About the United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate policies and practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with over 8,000 companies and 4,000 non-business signatories based in 160 countries.

www.unglobalcompact.org

Copyright ©2015
United Nations Global Compact
New York, NY USA
Email: globalcompact@un.org

Disclaimer

This publication is intended strictly for learning purposes. The inclusion of company names and/or examples does not constitute an endorsement of the individual companies by the United Nations Global Compact Office. The material in this publication may be quoted and used provided there is proper attribution.
Foreword

Local Networks are at the core of the United Nations Global Compact. We envision Local Networks as key players in engaging participants, rooting the Ten Principles in local contexts and in taking the initiative to scale. Furthermore, Local Networks open the door for the private sector to contribute to sustainable development and the broader UN priorities — such as peace, water, climate, food, equality, decent jobs and education.

The Global Compact Local Networks Management Toolkit aims to support Local Networks in their day-to-day management. It has been designed to walk emerging networks through the process of launching a network while also addressing the questions of more advanced networks seeking to further improve their operations. As the networks mature and the expectations of participants develop, we will need to review and add new sections to the Management Toolkit.

With continued commitment and ongoing development, we are confident that the Local Networks will soon become truly transformative powers that can take the corporate sustainability agenda to a new level in their respective countries.

Walid Nagi
Chief, Local Networks
UN Global Compact
Foreword

Introduction and Overview
What are Global Compact Local Networks?
What is the role of Global Compact Local Networks?
UN Global Compact Management Model: a framework to manage a Global Compact Local Network

Establishing a Local Network
Analyzing the country context
Raising awareness about the Global Compact and the Local Network
Ensuring effective stakeholder engagement
Build commitment among stakeholders
Develop effective messaging for different stakeholders
Selecting a Contact Person, elect a Representative and set up a Governance Structure
Launching the Global Compact and the Local Network
Adopt the Memorandum of Understanding or the Letter of Intent

Strategic and Operational Planning for the Local Network
Identifying priorities and creating a work plan
Developing a value proposition
Securing financial and human resources
Types of funders
Types of funding
Identifying and developing partnerships

Managing a Local Network
Implementing strategies and policies to deliver on the work plan
Identifying Engagement Opportunities
Developing the Local Network: Progression Model
Managing the Global Compact brand and integrity
Allegations of Systematic or Egregious Abuses
Global Compact Logo Policy
Communication on Progress and Communication on Engagement
Governance and decision-making: Annual Local Network Forum, Regional Meetings, Leaders Summit and Local Network Advisory Group
Managing Global Compact Participants 26
Joining the Global Compact 26
Recruitment and retention strategies 27
  Recruitment: Bring companies to the Global Compact 27
  Retention: Support participants in reporting 28

Monitoring Progress and Managing Performance 30
Why measure and monitor progress? 30
What may be measured to assess Local Network performance? 30

Interacting with UN Global Compact Headquarters, Participants and Other Local Networks 32
Communicating with UN Global Compact Headquarters 32
  The Local Networks Management Team 32
  The Relationship Management Team 33
Updating the Knowledge Sharing System 33
Publishing Annual Activity and Financial Reports 34
Sharing information through the Local Network Monthly Update 34
Communicating with Global Compact participants 34
  UN Global Compact website 34
  Local Network website 35
  Social Media 35
Media Engagement Guidelines for Network launches and other key events/activities 35

Appendix 38
Bottom-Up Approach 38
Progression Model 42
Global Compact Integrity Measures 50
  Participant Non-Engagement and Restricted Engagement 50
  Engagement with UN/USG Sanctioned Entities 50
  Participant Due Diligence and Integrity Issues 50
  Misuse of Association with the UN and/or Global Compact 51
  Global Compact Logo Policy 51
  Local Network Logo Policy 51
  Network Logos 52
  Dialogue Facilitation Guidelines 54
What are Global Compact Local Networks?

Global Compact Local Networks advance the UN Global Compact Initiative and its Ten Principles at the country level. They help companies understand what responsible business means within different national, cultural and language contexts and facilitate outreach, learning, policy dialogue, collective action and partnerships. Through Local Networks, companies can make local connections — with other businesses and stakeholders from NGOs, government and academia — and receive guidance to put their sustainability commitments into action.

While Local Networks are independent, self-governed and self-managed entities, they work closely with UN Global Compact Headquarters in New York and act as a secretariat for Global Compact signatories in a country.

Global Compact Local Networks support both local firms and subsidiaries of multinational corporations in implementing the Global Compact’s Ten Principles and meeting the annual reporting requirement. The networks help companies to identify sustainability challenges and opportunities; provide practical guidance for action; and promote action in support of broader UN goals.

Local Network activities are based on local priorities and needs. They range from corporate sustainability seminars, reporting trainings, issue-specific workshops, country-based consultations and policy dialogue to collective action projects, partnerships, networking events, local newsletters and awards. The effectiveness of Local Network activities depends largely on their ability to engage, support and motivate both the members of the network and the business community at large.

What is the role of Global Compact Local Networks?

Local Networks support companies – both local firms and subsidiaries of multinational corporations – to implement the Global Compact Ten Principles. The added value of the networks lies in the organization and facilitation of specialized activities and trainings that engage network participants, champions and other strategic partners.

Local Networks motivate and promote action in support of broader United Nations development goals. When UN Member States agree upon a post-2015 development agenda later this year, responsible business
will be expected to play a key role implementing a set of Sustainable Development Goals (SDGs). Local Networks and their participants can contribute by:

1. Providing a business perspective as countries identify local priorities and national action plans for the SDGs.
2. Facilitating partnerships and other collective action projects to implement the SDGs.
3. Promoting accountability measures to report on progress made towards implementing the SDGs.

Local Networks create opportunities for multi-stakeholder engagement and collective action to help realize the vision of a more sustainable and inclusive global economy. Although Local Networks should be business-led, they are multi-stakeholder in nature. For the private sector to be as efficient as possible in contributing to sustainable development, it needs to work in close collaboration with other societal actors, including governments, academia, organized labour, civil society and the UN system. The Global Compact together with the Local Networks can serve as an important engagement platform helping to identify opportunities and engage relevant actors in concrete projects leveraging each entity’s strengths.

Local Networks support participants in the creation and submission of the Communication on Progress (COP) by business and the Communication on Engagement (COE) by non-business participants. These reports show how business and non-business participants translate their commitment to the Global Compact and its principles into action, and what results or progress has been achieved. For the networks, the COP is also an important way of discovering what companies are doing.

Local Networks assist UN Global Compact Headquarters with dialogue facilitation involving Global Compact participants at the local level. Dialogue Facilitation is one of the Global Compact’s Integrity Measures. It is a mechanism for raising concerns about participant conduct that seeks to facilitate dialogue between those raising the concerns and the relevant Global Compact participants. Local Networks may assist UN Global Compact Headquarters in handling matters raised under the Integrity Measures at the local level, based on their capacity and expertise.

Local Networks provide recognition for participants’ corporate sustainability efforts. Recognition can be given to participants through a variety of means including, but not limited to, conferring awards for outstanding work in corporate sustainability. Those companies that show a willingness to act as champions and leaders can be engaged as network champions and they can provide training to other participants by sharing their experience and learning with implementation of the Global Compact’s Ten Principles. The networks can also publish good practice examples and experiences of their participants on various global and local communication platforms such as Local Network websites and newsletters.

Local Networks invest in growth strategies and good governance structures to ensure the fulfilment of all network expectations. All networks are self-governed entities. Their governance structures should reflect the multi-stakeholder status and ensure that the Local Network remains open and inclusive. The administrative depth of the Local Network depends on the kind of institution that is required. Essentially it is about formalizing working relationships in a governance structure that ensures accountability and effective delivery.

Although Local Networks are not UN entities themselves, they can act as an entry point for UN agencies to engage with the private sector if approached to do so.

UN Global Compact Management Model: a framework to manage a Global Compact Local Network

The UN Global Compact Management Model is comprised of six steps that could be used as an implementation framework to manage a Local Network in alignment with Global Compact requirements and deliver value and support to Local Network participants. The Management Model has the shape of a circle to suggest that progress and learning as an on-going, iterative process. As such, it can be used by networks at any stage of development, from those networks that are just beginning to engage with the Global Compact to more advanced networks looking to deepen their engagement.
The Management Model is flexible enough that it can be used to meet a variety of needs, be it to chart the launch of a Local Network, engagement with a Global Compact Issue Area or even to guide the annual strategy planning and implementation efforts of the network.
Furthermore, the flow of the steps may be customized to meet the network’s needs. For example a network may choose to communicate the findings of its assessment to stakeholders for feedback before defining the annual strategy and commencing planning. Likewise, networks may work through two or more of the steps at the same time.

The continued growth and development of the Global Compact will depend to a large degree on the success of the Local Networks. The Local Network Management Toolkit is designed to guide Local Networks through the process of formally committing to, assessing, defining, implementing, measuring and communicating a management strategy to fulfil this key role.

