FINAL REPORT

Meeting of the Global Compact Board

United Nations Headquarters

New York

15 December 2008

Prepared by the Global Compact Office
Executive Summary

The Global Compact Board met at United Nations Headquarters in New York on 15 December 2008. UN Secretary-General Ban Ki-moon, Chairman of the Board, joined the meeting to discuss the increased relevance of the Global Compact’s work within the UN in light of the financial crisis and to receive updates and guidance from the Board. After the session with the Secretary-General, discussion focused on proposed updates and refinements to the Global Compact’s Communication on Progress (COP) policy.

Following the meeting, Board members joined Government representatives (see Appendix 2) for a lunch discussion on the impact of the financial crisis on corporate responsibility. It was agreed that there is an important role for voluntary corporate responsibility initiatives such as the Global Compact in rebuilding trust and confidence in markets and companies, while working in tandem with effective regulation.

Although several Board members were unable to attend the meeting (see Appendix 1), representatives were sent by Anne Lauvergeon, B. Muthuraman, Guy Ryder and Guy Sebban.

Outcomes and recommendations emerging from the Board meeting include:

- The Secretary-General asked Sir Mark Moody-Stuart, Mary Robinson and Georg Kell to form a nominations committee to make recommendations for future Board members and to manage smooth transitions when needed.
- All Board members agreed that the financial crisis and subsequent economic downturn offered a unique opportunity and challenge to bring together different stakeholders to advance responsible business and further engagement on global challenges.
- The Board agreed to the minimum requirements for a COP proposed by the Global Compact Office. Following are specific decisions related to the proposed updates to the COP policy (as outlined in the briefing note):
  - **ITEM 1:** The Board agreed to the three existing elements of a COP and suggested one modification. Instead of “A measurement of outcomes” the new policy will require “A measurement of progress towards outcomes”. The Board also agreed that reference to “stakeholder involvement” be added to the policy’s preamble. The Board agreed to the proposal that during the first five years after joining the Global Compact, a COP must explicitly address activities related to a minimum of two issue areas of the Global Compact, and that after five years, the COP must address all four issue areas of the Global Compact.
  - **ITEM 2:** The Board agreed that the terminology “self assessment” was not accurate and that the intended notion was closer to a “questionnaire”. Draft questions for the questionnaire will be circulated to the Board in January 2009 for review and comment, and then will be shared with Local Networks for input. The Board suggested that the questionnaire be sent to companies before developing their COP.
  - **ITEM 3:** Agreed without modification, though it was suggested that new signatories have until the end of the next calendar year after joining (versus 12 months from joining) to post the first COP in order to allow for syncing with existing reporting schedules.
  - **ITEM 4:** Agreed without modification.
  - **ITEM 5:** Agreed without modification.
  - **ITEM 6:** The date for announcing the updated COP policy will not be 1 January 2009 as stated in the proposal. The date will be set following the finalization of the questionnaire portion of the COP requirement.
  - **ITEM 7:** Agreed without modification.
- It was proposed that the Third Meeting of the Board Working Group on Labour be held in conjunction with the next Annual Local Networks Forum in Istanbul on 9-10 June 2009.
- Several Board members expressed interest in receiving more information about PRME and the new Research Center for the Global Compact. Manuel Escudero, Head of PRME Secretariat and Executive Director of the Research Center for the Global Compact, will provide relevant information to all interested Board members.

The Board agreed to hold its next meeting in the spring of 2009. Proposed dates will be communicated in the weeks to come.
Agenda Item 1: Briefing from Global Compact Office and Discussion

To open the session, Georg Kell provided a synopsis of key developments and trends with respect to the initiative. He noted that interest in the initiative is strong, with roughly 100 new participants joining the Global Compact per month, as well as nearly 100 Communications on Progress being submitted each month. He also stressed that issue platforms have evolved significantly. Caring for Climate is now the world’s largest initiative of its kind, and both the CEO Water Mandate and the Principles for Responsible Management Education have seen robust growth in 2008. In the coming year, the Global Compact will focus on linking workstreams (such as climate and water). Finally, Mr. Kell noted that the current economic downturn and its potential impact on the corporate responsibility agenda will be another area of focus for the office in 2009.

