations of their businesses. The Global Compact UK Forum now consists of approximately 30 multinationals, seven SMEs and a number of observers including representatives from Amnesty International, Oxfam, WWF, Transparency International, Business in the Community, the Trades Union Congress and the Government. The UK government has declared its keenness to continue working with the forum to ensure that it fulfils the Global Compact's vision.

In addition to co-hosting the November Network Meeting (see related story), the UK Forum has established two working groups. Firstly, a Governance Working Group (GWG) was set up to develop robust and simple ways of organizing and managing the functioning of the forum itself. Secondly, an Initiatives Taskforce (ITF) was set up to identify and manage initiatives to further the aims of the Global Compact both within the UK and around the world.

Discussions are also underway with Business in the Community (an association of around 750 companies) to explore how it can support the penetration and development of the Global Compact within the UK.

For more information, please contact Anthony Sampson of AVIVA (anthony_sampson@aviva.com).

CANADA

Feasibility Study for Canadian GC Network

In November, 2004, Canadian Business for Social Responsibility (CBSR) was contracted by the Canadian Government's Department of Foreign Affairs to assess the need for a Canadian UN Global Compact Network. Currently, Canadian signatories to the Global have joined the Global Compact, and these Canadian signatories have the option of joining the US-based North American Network, but there is no network specific to the Canadian context.

In exploring the possibility of a Global Compact Network, CBSR is hoping to encourage more companies to sign onto the Global Compact principles and to provide more value to participating companies. Through interviews with Canadian signatories, leading Canadian companies not yet signed on to the Global Compact, and other Global Compact Networks internationally, CBSR will make recommendations on whether a Canadian network is needed, and if so, how it can be set up to best meet the needs of the Canadian business community.

The results of this study will be publicly available in March, 2005.

For more information on this project, please contact CBSR directly at advisory@cbsr.ca.

PAKISTAN

Global Compact Foundation

The Global Compact Foundation in Pakistan is in the final stages of development. The National Steering Board for Global Compact has passed a unanimous decision to stand dissolved when the foundation is registered. A leading business representative in Pakistan, Mr. Syed Babar Ali, has been nominated by the GC National Steering Board as the Chairman/CEO-designate for the Board of Directors. Mr. Ali is currently acting as the convener of the foundation.

The foundation office will be established in the Lahore office of Packages Ltd. and LEAD Pakistan has offered to house a research unit in their head office where Global Compact research fellows will be based. The SAIS at John Hopkins University has already agreed to set up these fellowships and LSE has shown interest in working on Pakistan-specific research on Global Compact-related issues. The formal Global Compact Foundation launch is planned for the end of March.

Contacts: Mr. Onder Yuzer, UNDP Resident Representative in Pakistan (onder.yuzer@undp.org); or Mr. Farhan Sabih (farhan.sabih@undp.org).

COMPACT QUARTERLY LAUNCHED







On 25 January, the Global Compact launched its latest electronic publication - The Compact Quarterly. It endeavors to provide Global Compact participants, stakeholders and observers with a range of thought-provoking articles, interviews and updates on topics related to the initiative, as well as to corporate citizenship and CSR generally. The Compact Quarterly will be published four times a year. Please visit www.enebuilder.net/globalcompact to view the inaugural issue and/or to subscribe for email delivery.

We encourage readers to provide us with feedback, comments and suggestions which should be sent to Ms. Carrie Hall at hallc@un.org.

GERMANY

Recognizing the important role of microcredit in development, Global Compact Germany has hosted the symposium "Mainstreaming Microfinance in the UN Year of Microcredit 2005" on 25 January 2005 in Zurich. The German network seeks to use this symposium as an international platform to strengthen the cooperation between the public and the private sector. Approximately 100 representatives from financial institutions, private and institutional investors, development aid organizations, NGOs and microfinance institutions participated in this symposium. Actively involved companies and sponsors were Deutsche Bank, Swiss Agency for Development and Cooperation (SDC), KfW, UNCDF, Swisscontact, ACCION International with BancoSol, Blue Orchard, Intercooperation, Schwab Foundation for Social Entrepreneurship, Swiss Re and BHP Bruggler and Partners Ltd., who also organized the symposium.