<table>
<thead>
<tr>
<th>Commit</th>
<th>Commitment to take action on the Global Compact</th>
<th>This step is about committing to take action whether it is to launch a Global Compact Local Network or a Global Compact Issue Area or process of engagement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess</td>
<td>Assess risks, opportunities, and impacts</td>
<td>This step is about assessing risks and opportunities within the country context for engagement with any area of the Global Compact, understanding the gaps in the corporate sustainability space and how best the network can fill them.</td>
</tr>
<tr>
<td>Define</td>
<td>Define goals, strategies and policies</td>
<td>During this step the network will develop and refine its goals and metrics based on the assessment of risks and opportunities. During this planning stage, the network will identify goals, refine the strategy and set timelines for activities.</td>
</tr>
<tr>
<td>Implement</td>
<td>Implement strategies and policies</td>
<td>During this step the network establishes and adjusts processes, engages, builds capacity and resources, and works with Global Compact signatories and potential signatories to address and implement its strategy.</td>
</tr>
<tr>
<td>Measure</td>
<td>Measure and monitor progress</td>
<td>During this step the network may monitor progress against goals and make adjustments to improve performance. Measuring progress against the metrics identified during the Assess and Define stages enables the network to gauge the success or impact of certain strategies.</td>
</tr>
<tr>
<td>Communicate</td>
<td>Communicate strategies and progress and engage with stakeholders for continuous improvement</td>
<td>This step is about how and when the network communicates with its various Global Compact stakeholders including UN Global Compact Headquarters, Local Network participants and the public at large. During this stage the network may communicate its strategies and progress towards goals and activities but also seek to engage with stakeholders to identify ways to improve performance.</td>
</tr>
</tbody>
</table>
Organizations interested in setting up a Local Network should contact UN Global Compact Headquarters to enquire about the requirements and process to launch the Global Compact and establish a Local Network. Ideally, launching the Global Compact and the Local Network should coincide although the timing may depend on the local context. Most important to remember is that any launch of the Global Compact should aim to establish a Local Network in order to provide support and maintain momentum and commitment amongst participants.

A Contact Person should be nominated to coordinate activities on the ground during this stage. This person will ensure that all relevant partners are involved in the process and communicate with UN Global Compact Headquarters.

At this stage, the Global Compact can issue a Letter of Intent to confirm, on a preliminary basis, the participation of a specified organization as the secretariat for the Global Compact Local Network and the contact point to the UN Global Compact Headquarters. More information about the content of the Letter of Intent can be found under section Adopt the Memorandum of Understanding or the Letter of Intent.

Analyzing the country context
Before making a decision to establish a Local Network, it is important to assess the interest of companies and other organizations in joining the Global Compact and the new Local Network. This should include an assessment of the relevance of the Global Compact agenda, the feasibility of the Local Network and the capacity of different stakeholders to maintain interest and the momentum of the network after its launch.

A number of companies need to indicate the willingness and intention to sign on to the Global Compact. It is unlikely that the initiative will develop further unless there is a strong level of support for a local structure on the ground. It is at the local level where opportunities and needs exist but also where collective action and partnerships are born. In order to reach this level of commitment, Local Networks should analyze the country context.
context and identify the gaps in the field of corporate sustainability that the Local Network can address.

Example questions that may be considered:

- What other corporate sustainability initiatives exist in the country and how is the Global Compact similar to/different from them?
- How familiar are companies with transparency and accountability measures? How can the Local Network increase their understanding of the benefits of reporting?
- What is the level of interest among businesses and other stakeholders demonstrate towards the Global Compact initiative?
- What Global Compact issue areas/platforms, tools and resources are organizations particularly interested in? How can the Local Network engage businesses and other participants and stakeholders?
- What are the growth opportunities in the country for the Global Compact initiative and the Local Network?
- What are the main impediments for Global Compact growth in the country?

Raising awareness about the Global Compact and the Local Network

As awareness about the initiative tends to be low in countries where there is no Local Network, one of the first steps is to carry out outreach and awareness-raising. Effective promotion of the Global Compact will help build a critical mass of committed local partners that are vital for launching the Global Compact and for establishing the network.

Awareness-raising includes activities such as roundtable discussions, workshops, articles or other forms of media coverage, one-to-one meetings, among others. The purpose and value added of the Local Network should be discussed amongst the initial stakeholders at these events.

Promoting the Global Compact at these events requires an understanding of the different stakeholders and their strategic interests, as well as the ability to anticipate their concerns. This can be done by:

- Anticipating how the Global Compact can potentially benefit different stakeholders based on their strategic interests;
- Differentiating between types of companies as multinationals have different interests and aspirations than local small- and medium-sized enterprises (SMEs);
- Providing clear information on the benefits and responsibilities of participants; and
- Using business language when talking to business participants.

Ensuring effective stakeholder engagement

Local Networks should be business-led, but multi-stakeholder in nature. Therefore, it is important to create ownership by engaging different stakeholders from the start and by identifying business champions for the Local Network. A variety of other stakeholders, such as business associations, trade unions, corporate sustainability organizations, universities, business schools, ministries, local UN offices, development agencies, foundations, NGOs etc. can be invited to join, as well.

Interested companies and other stakeholders should be aware of the intent of launching a Local Network at an early stage. It is important to determine what stakeholders consider to be the main challenges and opportunities in terms of the business environment and the implementation of the Ten Principles.

How to host effective stakeholder engagement:

- Organize specific events that target various stakeholders, for example, training for media, NGOs and government
- Understand who your stakeholders and what their strategic interests are: this will enable you to create targeted messaging
- Anticipate how the Global Compact can benefit different groups of stakeholders based on their strategic interests
- Explain clearly the role of each partner/sector

BUILD COMMITMENT AMONG STAKEHOLDERS

Building commitment requires continuous dialogue and entails various activities. The initial aim is to mobilize companies to sign up to the initiative. Once a critical mass of participants has been attained, the Global Compact can be launched in the country.
Companies will be more easily encouraged if convinced by another company or even by a local leader who can effectively translate the benefits of the Global Compact into the local business language. Therefore, if possible, one or more business leaders should be identified as champions. They share the vision and mission of the Global Compact, have interest in leading the process and can help in raising awareness about the initiative and the importance of a Local Network.

Champions are usually large or medium-sized companies whose economic weight will help to attract smaller players who wish to emulate their success. As commitments from companies grow, a sound strategy for systematically involving SMEs should be developed.

Building relationships with non-business partners — for example, government, NGOs, academia, media etc. — can translate into valuable partnerships. Some of these actors might be able to provide training on the practical implementation of the Ten Principles or workshops on issue-specific platforms and workstreams.

At this stage, some thought and commitment should be given to the resourcing and funding of the Local Network Secretariat and activities. The Secretariat, which will at least consist of the Contact Person, can be funded through contributions of network participants or in-kind sponsorship vis-à-vis office space, administrative support or seconding a resource to fulfill the role. The Local Network and its participants should consider different funding options to ensure its future sustainability, whether this will be through voluntary contributions, membership fees, charging for events and so on. Please see the sections on “Select a Contact Person, elect a Representative and set up a Governance Structure” and “Secure financial and human resources” for more information.

DEVELOP EFFECTIVE MESSAGING FOR DIFFERENT STAKEHOLDERS

Participation in the Global Compact offers numerous benefits:

• Adopting an established and globally recognized policy framework for the development, implementation, and disclosure of environmental, social and governance policies and practices.

• A platform to share and exchange best and emerging practices to advance practical solutions and strategies to common challenges.

• The opportunity to advance sustainability solutions in partnership with a range of stakeholders, including UN agencies, governments, civil society, labour, and other non-business interests.

• The opportunity to link business units and subsidiaries across the value chain with Global Compact Local Networks around the world — many of these in developing and emerging markets.

• Access to the UN’s extensive knowledge of and experience with sustainability and development issues.

• Utilizing Global Compact management tools and resources, and the opportunity to engage in specialized workstreams in the environmental, social and governance realms. Nevertheless, the recruitment language of the Global Compact should always be tailored to local realities and build on the assessment and evaluation of the corporate sustainability scene in the country.

The following are suggestions for the type of messaging that can be used when addressing different stakeholders:

Business and Business Associations

Participation in the Global Compact helps companies to advance their commitment to corporate sustainability while also creating value in the form of profits for their investors and stakeholders. The Global Compact also provides a platform for engaging on global sustainability issues and promotes the overall objective of building more sustainable and inclusive markets.

A number of important business associations representing leading companies from around the world are signatories of the Global Compact. These associations are well-known for their thought leadership and private-sector expertise on critical issues related to sustainable development and corporate sustainability.