Following a briefing by Global Compact Office staff – based on the background document “Global Compact Update” – several Board members posed questions and offered suggestions.

Mark Moody-Stuart noted that there are a variety of forms of reporting and urged that existing reports are integrated into the COP process, as the reporting exercise may otherwise become too complicated. He then enquired about the process for Local Networks to sign annual MOUs with the GCO. In response, Nessa Whelan of the GCO explained that networks failing to meet the stipulations of the MOU will not be granted permission to use the GC logo. She added that networks are given up to a year to meet their MOU requirements.

Manfred Warda expressed his strong desire for greater involvement and consultation with regard to the Board Working Group on Labour. He emphasized that the experience and competence of ICEM should be utilized for both the Working Group and the GC, due to their broad work on labour issues, human rights, environmental issues and on sustainable development. This would give labour a chance to contribute and use the Global Compact as a platform for dialogue between stakeholders.

In response, Antonio Peñalosa explained that there had been a few difficulties in launching the working group, but that he and Jim Baker, representing the Global Unions and Guy Ryder had co-hosted the first meeting in May 2008. The second meeting (held on the day after the Board Meeting), was intended to facilitate the participation of Board members. He stressed the intention to actively engage labour and the ILO in the working group. He suggested that the third meeting be held in conjunction with the Annual Local Network Forum in Istanbul in June 2009.

Mads Øvlisen emphasized that Board Members were chosen in a personal capacity, not to represent organizations. This notion was supported by Mark Moody-Stuart.

Jim Baker (representing Board Member Guy Ryder) noted that some Board Members do participate with the permission of their organizations, and that those organizations ask whether it is useful to be involved. He shared his view that point raised by Manfred Warda gets to the question of the nature of trade union involvement in the Global Compact. He called for the GC to renew focus on meaningful dialogues that can provide solutions to common challenges, especially as stakeholders are not satisfied with responses/reports presented by business.

(Upon the Secretary-General’s arrival, discussion on Agenda Item 1 was suspended.)

Following the Secretary-General’s departure, Louise Kantrow (representing Board Member Guy Sebban) suggested that the private sector be more actively involved in the planning of the next UN Private Sector Forum. She noted that the review of the UN-Business Guidelines is of great interest to her organization, and that the ICC could help further company engagement in the work of the UN. She stressed the need to attract more small-and medium-size enterprises (SMEs) and ensure that their voices are heard in policy processes.

Georg Kell replied that the UN Private Sector Forum involved a significant effort to bring in at least ten other UN agencies, funds and programmes and their constituencies. He said the approach seemed to have worked well, and welcomed the ICC’s interest in the forum. On the UN-Business Guidelines, he announced that an updated version is scheduled for release by June 2009. Referring to the role of SMEs, Mr. Kell stressed that they make up just over half (51%) of all Global Compact
participants, and more work is needed on supply chain management and capacity building. The role of Local Networks will be crucial in this regard.

**Mark Moody-Stuart** stressed the importance of ensuring that the COP process does not exclude SMEs, due to their limited resources and capacities.

**Ntombifuthi Mtoba** asked how academic actors on the ground in South Africa can link to newly-established Research Center for the Global Compact in New York and expressed interest.

**Arun Maira** (representing Board Member B. Muthuraman) noted that in India there had been competing notions of PRME and that some schools had been told to join PRME through intermediaries. He urged that PRME improve its information flows and build a stronger brand.

Likewise, **Huguette Labelle** asked for an overview of PRME and a list of signatory schools, in order to better identify ways to support the initiative and fill gaps.

Turning to the issue of climate change, **Toshio Arima** asked for clarification on Caring for Climate’s unique contribution to the climate crisis. He also stressed that climate change is not just limited to environmental issues and suggested that the Global Compact highlight the cross-linkages to other issues, such as human rights, corruption and labour.

**Georg Kell** responded that the truly global support, particularly from emerging markets, for Caring for Climate is a unique business perspective to take to the World Business Summit on Climate Change (Copenhagen, 24-26 May 2009) and then to COP 15. He also highlighted Caring for Climate’s annual disclosure requirement, which differentiates the initiative from other business platforms on climate change.