The German network of the Global Compact and the media company Macondo have jointly published the first yearbook of the German network. "Global Compact Deutschland 2004" offers a thorough analysis and overview of central issues, projects and visions of the German network. The main focus of the publication is best practice examples from 20 companies and various articles by representatives from business, politics and civil society. Key contents:

-  New York Leaders Summit
-  The introduction of the tenth principle
-  Interview with Georg Kell on the current governance debate
-  Socially Responsible Investment (SRI)
-  The Policy Dialogue on Business in Zones of Conflict
-  The role of the GC in the UN reform, and much more ...

88 pages, printing certified by the Forest Steward Council (FSC), limited edition.

*Price: Euro 25.- (outside Germany add shipping cost)
ISSN 1614-7685.*

More information:

<http://www.umweltdialog.de/vtest.asp?id=1675>

INDONESIA

The amount of private sector contributions to the tsunami relief effort has been unprecedented. One example of how the business community is active in relief and recovery efforts is an initiative by UNDP and Exxon Mobil Oil Indonesia. With Exxon providing critical financial resources, UNDP is working with local NGOs to assess, design and deliver relief and recovery activities in affected communities. The decision by Exxon to respond to the crisis is not only an expression of corporate responsibility, but it also serves as a catalyst for continuing discussions with the broader business community on how corporate responsibility can translate into immediate and longer-term recovery for affected communities.

In 2004, the Jakarta Stock Exchange (JSX) became the third Indonesian company to sign on to the Global Compact. In early 2005, UNDP will provide technical advice to JSX on how the Global Compact can be implemented within stock exchanges. With the support of the Global Compact Office, experts are being mobilized in order to bring comparative insights from similar efforts around the world on how to integrate the ten principles into stock exchange functions.

In April 2005, UNDP will support the third annual Managing Corporate Governance in Asia (MCGA) conference, to take place on 7-8 April in Bali/Indonesia. The theme of this year's MCGA is combating corporate corruption in Asia. MCGA is a major opportunity to engage Global Compact participants in Asia on this issue and UNDP will support dialogues with approximately 100 CEOs, high-level government representatives, various NGOs such as Transparency International, and the Global Compact Office, which will provide guidance to participants on the new tenth principle framework.

For more information, please contact Kishan Khoday, Global Compact Focal Point, UNDP Indonesia Country Office (kishan.khoday@undp.org).

COMPACT STATS

BUSINESS PARTICIPANTS:
1917

COUNTRIES REPRESENTED:
74

(as of 10 February 2005)



**THE GLOBAL
COMPACT**

MACEDONIA***Global Compact Launched***

On 22 December 2004, the UNRC/UNDP Office in Skopje launched the Global Compact in Macedonia. Approximately 100 representatives of government, the private sector, business associations, NGOs, academia, donors from the international community as well as representatives of major media organizations were present and extensive media coverage followed the event.

The launch began with a brief speech by Minco Jordanov, Vice Prime Minister for economic issues. On behalf of the Government, Mr. Jordanov welcomed the launch of the Global Compact in Macedonia, stressing that Macedonia's further success and accession to the European Union calls for higher economic growth and development of the private sector. Mr. Stevco Jakimovski, Minister of Labour and Social Policy, noted that the Global Compact principles are derived from four universal UN declarations, which are already incorporated into Macedonian laws, hence the normative frame exists. The challenge is therefore for Macedonian companies to respect and implement the principles in their operations. Additional speakers included Mr. Frode Mauring, UNRC/UNDP Resident Representative, and Mr. Ivan Vasilev, a representative from the Bulgarian Global Compact Network and Country General Manager of TNT.

The event concluded with a presentation on socially responsible activities of Macedonian companies. Mr. Vladimir Todorovic, General Manager of the retail and trade company Tinex elaborated on its recent initiative to offer employment to orphans, one of the most vulnerable groups in the country. Mr. Todorovic also pointed to the problem of corruption in the country - a key issue to be addressed under the Global Compact.