Participation of business associations is beneficial to the Local Network in a number of ways. They can attract new participants through outreach and awareness-raising campaigns; organize learning events, workshops and training for their participants on corporate sustainability in general and the Global Compact specifically; mobilize collective action efforts; and function as a platform for sharing of experiences and ideas.
Civil society and Labour

Civil society organizations (CSOs) or non-governmental organizations (NGOs) and labour add a critical dimension to the Global Compact’s operations. They add value to the processes of relationship building, information sharing, problem solving and consensus building, and offer not just their competencies and substantive knowledge, but their problem-solving capacity and practical reach. They can also help to provide checks and balances and lend credibility and social legitimacy to the initiative. These characteristics help establish the Global Compact’s principles in a broader social context.

As project partners, the reach and skills of these organizations are often crucial to the design and implementation of initiatives that give practical meaning to the Global Compact’s principles. Because labour is part of both industry and civil society, it plays a role that is distinct from both business and other elements of civil society, and is therefore recognized as a separate group by the Global Compact. The Global Compact is working together with global trade unions to ensure increased engagement by labour at the local level, including in Local Networks and at regional and local events.

Governments

Governments often see it as their role to cultivate an environment which has sufficient institutions and to enact policies to provide long-term stability and promote transparency, innovation and entrepreneurship. An investment climate that encourages business development and rewards good practices is critical. In relation to the Global Compact, governments from around the world have provided broad-based support for the initiative and the Ten Principles. In many countries, high-level government officials — including heads of state and government — have presided over Global Compact launches and events. Their actions have given legitimacy and public policy support to the initiative. In turn, the Global Compact can help governments promote responsible behavior of companies and raise awareness of multilateral regulatory frameworks.

Academia

Through research, educational resources, know-how and infrastructure, this sector can increase knowledge and understanding of corporate sustainability, and thereby advance the agenda of the Global Compact at the local and global level. In addition, academia plays an important role in shaping future business leaders and educating them on the importance of corporate sustainability, including by collaborating with the Global Compact’s sister-initiative, the Principles for Responsible Management Education (PRME). Strategic alliances can be established with academic institutions in order to encourage research activities that propose local solutions to the country’s challenges on human rights, environment, labour and anti-corruption.

United Nations: the Global Compact as a platform for UN-business engagement

The Global Compact fosters collaboration between UN entities that are interested in promoting responsible business practices and engaging companies to advance sustainable development. As engagement with the private sector is increasingly becoming a priority for a number of UN agencies, coordination is an imperative. The Global Compact helps companies find entry points to partnering with the UN and also strengthening the capacity of the UN to partner effectively with business and advance the Global Compact Ten Principles. The argument to do so can be strengthened by recent emphasis on UN reform and harmonization.

Selecting a Contact Person, elect a Representative and set up a Governance Structure

The Contact Person and the Representative work closely together in managing and developing the activities of the Local Network.

A Contact Person coordinates the day-to-day work of the Local Network and liaises with the UN Global Compact Headquarters on behalf of the network participants. Desirable attributes of a Contact Person include, but are not limited to:

- Capacity to clearly communicate the value of the Global Compact and the Local Network to businesses and the society at large
- Fundraising expertise
- Ability to convene and facilitate meetings
- Aptitude to inspire others with the vision of the Global Compact
- Expertise to empower partners
“Local Networks are the perfect conduit for thinking globally and acting locally. The launch of a new network sends a strong signal that companies in the country are ready to scale up their commitment to integrate sustainability into their strategies and operations, and to inspire others to follow their lead.”

– Georg Kell, Executive Director, UN Global Compact
A **Representative** should be a high-level business person elected by the network participants. S/he is the person officially nominated to represent, speak and take decisions/vote on Local Network governance-related issues at regional and global meetings, such as the Annual Local Network Forum. The Representative also signs the Memorandum of Understanding (MoU) with UN Global Compact Headquarters on behalf of the Local Network.

As questions of accountability and impact increasingly influence the overall credibility of the Global Compact initiative, it is clear that all stakeholders have a common interest in improving the quality of engagement and the brand management of the initiative. Local Network governance is about enhancing engagement at the local level and achieving greater positive impact on the ground, which will in turn serve to protect and build the Global Compact brand overall.

The **Steering Committee** of a Local Network should comprise local Global Compact signatory business and non-business leaders, representing various stakeholder groups. Members of a steering committee should have solid standing and reputation. They should also have a sound understanding of the Global Compact and work to implement the Ten Principles in a spirit of competence, respect and integrity while pursuing commercial interests. It is also helpful to nominate a well-regarded business leader as chairperson, who should be selected by the participants within the Local Network.

Local Networks are required to share the details of their respective governance structures (i.e. how the steering committee and Network Representative are appointed, duration of appointments, etc.) on the Knowledge Sharing System (KSS). However, different models operate equally well in different contexts. UN Global Compact Headquarters has developed a template that can be used to draft a Governance Structure for Local Networks.

**Launching the Global Compact and the Local Network**

After a critical mass of companies has signed up or expressed interest in signing up to the initiative, the Global Compact can be launched in the country. The launch is a high-level public event that should attract new businesses to join.

Tasks that should be accomplished before launching the Global Compact include:

- Identify a core group of champions — representatives from the business and non-business community (NGOs, media, government, academia) — that are willing to partner in the preparation of the event and/or offer financial resources.
- Attract a critical mass of companies committed to the initiative and willing to lead the next stages of the Local Network work in the country.
- Mobilize SMEs.
- Identify, if relevant, a main theme for the network to address through a survey or exploratory meetings and discussions with local partners.
- Secure media coverage.

A typical agenda of a Global Compact launch event consists of 1) a high-level opening by a CEO, government official and/or corporate sustainability manager 2) a general presentation of the Global Compact initiative and the benefits of participation and 3) a presentation by a local participant explaining why and how they implement the Ten Principles in their operations. It can also include a more general discussion about corporate sustainability in the country/region.
Launching the Global Compact should be distinguished from launching the Local Network. The latter is essentially about institutionalizing a group of companies with a sufficient level of commitment to ensure the effective, inclusive and accountable governance system of the Global Compact initiative in a country. Some useful tips are listed below.

- Many Local Networks have used the opportunity to organize a signing ceremony, which essentially consists of companies affirming their aspiration to embrace the Ten Principles.
- It might be beneficial to present the next steps or a plan of action at the launch to highlight the engagement opportunities available to participants in the coming months.
- One or two participants could be asked to present how they have implemented corporate sustainability and the Ten Principles in the local socioeconomic context.

The momentum after launching the Global Compact in a country should be utilized to engage companies in activities that facilitate learning, share information and ideas, encourage partnership projects, and deepen the overall commitment of the business community to address the challenges in a country. Activities should be tailored to local needs, directly benefit participants and complement the analysis undertaken earlier. In other words, Local Networks should organize activities that are useful in advancing the Global Compact Ten Principles in a given country context.

Adopt the Memorandum of Understanding or the Letter of Intent

The MoU is an annual agreement signed between a Local Network and UN Global Compact Headquarters. The purpose of the MoU is to set forth the terms and conditions of the collaboration between the two partners on their respective responsibilities and activities.

The minimum requirements of an Advanced Local Network, as listed in the MoU, include the following:

1. Commit to promoting the ten principles and practices of the UN Global Compact and broader UN development goals within their country context. This includes, but is not limited to, the practice of learning by doing, dialogue, partnership and striving to bring together other stakeholders;
2. Host at least two activities annually on substantive issues advanced by the UN Global Compact (at least one thematic area) based on local priorities to which all Network members are invited;
3. Establish and maintain a transparent governance structure for the activities of the network;
4. Actively support efforts by participants to develop a Communication on Progress (COP) or Communication on Engagement (COE) and articulate how the Local Network will support these activities;
5. Inform Network participants of the policy on the use of the UN Global Compact name and logos and Global Compact Local Network name and logos;
6. Regularly share the Local Network’s key events and activities with the UN Global Compact Headquarters via the Global Compact Local Network Knowledge Sharing System (KSS);
7. Disclose financial resources and relevant statements to Local Network stakeholders on an annual basis; and
8. Uphold the integrity of the UN Global Compact initiative.
The minimum requirements of an **Active** Local Network, as listed in the MoU, include the following:

1. Commit to promoting the ten principles and practices of the UN Global Compact and broader UN development goals within their country context. This includes, but is not limited to, the practice of learning by doing, dialogue, partnership and striving to bring together other stakeholders;
2. Host at least one annual activity on substantive issues advanced by the UN Global Compact based on local priorities to which all Network members are invited;
3. Form a steering committee that would decide on the activities of the Local Network and start putting in place a transparent governance structure;
4. Actively support efforts by participants to develop a Communication on Progress (COP) or Communication on Engagement (COE) and articulate how the Local Network will support these activities;
5. Inform Local Network’s participants of the policy on the use of the UN Global Compact name and logos and Global Compact Local Network name and logos;
6. Regularly share the Local Network’s key events and activities with UN Global Compact Headquarters via the Global Compact Local Network Knowledge Sharing System (KSS);
7. Uphold the integrity of the UN Global Compact initiative.