**Laurent Corbier** added that the reporting process under Caring for Climate should make use of other voluntary initiatives, such as the Carbon Disclosure Project. His view was affirmed by Georg Kell, who replied that the Global Compact seeks to support other initiatives and maintains a good relationship with CDP.

Referring to labour issues, **Jim Baker** highlighted a recent agreement between Inditex and the International Textile, Garment and Leather Workers Federation to create “mature industrial relations”. He said the agreement is relevant to companies interested in reporting and monitoring, and suggested that it could serve as a model for others to follow.

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**Outcome: Global Compact Office Briefing**

- It was proposed that the Third Meeting of the Board Working Group on Labour should be held in conjunction with the next Annual Local Networks Forum in Istanbul on 9-10 June 2009.
- Several Board members expressed interest in receiving more information about PRME and the new Research Center for the Global Compact. Manuel Escudero. Head of PRME
Agenda Item 2: Dialogue with UN Secretary-General Ban Ki-moon

UN Secretary-General Ban Ki-moon, Chairman of the Global Compact Board, joined the meeting for a discussion with the Board about their work and engagement in support of the Global Compact. The Secretary-General’s official remarks can be found in Appendix 3.

The Secretary-General welcomed Board members and shared his reflections on the Global Compact and the UN-business agenda. He explained that since the beginning of his term he has become increasingly convinced of the importance of the initiative. He noted that he tries to meet Global Compact signatories as part of his official travels, and mentioned recent encounters in Russia, South Korea, China and Japan.

Secretary-General Ban stated that this Board Meeting was taking place at a crucial moment in time, stressing that the leadership of the Board will be needed more than ever before. The food crisis and the financial crisis, he said, have strongly impacted the work of the Organization. He further emphasized that, despite a very discouraging global economic climate, there have been encouraging signs, as people still continue to work for the poor and also to advance the Global Compact principles.

The Secretary-General noted that, in his view, one of the reasons for the erratic behaviour of the global market has been a fundamental lack of trust, adding that the Global Compact can help build trust and confidence.

Referring to the recently proposed “Green New Deal”, the Secretary-General highlighted its high level of support from Governments, expressing hope that the investments in green innovations become part of national stimulus packages to aid both economic recovery and the greening of economies.

In closing, the Secretary-General thanked the Board Members for their continued engagement in advancing the Global Compact principles and supporting their implementation.

Mark Moody-Stuart, opening the round of responses from Board Members, thanked the Secretary-General and stressed the need to ensure that the corporate commitment to the Global Compact is more than a signature. “Your own activities are a very important part of that and we are thankful”, he said, referring specifically to the Secretary-General’s engagement with Local Networks.

Huguette Labelle emphasized that the financial crisis offered an opportunity to rethink our common future and recalibrate priorities from short-term to long-term thinking. Calling the New Green Deal both “brilliant” and “timely”, she stressed that its success will rest also on the other principles. She added that that any new regulation would have to emphasize the important role of anti-corruption issues, emphasizing that the Global Compact can serve as a foundation for major initiatives that will be undertaken in this regard.

Elaborating on the efforts of the Board Working Group on Anti-Corruption, Ms. Labelle mentioned that several task forces had been created to address issues such as anti-corruption reporting, subsidiaries and supply chains. She further highlighted the two upcoming meetings of state parties to relevant anti-corruption conventions and expressed her hope that Global Compact participants will support these processes.

Laurent Corbier emphasized his appreciation for the positive atmosphere created by the Secretary-General and his supportive remarks at the COP 14 meeting in Poznan. He added that it sent a positive signal about the United Nations’ commitment to make progress on key issues. Referring to the most recent International Seminar on Human Rights, held on 4-5 December in Paris, Mr. Corbier said that the convening power of the Global Compact is “second to none”.

Antonio Peñalosa stressed that all crises have a social component, with a direct impact on the workforce. He explained that the Board Working Group on Labour hopes to address this human dimension of the current crisis.