For more information, please contact UNDP Macedonia. (Tel. +389-2-3116-335 or email globalcompact@undp.org.mk).

AUSTRALIA***Utility Debt Spiral Project***

A joint research project initiated in 2003 by the Committee for Melbourne under the auspices of the Global Compact will be launched in the first quarter of 2005. Applying the Global Compact Cities Program model, the Utility Debt Spiral Project harnessed the expertise and involvement of business, government, regulators, and civil society project partners to test the premise that water, electricity and gas bills can be a significant factor in personal debt spirals and the poverty trap. The Project also examined and identified potential means of ameliorating the impact of utility bills as a direct cause of, or exacerbating factor in, the debt spiral.

Georg Kell, Executive Head, Global Compact, described the Project as an "inspirational and wonderful model of public-private cooperation for other cities and actors to consider following."

Cities interested in following Melbourne's lead may request a copy of the "Utility Debt Spiral Study" by contacting Mr. David Teller, coordinator of the GC Cities Program (dteller@melbourne.org.au). Tel.: +61-3-9650-8800

ZAMBIA

The Zambian network remains heavily involved in the Growing Sustainable Business Initiative that was launched at the 2002 Johannesburg World Summit on Sustainable Development. This initiative is a joint project of UNDP and the Global Compact which aims to facilitate and broker concrete partnerships based on ten principles which enable large companies to increase investments and grow their business in developing countries at the same time as ensuring that domestic small and medium enterprises grow and benefit and contribute to the delivery of the Millennium Development Goals. Global Compact Zambia hosted the Growing Sustainable Business team of Mr. Richard Sandbrook and Mr. Jonas Geirsing who were in the country from 6-10 December 2004. GC Zambia believes this initiative may be an important answer to job creation, poverty reduction and investment enhancement which, will contribute to the overall economic growth of Zambia.

The Global Compact Network Zambia will continue the sensitization workshops on HIV/AIDS at various companies. This will extend to the Copperbelt Province and part of the Southern Province. Also, the network will actively contribute to the implementation of the tenth principle and hopes to involve the President of Zambia who has already embarked on the fight against corruption. GC Zambia is investigating the possibility of operating through the existing state framework, such as the Anti-Corruption Commission for Sensitization.

Contact: Mrs. Rosaria Fundanga (gczambia@zamnet.zm).

SINGAPORE***Global Compact Officially Launched***

Since the launch of the National Tripartite Initiative (NTI) on Corporate Social Responsibility (CSR) in May 2004, the tripartite leaders in Singapore have deliberated on the ways forward and endorsed the plan to establish a society known as the "Singapore Compact for Corporate Social Responsibility." The key objective is to broaden the base for collaboration between stakeholders in developing effective strategies to promote CSR in Singapore.

The Singapore National Employers Federation (SNEF) and the National Trades Union Congress (NTUC) will be the founding members. Other founding members include the National Volunteer and Philanthropy Centre (NVPC), the Consumers Association of Singapore (CASE) and the Singapore National Co-operative Federation (SNCF) - led by Ms. Claire Chiang, Executive Director of Banyan Tree Gallery. The national society will provide members with information and advisory services, networking, training and partnership programmes. Several companies and cooperatives have already signed up and indicated strong interest/support.

The Singapore Compact official launch was held on 26 January 2005 with Minister of State for Trade and Industry Mr. Heng Chee How as the guest of honor delivering the keynote address. Dr Richard Leete, UN Resident Coordinator, represented the Global Compact Office and also delivered a speech. Leaders representing tripartite and national organizations, including the NTI Co-chairs Ms. Claire Chiang and Mr. Thomas Thomas, Mrs. Halimah Yacob, NTUC Asst Secretary-General and Mr. Alex Chan, SNEF Vice-President, provided perspectives and insights on CSR.

For more information, please contact the secretariat staff: Jeffrey Tan at (65)-6213-8236; email: tanjk@ntuc.org.sg; or Chua Ker Sin at (65)-6827-6927; email: kschua@snef.org.sg.

The Global Compact Around the World