The deliverables of Local Networks and the support provided by UN Global Compact Headquarters are different depending on the stage and development of the network. Instead of signing the MoU, Local Networks in the early stages of development receive a Letter of Intent from UN Global Compact Headquarters as explained earlier. These networks do not meet the minimum requirements of the Memoranda of Understanding, but the Letter of Intent anticipates that a more formal and detailed relationship agreement between the Global Compact Local Network and the UN Global Compact Headquarters will be concluded within a specified time period. The minimum requirements of **Emerging** Networks, as listed in the Letter of Intent, include, but are not limited to:

1. Commit to promoting the ten principles and practices of the Global Compact and broader UN development goals within the country context.
2. Host at least one annual activity on substantive issues advanced by the UN Global Compact based on local priorities to which all Network members are invited;
3. Actively support efforts by participants to develop a Communication on Progress (COP) or Communication on Engagement (COE) and articulate how the Local Network will support these activities;
4. Actively recruit participants to become signatories to the Global Compact;
5. Uphold the integrity of the Global Compact initiative, and;
6. Prepare, on an annual basis, a brief report on activities undertaken by the network

More information on the levels of development and activities, as well as the support provided, can be found in the [Local Network Progression Model](#).
During this stage the Local Network will develop and refine its areas of interest, goals and performance indicators based on the assessment of risks and opportunities and the requirements of the MoU or Letter of Intent signed with UN Global Compact Headquarters. Furthermore, the network should also develop a value proposition and fundraising strategy to secure the future of the Local Network.

**Identifying priorities and creating a work plan**

After completing the analysis of the country context, Local Networks should proceed to identifying their priorities in collaboration with stakeholders. In other words, the Local Network should decide on which areas it will focus on in the coming months/year and how and when the priorities will be implemented through the global platforms and locally developed tools.

Local Networks will implement a variety of activities at different levels depending on their capacity and local priorities.

<table>
<thead>
<tr>
<th>Date</th>
<th>Objective</th>
<th>Target group</th>
<th>Partners</th>
<th>Support needed from UN Global Compact HQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 2:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 3:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 4:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 5:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 1:** Sample of a Local Network Work Plan
Networks are asked to include participant recruitment and retention as a strategic focus of the activity plan to encourage network growth and maintain stability.

Defining the objectives and priorities and putting them into a work plan document will allow UN Global Compact Headquarters to allocate appropriate resources, aiming to achieve the identified strategic objectives and in turn deliver added value in each country. Local lessons learned can also feed into the global agenda and influence global discussions. A description of the Bottom-Up Approach, found in the Appendix, explains the process of analyzing a country context, setting up priorities and drafting a work plan in detail.

**Developing a value proposition**

The Local Network should be able to develop a value proposition based on the analysis of the country context, participant needs and the strategic work plan. The value proposition should be unique to the Local Network and showcase the network’s comparative advantage over other corporate sustainability organizations similar in scope or focus. A strong, compelling and attractive value proposition will create consistent value for the Local Network’s participants over time and is the key to accessing sustainable funding.

**Securing financial and human resources**

Local Networks need to ensure that they have sufficient financial and human resources to sustain their operations and to meet the minimum requirements listed in the Letter of Intent or the MoU.

Fundraising is therefore a key component of a sustainable business model for Local Networks. It should be considered as part of the strategic planning process and integrated into other organizational activities such as budgeting, governance, communications and relationship management.

UN Global Compact Headquarters has published a Global Compact Local Network Fundraising Toolkit to be used in conjunction with this management toolkit. The Fundraising toolkit provides practical guidance, tips and tools to Local Networks engaged in fundraising activities.

The following sections give a brief overview of issues that Local Networks should consider when fundraising. Local Networks are encouraged to download the full Fundraising Toolkit for more information from the Knowledge Sharing System.

**TYPES OF FUNDERS**

Local Networks may seek funding from corporations/business, governments/the public sector and foundations. Each type of funder may provide multiple types of funding, depending on the program or activity proposed. Local Networks are encouraged to consider the possible funders they may have the skills, relationships and resources to access as part of the planning process. Fundraising success may depend largely on the Local Network’s ability to cultivate and maintain positive, long-term relationships with their contributors and participants.

As business-led initiatives, the Local Networks have a strong comparative advantage in fundraising from business and corporate funders. By nature of signing the CEO letter of commitment, the business participants already know or see potential value in their participation in the Global Compact. Local Networks can maximize this existing interest among businesses by presenting a strong value proposition when seeking funding.

UN Global Compact Headquarters and Local Networks can also work closely to raise funds on the global and local levels. The Collaborative Fundraising model streamlines communications to business participants and ensures that messaging is mutually reinforcing. You can request more information about the Collaborative Fundraising Model from the UN Global Compact Headquarters’ Local Networks team.

**TYPES OF FUNDING**

There are several types of funding that Local Networks can aim to access but diversification is integral to maintaining a stable and sus-
tainable funding model. The types of funding most likely to be provided by each type of funder are described briefly and summarized in Table 1 below.

<table>
<thead>
<tr>
<th>Most likely types of funding</th>
<th>Business</th>
<th>Foundation</th>
<th>Public Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual contributions</td>
<td></td>
<td>Grants</td>
<td>Grants</td>
</tr>
<tr>
<td>Memberships</td>
<td></td>
<td>Special project support</td>
<td>Special project support</td>
</tr>
<tr>
<td>Earned income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-kind &amp; Pro-bono</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event sponsorship</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: A summary of funders and the types of funding they are most likely to provide to Local Networks.

**Annual contributions** are voluntary donations paid once within a twelve-month time period. The use of these funds is not restricted and, thus, many non-profit organizations raise annual contributions to cover general operating expenses in addition to programmatic expenses.

**Membership fees** or subscriptions are similar to annual contributions; however, membership fees are required in order to access particular benefits, events or services. Members might also have governance rights and responsibilities within the Local Network and, depending on the country context, could be structured to be paid annually or as “Life-time Membership” fees.

It is important to note that the Global Compact is a voluntary initiative, not a formal membership organization, and therefore does not collect mandatory fees or subscriptions. If an organization should fail or choose not to pay a Local Network membership fee, they are still considered a participant of the Global Compact, but, depending on the specific funding policy of the network, they may be excluded from certain network activities or events.

**Earned income** may be generated by the Local Network through charging fees for services such as reviewing participants COP or COE before submission to the Global Compact website or charging registration fees for workshops. Local Networks should be aware of any tax implications this may have within their country.

**In-kind & pro-bono** support to the Local Network may be provided by Global Compact participants that are in a position to give free or no-cost goods or services that can be quite valuable when they are directly useable or in direct support of a project, activity or special event. For instance a contributor may provide office space or an event venue, food or beverages for an event, printing of publications or advertising space.

**Event sponsorship** is an option that Local Networks may offer to participants. In tandem, the Local Network may choose to charge registration fees for such events thereby also generating income.

**Grants and special project support** may be sought primarily from foundations and governments/public sector donors. Local Networks should be aware that grants are often tied to specific project objectives, activities and outcomes and are time-bound with stringent requirements. Therefore although they may provide large-scale, multi-year funds, they are limited in scope and duration.

**Identifying and developing partnerships**

Partnerships are one of the main mechanisms used by Local Networks to deliver on their mandate where resources would otherwise be a limiting factor. Local Networks are in a prime position to motivate participating companies to develop partnership projects to address identified development challenges within the countries or regions they operate in. Over time, business activities — guided by participants’ commitment to the Global Compact and Local Networks — should naturally evolve into partnership projects with other businesses, CSOs or academia to take their impact to scale.
Managing a Local Network involves a wide array of activities including the implementation of a work plan, supporting Global Compact participants and fulfilling the minimum requirements of the Letter of Intent or MoU.

Implementing strategies and policies to deliver on the work plan
Based on the strategic planning process (described in the previous section and in more detail in the Appendix under Bottom-Up Approach), the Local Networks choose the Global Compact issue platforms and workstreams they consider useful to advancement the Global Compact Ten Principles within their country (Table 2).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Women’s Empowerment Principles</td>
<td>Caring for Climate</td>
<td>Business For Peace</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children’s Rights and Business Principles</td>
<td>CEO Water Mandate</td>
<td>Business for Rule of Law</td>
<td>Supply Chain Sustainability</td>
<td></td>
</tr>
<tr>
<td>Indigenous People’s rights</td>
<td>Food &amp; Agriculture Business Principles</td>
<td></td>
<td>Social Enterprise &amp; Impact Investing</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: The Local Network Engagement Framework showing the different issue platforms and workstreams covered under the Ten Principles.
Depending on the identified priorities, the network establishes and adjusts internal processes; engages with participants, builds capacity and resources; and works with business and non-business Global Compact signatories and potential signatories to address and implement its strategy. The following sections outline several implementation strategies Local Networks may choose to focus on and provide insight on how this can be done.