Speaking from the vantage point of the labour community, Manfred Warda pointed out that many people had begun losing trust in globalization before the most recent crisis. Due to stresses on social cohesion and the widening gap between rich and poor, he said that there is a huge need to rebuild...
trust. He emphasized that the Global Compact can play a crucial role by fostering joint action for global governance and the rule of law.

Responding to the Secretary-General’s call not to lead the Global Compact “down the road of the lowest common denominator”, Mads Øvlisen spoke of the “unusual opportunity” this call presents to the Board. He also pointed to responsible sourcing as an area where more work is needed, explaining that new efforts are under way within the Global Compact.

Toshio Arima thanked the Secretary-General for his meeting with Japanese business leaders in June. He explained that the Japanese Network had recently managed the transition from a UN-led structure to a CEO-led structure and that it had been difficult to find committed executives. He stressed the need to focus on the training of the next generation of business leaders, which is why he has lent his support to relevant efforts, such as the Principles for Responsible Management Education.

Ntombifuthi Mtoba expressed her gratitude for the organization of the UN Private Sector Forum in September, which was important to refocus business on its contribution to the Millennium Development Goals. She highlighted the fears of many in Africa that – due to the financial crisis – the international investments will be withdrawn and that remittances from the African diaspora will decrease.

Arun Maira stressed that that the current crisis will require the Board to strengthen efforts in building trust and combining different perspectives. He also highlighted the need to further develop skills and disseminate tools. Referring to the situation in India, he said that the Global Compact is needed to foster greater inclusion.

Louise Kantrow highlighted the contribution of the Global Compact to the work of the ICC, most recently by helping to bring the largest-ever private sector delegation to the Financing for Development Conference in Doha. She further congratulated the Secretary-General on the UN Private Sector Forum, which she called a “truly historic event”. She expressed the ICC’s strong support for the Forum becoming an annual event. Looking forward, Ms. Kantrow said that the ICC will be working with the Global Compact Office on the issue of commerce and peace in the coming year.

In closing the session, the Secretary-General thanked the Board Members and the Global Compact Office for its work in the past months.

Outcomes and Recommendations: Dialogue with UN Secretary-General Ban Ki-moon

- The Secretary-General announced that he has asked Sir Mark Moody-Stuart, Mary Robinson and Georg Kell to form a nominations committee to make recommendations for future Board members and to manage smooth transitions when needed.

- All Board members agreed that the financial crisis and subsequent economic downturn offered a unique opportunity and challenge to bring together different stakeholders to advance responsible business and further engagement on global challenges.
Agenda Item 3: Governance & Review of Progress on Integrity Measures

Terms of Reference for the Global Compact Donor Group were included in the Board members’ briefing folders and were introduced at the dinner for Board members on 14 December.

During the May 2008 meeting of the Global Compact Board, it was recommended that the Global Compact Office work to develop a minimum standard for COPs, in order to provide both clarity and increased credibility to the COP process. Following the meeting, the Global Compact Office undertook an extensive consultation process to identify minimum requirements. The process was done in collaboration with KPMG, and involved interviews with approximately 50 business and non-business stakeholders. At this meeting, Oliver Johner, the COP Manager in the Global Compact Office, introduced the proposed minimum requirements. Details of the proposal can be found in the background document “Progress Report on Integrity Measures”. In summary, it is proposed to:

1. Clarify the minimum requirements of a COP (CEO statement of continued support; Description of Actions Taken; Measurement of outcomes).
2. Modify reporting deadlines for new signatories from two years to one year after joining.
3. Simplify the participant status linked to COPs by removing the “inactive” status.
4. Ask companies to indicate the content of the COP at time of submission based on a short questionnaire.

Board discussion on the proposed updates to the COP focused on the following topics:

- **Measurement of outcomes:** Several Board members felt that it is important that a company’s measurement of outcomes should ideally be linked to goals, so that it is measuring progress towards a desired outcome. It was agreed that the terminology should be “Measurement of progress towards outcomes”. It was also mentioned that indicators should be used when possible, and that there are many existing indicators such as the GRI indicators that are relevant, including new indicators on decent work recently identified by the ILO.
- **Multi-stakeholder engagement:** It was noted that multi-stakeholder engagement is a critical part of advancing the Global Compact principles, and therefore also important to development of a COP. It was suggested that in the questionnaire linked to the COP, companies could be asked if they consulted key stakeholders in the development of the report.
- **Questionnaire / self-assessment:** The proposed updates to the COP policy refer to a mandatory self-assessment, which the GCO noted was an incorrect description of the desired actions. It was explained that the goal is for companies to identify the content of the COP based on a short questionnaire to be completed when submitting the report. The Board agreed that this type of questionnaire was needed, but that the notion of self-assessment should be avoided. It was agreed that the GCO would provide a draft of the potential questions to be distributed to the Board in early 2009 for review and comments.
- **Timeframe:** The initial suggested date for announcing the policy (1 January 2009) was determined not to be feasible, and a new date will depend on the development and approval of the questionnaire for companies. It was noted that once the updated policy is ready to be released, the GCO will need to take care and consideration for how it is rolled out and provide flexibility for participants to adjust (e.g. companies that have been participants over five years expected to report on all four issue areas).

In addition to discussion on updates to the COP policy, the Board discussed reporting expectations for non-business stakeholders. It was noted that while there are now frameworks for educators, investors and cities, the GCO does not actively encourage other non-business participants, such as labour or NGOs, to report on actions to advance the Global Compact. It was noted that CSOs and labour groups are employers and can have the same issues with human rights, labour, environment and corruption as companies. Two suggestions were made:

- Take stock of and clarify how non-business stakeholders are contributing to the initiative.
- When announcing the updated COP policy, take the opportunity to also write to non-business stakeholders to encourage them to take action and report progress.
## Outcomes: Governance & Review of Progress on Integrity Measures

The Board agreed to the minimum requirements for a COP proposed by the Global Compact Office. Following are specific decisions related to the proposed updates to the COP policy (as described in the briefing note):

**ITEM 1:**
- The Board agreed to the three existing elements of a COP and suggested one modification. Instead of “A measurement of outcomes” the new policy will require “A measurement of progress towards outcomes”. The Board also agreed that reference to “stakeholder involvement” be added to the policy’s preamble.
- The Board agreed to the proposal that during the first five years after joining the Global Compact, a COP must explicitly address activities related to a minimum of two issue areas of the Global Compact, and that after five years, the COP must address all four issue areas of the Global Compact.

| ITEM 2: | The Board agreed that the terminology “self assessment” was not accurate and that the intended notion was closer to a “questionnaire”.
| ITEM 3: | The Board agreed without modification, though it was suggested that new signatories have until the end of the next calendar year after joining (versus 12 months from joining) to post the first COP in order to allow for syncing with existing reporting schedules.
| ITEM 4: | Agreed without modification.
| ITEM 5: | Agreed without modification.
| ITEM 6: | The date for announcing the updated COP policy will not be 1 January 2009 as stated in the proposal. The date will be set following the finalization of the questionnaire portion of the COP requirement.
| ITEM 7: | Agreed without modification.

The Board took note of the Donor Group Terms of Reference.
Agenda Item 4: Brainstorming on the Global Compact’s 10th Anniversary (July 2010) and Leaders Summit

Due to time constraints, brainstorming on possible activities in the context of the Global Compact’s 10th anniversary in 2010 was postponed. The Secretary-General, during his earlier remarks, encouraged Board Members to “think big” regarding the anniversary. The Global Compact Office will be engaging in consultations with Board members, Local Networks, the donor community and other stakeholders in the coming months.

Agenda Item 5: Update on the 2008 Campaign Results and 2009 Fundraising Campaign Strategy

Due to time constraints, discussion of the Foundation Fundraising Campaign was shortened. Mark Moody-Stuart provided a brief overview of the work of the Foundation for the Global Compact and its fundraising efforts in 2008. He said that the target of USD 1 million should be reached by the end of the year. He stressed that the number of contributors is still comparatively low, with the bulk of contributions coming from roughly 100 companies. He expressed hope that the new online joining process, which includes the option to indicate a level of contribution, will increase funding.