### Identifying Engagement Opportunities

The activities that Local Networks may choose to participate in can broadly be categorized as Learning, Policy Dialogue, and/or Collective Action and Partnership. The benefits and opportunities of each category of activity are summarized in the table below. The Issue Engagement Framework, which assists Local Networks to engage their stakeholders and corporate participants more effectively around Global Compact principles and issue areas, and can be found on the KSS under Local Networks > Resources.

<table>
<thead>
<tr>
<th>Opportunities for Issue Engagement</th>
<th>Learning</th>
<th>Policy Dialogue</th>
<th>Collective Action and Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>･ Translate global tools into national languages and promote them.</td>
<td>･ Mobilize local champion companies and facilitate their participation in key international policy processes regarding corporate sustainability.</td>
<td>･ Launch and operationalize a working group, round-table or an ongoing initiative for national champion companies to advance specific issues related to the Principles.</td>
</tr>
<tr>
<td></td>
<td>･ Compile and showcase examples illustrating how business is respecting and supporting the Principles and/or advancing key issues.</td>
<td>･ Convene meetings where MNCs, their subsidiaries, local companies, governments, civil society and other stakeholders can share learnings and discuss sustainability and public policy issues that are highly relevant to businesses and/or challenging corporate sustainability issues and dilemma situations.</td>
<td>･ Support relevant existing initiatives, events and platforms to encourage business to engage.</td>
</tr>
<tr>
<td></td>
<td>･ Convene workshops and offer support for companies on the implementation of the Principles, including how to communicate their efforts in this year in corporate sustainability reports or through Communications on Progress.</td>
<td>･ Convene industry/sectoral discussions on the Principles to gain common understanding of particular sector and facilitate the development of a forward-looking actionable agenda.</td>
<td>･ Facilitate the launch of business-led local collective action initiatives focusing on one or more of the Principles and related topics that are material to local companies.</td>
</tr>
<tr>
<td></td>
<td>･ Organize, moderate or speak at webinars or outreach events on the Principles or specific corporate sustainability issues, in collaboration with others whenever possible.</td>
<td>･ Launch and operationalize a working group, round-table or an ongoing initiative for national champion companies to advance specific issues related to the Principles.</td>
<td>･ Promote and facilitate use of the Global Compact Business Partnership Hubs by business.</td>
</tr>
</tbody>
</table>
Benefits of Issue Engagement

<table>
<thead>
<tr>
<th>Learning</th>
<th>Policy Dialogue</th>
<th>Collective Action and Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase the number of local companies with a better understanding of the Principles, including how to operationalize them locally.</td>
<td>• Development of recommendations from business to policymakers on actions that could help increase the scale and impact of business corporate sustainability policies and practices.</td>
<td>• Increased awareness among companies of the specific actions they can undertake, together with governments (through national institutions) and other stakeholders, to advance corporate sustainability.</td>
</tr>
<tr>
<td>• Increased visibility of Local Networks, which contributes to attracting more participants and reinforcing the network’s legitimacy on the ground.</td>
<td>• Increased opportunities for collaboration between Local Networks and other stakeholders, including policymakers.</td>
<td>• Enhanced capacity of Local Networks to serve as partners, partnership brokers and resource centres for local businesses and other stakeholders.</td>
</tr>
<tr>
<td>• Enhanced understanding of the tools and resources available for corporate participants wishing to analyse and improve their corporate sustainability efforts.</td>
<td>• Enhanced convening power of Local Networks on sensitive and challenging corporate sustainability issues by bringing national champions and other key stakeholders.</td>
<td>• Increased opportunities for collaboration between Local Networks, governments, ministries, and other key sponsors or funders with special corporate sustainability expertise.</td>
</tr>
<tr>
<td></td>
<td>• Progress towards increased likelihood of corporate action within the network as a result of increased dialogue and exchange of best practices.</td>
<td>• Increased cooperation of champion companies by sectors on country specific recommendations and best practices on corporate sustainability-related matters.</td>
</tr>
</tbody>
</table>

Developing the Local Network: Progression Model

Each network implements a variety of activities depending on local priorities, the capacity of the Local Network and the areas where it can add value for participants. The Local Network Progression Model provides a clear road map on the steps Local Networks can undertake in terms of management and activities in order to grow further and enhance their value proposition.

The model primarily focuses on newly established networks. It helps to safeguard the Global Compact reputation and brand name with regards to Local Networks that use the name but do not meet any of the requirements of the MoU by giving UN Global Compact Headquarters the right to re-evaluate the relationship and potentially move the responsibilities to another more suitable hosting entity for the secretariat. The full Progression Model can be found in the Appendix.

Managing the Global Compact brand and integrity

The Global Compact is not designed, nor does it have the mandate or resources, to monitor or measure participants’ performance. However, it has adopted certain measures with the aim of assuring that the integrity of the Global Compact is safeguarded at all times. These accountability measures are collectively termed “Integrity Measures” (for a detailed list, see the Appendix). The Local Networks are critical to the success of the Integrity Measures, as they are well-positioned to evaluate the situation and cases occurring in their respective countries.
ALLEGATIONS OF SYSTEMATIC OR EGREGIOUS ABUSES AND DIALOGUE FACILITATION

In the event that credible allegations of systematic or egregious abuse of the UN Global Compact’s overall aims and principles are brought against a participant, UN Global Compact Headquarters can assist or provide guidance in this regard, by facilitating dialogue. Visit the integrity measures section of the Global Compact website for detailed information on the processes. It should be noted that Global Compact Headquarters will not involve itself in any way in any claims of a legal nature that a party may have against a participating company or vice versa.

When the Global Compact receives information suggesting that a participant company is not committed to continuous improvement, the Global Compact will endeavour to encourage dialogue between company concerned and those who have raised the concerns.

If their capacity allows, Local Networks are encouraged to assist with dialogue facilitation involving Global Compact participants at the local level, and where possible, handle matters raised under the Global Compact Integrity Measures at the local level, based on training and guidance provided by the Global Compact.

GLOBAL COMPACT LOGO POLICY

The Global Compact logo is strictly for the use of the Global Compact and generally is not available for use by Global Compact participants.

The Global Compact encourages its participants to use the “We Support the Global Compact” logo (hereinafter the “Endorser logo”) as a way to promote their commitment to the initiative and raise awareness of the United Nations Global Compact. It can be used, for example, on corporate websites and pertinent printed materials. Please note, however, that in order to use the Endorser logo, a participant must be in Active status (as in, not have missed their COP due date) and must have contributed to the Global Compact within the past 12 months of their logo use request. Every use of a Global Compact logo requires permission in advance from the Global Compact through the Logo Request system which is available to all participants online. Use of the Global Compact COP logo is available for any participant to use without prior permission and may be downloaded here.

Please consult the Global Compact Logo policy (available in multiple languages) for further detail on use of the Global Compact and Endorser logo.

COMMUNICATION ON PROGRESS AND COMMUNICATION ON ENGAGEMENT

All Global Compact participants, both business and non-business, are required to report back to their stakeholders on how they are acting either to implement or in support of the Ten Principles. Business participants are required to submit a COP annually to communicate to their stakeholders their efforts to implement the Ten Principles. Non-business participants are required to submit a COE every two years to communicate to stakeholders the ways they advance the Global Compact through specific activities in support of the initiative and their results.

These communications are central integrity measures of the Global Compact. Failure to report may result in the expulsion of the participant from the initiative. It is critical that participants submit an electronic version of their COP or COE on the Global Compact website.

It is important to note that UN Global Compact Headquarters does not routinely review COPs and COEs; however, Local Networks may do so at their own discretion. More information about the reporting requirements can be found under Retention.
Governance and Decision-making: Annual Local Network Forum, Regional Meetings, Leaders Summit and Local Network Advisory Group

The Annual Local Network Forum
The Annual Local Network Forum (ALNF) is convened to bring Local Networks together to share experiences, learn from each other and network. This annual meeting also provides the opportunity to seek the input of Local Networks on key governance issues relating to Local Networks and, more broadly, to the initiative as a whole.

The ALNF is a formal component of the Global Compact’s governance framework. All Local Networks are consulted on key decisions during the ALNF but only Advanced Networks have a vote.

The Regional Meetings
These meetings are convened to provide Local Network Contact Persons and Representatives with opportunities to learn from the achievements of other networks and to share experiences on the processes and issues relevant within the regional context. Set apart from the learning exchange that occurs at the ALNF, the more informal Regional Meetings provide opportunities to discuss regional challenges and opportunities as well as to identify potential regional approaches and joint activities. These meetings are also used to seek input from the Local Networks on the agenda for the ALNF.

The Leaders Summit
The Leaders Summit is a gathering of the top executives of all Global Compact participants and other stakeholders that is held every three years. As the largest gathering of its kinds, it represents a unique opportunity for Global Compact participants to discuss the Global Compact and corporate citizenship at the highest level, and to produce strategic recommendations and action imperatives related to the future evolution of the initiative. More broadly, the Leaders Summit aims to deepen the commitment of participating leaders from business, labour and civil society to the Global Compact and its principles.

Local Network Advisory Group
The Local Network Advisory Group (LNAG) was created in order to provide UN Global Compact Headquarters with advice and guidance on matters of importance to all Local Networks. The Advisory Group is also a key conduit for Local Networks to raise ideas and concerns with UN Global Compact Headquarters in a systematic way.

The Advisory Group consists of seven regionally representative members and their alternate regional members from the Americas, Africa, Eastern Europe, MENA, South, Central and North Asia, South-East Asia and the Pacific, and Western Europe. Members are elected every two years by the Local Networks from their regions during the ALNF. The Chief of the Local Networks is an ex-officio member of the group. The Advisory Group members will be from — and elected by — Advanced Local Networks that have a current signed MoU with UN Global Compact Headquarters and that have a clear governance structure.

The elected LNAG members nominate the Chair and the Deputy Chair from among group members. The Chair occupies the ex-officio Local Network role on the Global Compact Board. The Chair and the Deputy Chair, to be selected at the ALNF, will hold the position for one year and can be re-selected for a second year.

The Global Compact Local Networks team is the secretariat of the LNAG.
This section presents the main actions Local Networks can carry out in order to assist participants to advance their commitments to the Global Compact and engage them effectively at the country level. Joining the Global Compact, advancing the principles of the initiative, enhancing the levels of engagement and reporting among participants falls under participant relationship management. Effective participant relationship management should start as soon as participant commits to the initiative and continue through different stages of engagement.

Joining the Global Compact

Local Networks should inform prospective participants of the process for signing on to the initiative which is as follows:

Who Can Join the Global Compact?
As a voluntary initiative, the Global Compact seeks wide participation from a diverse group of businesses and other organizations.

How to Join the Global Compact?
An application is the first step to becoming a participant of the Global Compact. Application is done online. To participate in the Global Compact an organization:

Step 1:
- **Business**: prepares a Letter of Commitment signed by the chief executive officer to the Secretary-General of the United Nations expressing commitment to (i) the Global Compact and its Ten Principles; (ii) engagement in partnerships to advance broader UN goals; and (iii) the annual submission of a COP.
- **Non-Business**: prepares a Letter of Commitment signed by the highest executive to the Secretary-General of the United Nations expressing commitment to (i) advancing the Global Compact and its Ten Principles; (ii) participation in the activities of the initiative where feasible and (iii) submission of a COE every two years.

Step 2:
Completes the Online Application Form on the Global Compact website (http://www.unglobalcompact.org/HowToParticipate/Business_Organization_Information.html) and uploads a digital copy of the Letter of Commitment signed by the highest executive.
Sample letters of commitment are available here:


After an application is submitted, due diligence is conducted to confirm that the applicant meets all eligibility requirements. In addition to an internal screening, the Local Network from the relevant country is asked if they know of a reason why the organization should not be permitted to join the initiative, bearing in mind its focus on learning, dialogue and partnerships. If no issues are raised by the network within a week, the application is approved.

**Recruitment and retention strategies**

---

**RECRUITMENT: BRING COMPANIES TO THE GLOBAL COMPACT**

Growing the Global Compact's global reach is a core function of the Local Networks as much of the work must be done on the ground. Yet, making the case to businesses to join the Global Compact can be a complicated and often difficult process given the specific needs and interests unique to each company. Many Local Networks have been successful in recruiting businesses to join the Global Compact through a variety of innovative strategies, capitalizing on partnerships, strong in-country network relationships and existing government regulations that incentivize more companies to join the initiative. However, not all Local Networks have the same pre-existing conditions that may facilitate or inhibit recruitment of businesses.

Below is general guidance on drafting recruitment strategies and tips for how to address common obstacles faced in trying to bring companies into the Global Compact. It should be noted that these are general examples and suggestions. As with all things, Local Networks should use their regional knowledge to identify which strategies work best for their country.

---

**Recruitment Strategies**

**Identifying Strengths and Opportunities**

**Start by choosing companies already receptive to corporate sustainability**: A straightforward approach is to search the company’s website to see if they have a sustainability strategy or a sustainability report. Regardless, understanding whether the chief executive is involved in sustainability issues is another strong indicator that a company would be a good target for recruitment.

**Connect key Global Compact initiatives to companies**: Rather than focusing on the Global Compact as a whole, focus on specific issue areas that are relevant to the company, such as the Women’s Empowerment Principles, CEO Water Mandate or Anti-Corruption and Transparency. Identify which sectors are dominant in your country, what their main concerns are, and how they can be linked to Global Compact issues.

**Leverage existing members**: Networks can ask certain influential member companies to serve as “Network ambassadors” that encourage their peers to join the Global Compact. Ambassadors can make the business case for the benefits of joining through business recruitment events, or in special cases, undertake personalized outreach to individual companies. This can be seen as an in-kind form of local level contributions.

**Network through CSR and Sustainability Events and Conferences**: These events can serve as prime opportunities for meeting companies that could be interested in initiatives like the Global Compact. Although the commitment must be made at the highest levels, the sustainability contact is typically influential in the decision to join and can facilitate a discussion between the chief executive and the Network head (or another appropriate individual in the Network such as a Steering Committee member).

**Overcoming Weaknesses and Threats**

**High saturation of existing sustainability initiatives**: Focus on the unique qualities of the Global Compact over other similar initiatives.

- The largest in the world with over 8,000 participants and approximately 200 of the FT 500 companies.
Established presence in emerging markets, particularly frontier markets in Africa and Asia, where many large multinationals are beginning to establish themselves more broadly.

Main organization for linking the private sector to the United Nations.

Flexibility and universality of our standards and reporting mechanisms, which is applicable to advanced reporters and new reporters alike.

**Difficulty in establishing the value proposition of the Global Compact:** Speak in terms of concrete actions and achievements made by the Global Compact, its Local Networks or participants.

- Companies want to know what benefits they will get from joining and so positioning this upfront in the conversation is a stronger approach.
- Emphasize the benefits and services that the Global Compact can provide at the local level, such as COP guidance and training sessions, networking and/or global high-level events like the Leaders Summit and UN Private Sector Forum with opportunities for increased visibility for companies.

**Lack of Interest in Reporting:** Reporting is a key part of the Global Compact and that aspect should not be diminished; however, Local Networks can turn the reporting requirements into an asset by emphasizing the growing number of companies that have integrated or standalone non-financial reports and helping them to understand that sustainability is an important part of risk assessment.

- For companies that are looking get involved in international business, non-financial reporting transparency is quickly becoming a sought after factor for international credit rating agencies such as Standard & Poor’s and for country stock exchanges.
- The ease and flexibility of the Global Compact’s COP works with companies as they grow and can be tailored to be as simple or complicated as needed.

**Retention: Support Participants in Reporting**

All Global Compact participants have to report to their stakeholders on how they are acting either to implement or in support of the Ten Principles. The first report must be submitted at the latest either 12 months (COP) or 24 months (COE) from the date of joining by business and non-business participants respectively (Figure 2).

Global Compact participants that do not submit a timely COP or COE will be automatically classified as “Non-communicating”. Companies with a current GC Learner COP who submit another COP at the GC Learner level will also be automatically classified as “Non-communicating” if they fail to submit a COP/COE that meets all requirements within the Learner Grace Period.

“Non-Communicating” participants that fail to submit a COP/COE within a year of becoming non-communicating (Figure 2) will be expelled from the initiative. The names of expelled participants are made public on the Global Compact website. Organizations that have been expelled and that wish to rejoin the initiative must reapply.

Participants can request to modify their deadline through a Grace Period or a Deadline Adjustment. Please visit the Global Compact Reporting page on the Global Compact website for more information.

Local Networks can play a key role in increasing participant retention by providing guidance to participants on the implementation of the Ten Principles and helping companies meet the reporting requirements of the initiative. Local Networks are encouraged to particularly focus on small- and medium-sized enterprises which have historically been more predisposed to higher expulsion rates.

**How to take action:**

Local Networks play a critical role in relation to the COPs and COEs using learning activities, best-case examples and stakeholder interaction. Many Local Networks find in the COP/COE an important tool to motivate participants and help them improve their sustainability performance and deepen their engagement in the Global Compact. These reports are also important means of discovering what companies are doing.

The following are recommendations on how Local Networks can support the COP/COE progress:

- Become familiar with the COP/COE policies and clarify any questions.
- Become familiar with the reporting resources available on the Global Compact website and share these with companies.
During the recruitment phase companies/non-business organizations should be introduced to the reporting requirements of the Global Compact and encouraged to begin thinking about the activities they may already be engaged in which could be included in their first COP.