Miscellaneous Issues:

Mark Moody-Stuart noted that there is currently a complaint between the organizations of two Board members related to environmental issues. He expressed the Board’s position that both parties should engage in a constructive dialogue to find a shared solution to the issue at hand.

Huguette Labelle and Ntombifuthi Mtoba asked how Board Members are generally expected to respond when they receive complaints. Sir Mark recommended forwarding complaints to the Global Compact Office. In cases where a Board member is only copied on a complaint, no action by the Board Member is required.

Ntombifuthi Mtoba expressed the concerns of some Local Networks about the responsibility to vet new companies before joining the Global Compact. She said some networks are uncomfortable about their involvement. Georg Kell acknowledged that Local Networks have widely differing resources and capacities. Sir Mark clarified that networks are not expected to veto new participants, but to raise any critical issues they may be aware of.
Appendix 1: Members of the Global Compact Board

<table>
<thead>
<tr>
<th>Business</th>
<th>Chairman and CEO, Talal Abu-Ghazaleh Organization, Egypt</th>
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<tbody>
<tr>
<td>Talal ABU-GHAZALEH*</td>
<td>Director and Executive Advisor to the Board, Fuji Xerox, Japan</td>
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<tr>
<td>Toshio ARIMA</td>
<td>President and CEO, Petrobras, Brazil</td>
</tr>
<tr>
<td>José Sergio GABRIELLI DE AZEVEDO*</td>
<td>Senior Partner, Carey &amp; Allende Abogados, Chile</td>
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<tr>
<td>Guillermo CAREY*</td>
<td>Deputy Director-General, China Enterprise Confederation, China</td>
</tr>
<tr>
<td>CHEN Ying*</td>
<td>Chair of the Executive Board, Areva, France</td>
</tr>
<tr>
<td>Anne LAUVERGEON**</td>
<td>Chief Investment Officer, Goldman Sachs International, UK</td>
</tr>
<tr>
<td>Anthony LING*</td>
<td>Managing Director, Tata Steel, India</td>
</tr>
<tr>
<td>Ntombifuthi MTOBA</td>
<td>Adjunct Professor, Copenhagen Business School</td>
</tr>
<tr>
<td>B MUTHURAMAN**</td>
<td>Chair, Lego, Denmark</td>
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International Labour and Business Organizations

<table>
<thead>
<tr>
<th>Antonio PEÑALOSA</th>
<th>Secretary-General, International Organization of Employers</th>
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<tbody>
<tr>
<td>Guy RYDER**</td>
<td>General Secretary, International Trade Union Confederation</td>
</tr>
<tr>
<td>Guy SEBBAN**</td>
<td>Secretary-General, International Chamber of Commerce</td>
</tr>
<tr>
<td>Manfred WARDA</td>
<td>General Secretary, International Federation of Chemical, Energy, Mine and General Workers’ Unions (representing the Global Union Federations)</td>
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Civil Society

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<thead>
<tr>
<th>Habiba AL MARASHI*</th>
<th>Chair, Emirates Environmental Group</th>
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<tbody>
<tr>
<td>Oded GRAJEW*</td>
<td>Chair, Instituto Ethos de Empresas e Responsabilidade Social</td>
</tr>
<tr>
<td>Huguette LABELLE</td>
<td>Chair, Transparency International</td>
</tr>
<tr>
<td>Mary ROBINSON*</td>
<td>Chair, Realizing Rights: The Ethical Globalization Initiative</td>
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Ex-Officio

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<thead>
<tr>
<th>Sir Mark MOODY-STUART</th>
<th>Chairman, Foundation for the Global Compact</th>
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<tr>
<td>Georg KELL</td>
<td>Executive Director, UN Global Compact Office</td>
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* Not present at 15 December 2008 Board meeting.