- Establish a “COP Working Group” which would be tasked with developing a “COP support strategy” for the network.
- Make any/all relevant guidance documents on COPs available in an adapted/translated form to ensure that they are applicable and easily understood.
- Clearly communicate the “minimum requirements” of a COP/COE and offer advice to participants on how they can meet them. Illustrative examples may be collected within the network or taken from the Global Compact website.
- Organize COP training for participants and invite experienced participants to present their approach to COPs to the group. This provides participants with practical examples while also providing recognition to those who have submitted their COPs.
- Regularly communicate upcoming COP/COE deadlines to participants by email, phone or visits.
- Where possible, offer one-on-one assistance to companies who may not have much experience in reporting the issues.

Encourage and support companies to organize COP training for their supply chains.

Contact the UN Global Compact Headquarters’ Reporting Team with any questions of the reporting framework.

Use the webinar platform made available by UN Global Compact Headquarters to Local Networks for reporting-related trainings.

Local Networks can also support companies to improve the quality of their COPs in the following ways:

- Establish a review committee comprised of participating companies who would review participants’ COPs and provide recommendations for improvement.
- Provide recognition to those participants producing high-quality COPs using a variety of platforms for instance on Local Network websites, at local and regional meetings, in network newsletters and publications.
- Organize multistakeholder dialogue during which companies would receive valuable input from NGOs with expertise in specific areas on how their implementation or reporting efforts could be improved.
- Review and advise participants on how their COP/COE could be improved before submitting to the Global Compact website.
- Collect and publish good practice COPs from participants.

*reporting on time for business participants means a COP is submitted annually, while for non-business participants this mean a COE is submitted every two years.

**Figure 2: The timeline of COP & COE submission for Global Compact business and non-business participants respectively**

| TIME | 
|------|---|---|---|---|
| 0    | *COP T1 = 1 Year | 1  | 2  | 3  |
|      | *COE T1 = 2 Years |   |   |   |

*reporting on time for business participants means a COP is submitted annually, while for non-business participants this mean a COE is submitted every two years.

**Notes:**
- COP T1 = 1 Year
- COE T1 = 2 Years

**Figure 2:** The timeline of COP & COE submission for Global Compact business and non-business participants respectively.
This section covers the reasons why Local Networks should consider monitoring their progress in the long run. It also lists some indicators that could be used to measure Local Network impact impact.

**Why measure and monitor progress?**
Measuring progress against the metrics a network identified during the Assess and Define stages enables the network to gauge the success or impact of certain strategies. The monitoring process will help networks to identify and establish valuable activities for their participants and navigate any necessary changes that aim to improve network performance. The process will help networks to identify those activities within the plan that encourage continuous positive change and growth for participants implementing the Global Compact’s Ten Principles.

**What may be measured to assess Local Network performance?**
The first step for networks wishing to track their progress is to decide what they want to measure, that is, what will best provide information to improve the performance of the network, for example:
- the success/impact of an event or workshop
- the success or interest in a particular workstream
- the success of delivering on an objective or even the success/impact of the network’s activities or focus in a given year

Thereafter, the network may identify indicators that will inform whether they have been successful or not and to what degree. For instance, a network may choose to assess the success of an event by evaluating attendance numbers against the invitation list or by sending out a simple survey to participants to rate the event.
“Our country networks are taking greater ownership on the ground – where we have the most potential to catalyze action.”

– Ban Ki-moon, United Nations Secretary-General

Networks may use the checklist of questions below to begin tracking the progress of their journey. These may be particularly useful in assessing the impact of a network’s implementation strategy at year end as part of the planning process for the following year.

**Checklist:**
- Review objectives of the network and annual work plan.
- Review unintended consequences (positive and negative side effects).
- Develop measurable success indicators for each objective in the implementation strategy (see below for suggested indicators networks may use to assess performance).
- What is the impact of the network on the behaviour and management practices of companies with respect to implementation of the principles?
- What is the development impact on society?
- Is the approach efficient? Is there a need to modify strategy/action plan to improve its performance?
This section is about how and when the network communicates with its various Global Compact stakeholders including UN Global Compact Headquarters, Local Network participants and the public at large. During this stage the network may communicate its strategies, progress towards goals and activities but also seek to engage with stakeholders to identify ways to improve performance.

**Communicating with UN Global Compact Headquarters**

In order to enable a streamlined and efficient flow of information between the Local Networks and UN Global Compact Headquarters, Local Networks are encouraged to become acquainted with the different roles and responsibilities of the Local Networks Team and the Relationship Management Team.

**THE LOCAL NETWORKS MANAGEMENT TEAM**

The UN Global Compact Headquarters Local Networks Team (LN Team) will serve as your primary point of contact in most day-to-day matters. To safeguard efficient communications among Local Networks, UN Global Compact Headquarters, participants and other stakeholders, the following principles have been developed:

- UN Global Compact Headquarters designates a Local Networks Regional Manager within its office as a liaison for each Local Network.
- UN Global Compact Headquarters makes every effort to consult Local Networks on major policy decisions and will make available to Local Networks tools, publications and other materials that it develops or that come to its attention.
- UN Global Compact Headquarters will make every effort to inform Local Networks before any communications are sent out to all Global Compact participants.
- UN Global Compact Headquarters will coordinate efforts by Local Networks and other stakeholders to translate to local languages documents it has published; Local Networks should inform UN Global...
Compact Headquarters of any translations they intend to pursue in order to avoid duplication.

- UN Global Compact Headquarters will continue issuing the Global Compact Bulletin and the Local Network Monthly Update.
- Local Networks produce an Annual Activity Report, through the KSS.
- UN Global Compact Headquarters will organize the transfer of knowledge between Local Networks through an annual publication on best practices based on the Annual Activity Reports prepared by Local Networks.
- Contact Persons should keep their contact point in UN Global Compact Headquarters updated on a monthly basis of upcoming activities, events, local projects, national campaigns promoted or tools developed. Major changes in the strategy of the Local Networks should also be communicated.

THE RELATIONSHIP MANAGEMENT TEAM

The Relationship Management Team (RM Team) is the UN Global Compact Headquarters’ main liaison with Global Compact participants. The Relationship Managers help coordinate the Global Compact’s global outreach activities to participants and serve as the key persons of contact on the participant level. The RM Team's activities include:

- The management of all business and non-business participants, including vetting new applicants according to the Global Compact’s Integrity Measures. The RM Team usually contacts the Local Network in which the given applicant company is registered in order to gain an additional recommendation as to the company's eligibility for joining the Global Compact. The Local Networks’ regional expertise is an integral component of the Global Compact’s successful global participant management.
- The planning and organization of events, which often rely on a well-coordinated cooperation with Local Networks “on the ground”. For example, Local Networks may be in a better position to leverage local business participants to take a pro-active stance in relevant events or may contribute to different aspects of event logistics.
- The management of outreach activities usually aimed at raising awareness for specific challenges and engagement opportunities, attracting new participants or raising funds for the Foundation of the Global Compact. Relationship Managers might contact Local Networks in order to adjust the outreach activities to specific regional contexts.
- The management of non-communicating participants. The RM Team might ask relevant Local Networks to help them in their outreach to specific non-communicating businesses and non-businesses.
- All participant-related communication, including new applicants and perceived infringements on behalf of existing participants must be communicated to the RM Team.

Updating the Knowledge Sharing System

The KSS is the web platform, created by UN Global Compact Headquarters as a resource centre of Local Network information. The system helps networks keep track of their achievements and their governance structure. Every Local Network has a username and password to access the KSS. A guide to using the KSS is available upon login.

It is important to use and update the KSS regularly as such information can be useful to other Local Networks to work out a difficult situation that they might be experiencing or find inspiration for planned activities. In addition, UN Global Compact Headquarters produces the Local Networks Annual Report based on the information extracted from the KSS.

Local Networks share information through the KSS pertaining to:

- Network management and fast facts — particularly the governance structure and setup of the Local Network — as well as information such as stakeholder composition, basic contact information, etc.
- Integrity Measures and Awards, including policies and brand management details.
- Relevant information on network events and activities that is suitable for sharing with others.
Publishing Annual Activity and Financial Reports

Every network is expected to produce an Annual Activity Report and a financial report, which may be combined in one report. The disclosure of financial resources should include all relevant statements and serves to increase transparency and accountability to all stakeholders. The Local Network’s annual and financial report should be uploaded onto the KSS.

Furthermore, every network is expected to provide information for a combined global Local Networks Annual Report on their activities as stated in the MoU. This should be done by providing adequate information of Local Network activities on KSS preferably as soon as such events are concluded. The information uploaded to the KSS could include an agenda for the event, the list attendees, a short report on the activity, outcome statement or a short report on the activity.

Annual Activity Reports are crucially important for brand protection and quality assurance. They also have the potential to play an important role in the effective development of the Local Network by enabling the exchange of information about best practice and the development of alliances between networks.