** Not present at the 15 December 2008 Board meeting, but sent a representative to attend.
## Appendix 2: Government Officials Attending Lunch with Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Country</th>
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<tbody>
<tr>
<td>H.E. Mr. Carsten Staur</td>
<td>PR, Denmark to the United Nations</td>
</tr>
<tr>
<td>H.E. Mr. Morten Wetland</td>
<td>PR, Norway to the United Nations</td>
</tr>
<tr>
<td>H.E. Mr. Park In-kook</td>
<td>PR, The Republic of Korea to the United Nations</td>
</tr>
<tr>
<td>H.E. Mr. Peter Maurer</td>
<td>PR, Switzerland to the United Nations</td>
</tr>
<tr>
<td>H.E. Mr. Jairo Montoya</td>
<td>DPR, Colombia to the United Nations</td>
</tr>
<tr>
<td>H.E. Mr. Norihiro Okuda</td>
<td>DPR, Japan to the United Nations</td>
</tr>
<tr>
<td>H.E. Mr. Pieter de Klerk</td>
<td>DPR, The Kingdom of the Netherlands to the United Nations</td>
</tr>
<tr>
<td>Mr. Hubert Thull</td>
<td>Counsellor, Economic Affair, German Mission to the United Nations</td>
</tr>
<tr>
<td>Mr. Luigi de Chiara</td>
<td>First Counsellor, Italian Mission to the United Nations</td>
</tr>
<tr>
<td>Ms. Karin Stanghed</td>
<td>First Secretary, Swedish Mission to the United Nations</td>
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Appendix 3: UN Secretary-General Ban Ki-moon’s remarks to the Global Compact Board

Please note that these are the official remarks as released by the UN Department of Public Information, which differ from actual delivery.

Distinguished business leaders,
Ladies and Gentlemen,

It is a pleasure to join you for this meeting of the Global Compact Board.

We meet at an extraordinary moment. What began as a financial crisis just a few months ago has turned into a full-scale economic downturn that affects economies and societies around the world.

There is no doubt that the current crisis poses a serious threat to our collective well-being. It will require a concerted effort by Governments, international organizations and the private sector to prevent a lasting global recession.

In these challenging circumstances, it is more important than ever that business – and especially the Global Compact – take a leading role in getting out the message that the long-term success of business and the stability of markets and societies are two sides of the same coin.

Most immediately, we must do all we can to bring the global economy back on a track of sustainable growth that will advance development.

This will not be easy, as trust in the capacity of business has been eroded. And trust is essential. Business needs it to create and deliver value. We all need it as a matter of confidence in the system. The Global Compact and the UN values it promotes can help to restore trust and build confidence in markets.

The downturn has also shown that we must shift from an obsession with short-term profits to a focus on long-term sustainability and proactive management of environmental, social and governance risks.

We can turn these challenges into opportunities. For example, I recently proposed a “Green New Deal” to create new employment and foster sustainable markets while safeguarding our environment and natural resources.

Business can and must join in investing in a sustainable future. Many of the long-term issues that we have been tackling, from climate change to water poverty, will not vanish. If left unattended, they will likely be the cause of further global disruptions. Already, recent findings of the Intergovernmental Panel on Climate Change show that climate change is progressing at a much faster rate than previously anticipated.

Through your stewardship of the Global Compact and our universal ideals, you have already done much to advance the case for responsible business. I hope you will use today’s meeting to discuss how the Compact can make an even stronger contribution.

When we met for the first time in this room more than a year-and-a-half ago, I called on you to ensure that the momentum of the Global Compact is not lost on the slippery slope of the lowest common denominator. This is now more urgent than ever.

In particular, I will be relying on you to further refine the good measures that have been taken to strengthen the quality and accountability of the corporate commitment to the Compact. As we move forward, it will be critical that the integrity of the initiative and the credibility of this Organization remain beyond reproach.

I also wish to announce that I am asking Sir Mark Moody-Stuart, Mary Robinson and Georg Kell to form an appointment committee to make recommendations for future Board members and to manage smooth transitions when needed.
Finally, as we are gearing up for the Global Compact's tenth anniversary and the next Global Compact Leaders Summit in July 2010, I would like to challenge you to think big and find ways to ensure that business engagement in support of UN goals will reach an even higher level.

Thank you again your dedication to the Compact. You have done great work to advance our shared mission, and I look forward to doing even more as we move ahead.

I wish you all a most productive meeting.

Thank you.