Sharing information through the Local Network Monthly Update and the Global Compact Bulletin

The Local Network Monthly Update is an exclusive newsletter produced by UN Global Compact Headquarters for Local Networks only. It provides relevant information on upcoming events and webinars, engagement opportunities, as well as tools and resources for Local Networks. Local Network News section of the Global Compact bulletin to all participants is an important mechanism for keeping networks updated on what other networks are doing. Local Networks have the opportunity to provide news items for the Global Compact Monthly Bulletin to share with the wider network their experiences.

Communicating with Global Compact participants

UN Global Compact Headquarters is responsible for welcoming new participants to the initiative, including through processing letters of support and entering new participants into its internal database and the Global Compact website. Any letters of support received by networks should be forwarded directly to UN Global Compact Headquarters for processing.

Local Networks play an important role in keeping their participants informed on policy decisions, new tools, cases and best practices. Contact persons should make participants of their networks aware of communications sent by UN Global Compact Headquarters, paying special attention to SMEs.

In addition, many Local Networks publish newsletters on a regular basis as another form of communication. Best practice publications are also a useful way of showcasing activities by participants to implement the Ten Principles.

Networks should remind participants to update UN Global Compact Headquarters of any changes in their contact details.

UN GLOBAL COMPACT WEBSITE

The Global Compact showcases the news of Local Networks on the Global Compact website when there is an international or network-to-network component, for example during Local Network Regional Meetings and the ALNF, and during special occasions such as the launch of a new network or joint commitments made collectively by numerous networks.

The Local Networks will be represented on the Global Compact website through a simple dynamic page that contains basic information about that network, including the participants from that country, contact information, news items and other relevant documents such as the network’s annual report.
Country specific pages on the Global Compact website will generally be in English but may contain documents in other languages. The page will be maintained by UN Global Compact Headquarters, which will retain overall editorial control over the content posted on the website.

LOCAL NETWORK WEBSITE

Networks are encouraged to set up their own website and link to www.unglobalcompact.org to facilitate communication with participants, with other networks, and with New York.

SOCIAL MEDIA

The Local Networks can use social networking sites such as Twitter, Facebook, LinkedIn etc. to communicate with stakeholders. News items posted on the Global Compact website page will be shared via the Global Compact’s Twitter and Facebook accounts to the greatest extent possible. Posts will include reference to Local Network social media accounts where they are established.

Many Local Networks have started their own social media accounts through Twitter, Facebook and other channels.

The following options may be used by Local Networks to gain additional exposure at the global level:
• Follow the Global Compact accounts so we can take better stock of which networks are engaged through social media and retweet/share where appropriate:
  o Global Compact: @globalcompact | www.facebook.com/unglobalcompact
  o Women’s Empowerment Principles: @WEPPrinciples | www.facebook.com/WEPPrinciples
• Email media@unglobalcompact.org if you are developing a special social media campaign or have an upcoming event that you would like the Global Compact to help promote. Please provide suggested tweets and Facebook posts for our review, as well as a suggested timeframe.
• Consider using targeted Twitter hashtags to showcase your news.

The Global Compact Media team has also made available various media outreach resources on the KSS under Local Networks > Resources.

Media Engagement Guidelines for Network launches and Other Key Events/Activities

The Global Compact offers guidance to networks on generating media coverage around Global Compact local launches and other significant events and activities. These guidelines should be viewed as suggestions given local realities and traditions may dictate different approaches.

Basic considerations for positive engagement with the media include:
• Establish and nurture relationships with journalists.
• Develop a media policy.
• Identify a primary spokesperson to speak to the media and make sure he or she is prepared with key messages. Know what you are and are not able to answer.
• Remember, as a voluntary UN initiative, the Global Compact does not comment or make judgment on specific companies or their practices in the media.

Weeks Prior to Launch/Event:
• Develop story angles and key messages to deliver to media.
• Conduct media training with those identified as spokespersons.
• Develop media contact list (print/TV/radio/other).
• Research specific reporters’ previous coverage, political leanings, interest areas etc.
• Prepare a media advisory giving key details of the event.
• Send media advisory to reporters/editors within two weeks of the event.
• Contact reporters directly (e.g. via telephone). Pitch various story angles and key messages.
• Prepare a “skeleton” press release for distribution the day of event. This skeleton release should be finalized after the event with the specific outcomes. (Note: in some cases final press releases can be completed prior to the event, if outcomes are known, and distributed the day of event).
• Include biographical information of speakers in media advisory.
• Schedule one-on-one interviews between interested reporters and key sources. Interviews should ideally occur after the event has concluded.
• Develop an op-ed written by an issue expert for publication in local/national/international newspapers. Such articles should be targeted for publication on or around the day of event to increase general awareness and interest.
• Schedule appearance on TV news programmes.

On the day of the launch/event the network may do the following:
• Conduct a press conference.
• Finalize the press release with outcomes of the event. (As above, note in some cases final press releases can be completed prior to the event if outcomes are known and distributed the morning/day of event).
• Issue press release on news wires and send (email/fax etc.) to news outlets.

• Conduct one-on-one interviews between individual reporters and key sources following the launch/event.
• Be prepared for reporters’ follow-up questions later in the day.

After the Event the network may choose to:
• Work with longer-lead media (weeklies and monthlies rather than dailies) to generate feature stories.
• Clip and archive media coverage.
• Analyze media coverage — were key messages effectively delivered?
“While principles and normative concepts can be set at the global level, we will need local empowerment and action, designed and implemented at the local and even grassroots levels. This is where our Local Networks will be so important. You really are our future.”

– Gavin Power, Deputy Director, UN Global Compact
The Bottom-Up Approach: An Integrated Global-Local Strategic Planning Process

INTRODUCTION

The United Nations Global Compact is on the way to making corporate sustainability a transformative force demonstrating how the private sector has a critical role to play in realizing a more equitable, prosperous and sustainable future. Over 8,000 companies and 4,000 non-business participants operating in 160 countries have joined the initiative and are working towards this end.

To unleash the full transformative potential of the Global Compact, action must be taken at the local level. Global Compact Local Networks in more than 85 countries, all in different stages of development, are convening companies and acting on key issues at the ground level. In an increasingly interconnected and interdependent world, Local Networks generate value for companies by enabling them to transparently engage and partner with relevant local stakeholders. These collaborations are driven by real social and market-based incentives that spur business to address sustainability challenges.

This document outlines a Bottom-Up Approach to develop a global-local strategy for the Global Compact and Local Networks to unleash the full potential of business engagement in the Post-2015 era.

DEFINITION OF THE BOTTOM-UP APPROACH

The Bottom-Up Strategic Planning Process was developed to give strategic direction to the global-local relationship between the Global Compact in New York and Local Networks. The approach calls on Local Networks to identify and capture opportunities for corporate sustainability value generation within their local context, ensuring that strategy is rooted in local realities. The process has a long-term outlook and is constantly reviewed and updated.

By promoting a common global-local mindset, the approach presents Local Networks with the opportunity to choose from the full portfolio of Global Compact platforms and issue areas, through which the global agenda, priorities and best practices are brought to the local level. This common strategic planning process — which can be advanced consistently across Local Networks — allows for more relevant multistakeholder interaction; better exchange of best practices; scaling of impact; and resource optimization and alignment to support the needs of the Local Networks.

RATIONALE

1. The Post-2015 Agenda: An Opportunity for Global Compact to Transform Locally and Globally

The Global Compact’s Post-2015 Business Engagement Architecture (see diagram below) illustrates the main building blocks necessary to enhance corporate sustainability as an effective contribution to sustainable development, creating value for both business and society. It articulates the alignment of long-term business goals with sustainable development goals in increasingly interconnected, globalized and complex markets and societies.

It is clear that sustainable business can play a key role in both defining and implementing the Post-2015 development agenda and sustainable development goals. This is true globally and especially in local contexts. Through Local Networks, Global Compact signatories are called to engage in the Post-2015 strategic processes by:

i. Participating in public private policy dialogues to define and shape local and national development plans within the Post-2015 Agenda.

ii. Taking an active role in multistakeholder partnerships and in other collective actions as means for the implementation of the Post-2015 Agenda.

iii. Participating in defining local accountability frameworks that promote convergence and complementarity among public and private actions to achieve common sustainability goals.
2. **Optimize the Global-Local Potential of the Global Compact**

Optimal global-local strategy is based on a robust governance infrastructure and a shared objective to integrate the Global Compact’s agenda locally. Achieving a shared mindset can facilitate Local Network ownership and empowerment to be the Global Compact’s means of taking action in each of the country contexts to fully deliver its transformative value.

3. **Set an integrated Global-Local Framework for Transformative Action at the Country Level: The Bottom Up Approach**

The Bottom-Up Approach is oriented to seize the opportunities that local realities offer for Global Compact companies to, through their respect and support of the ten principles, engage actively in local sustainable development issues with relevant local actors. Local Networks must be well-positioned to identify the local opportunities for business engagement across each issue the Global Compact works to advance globally.

To achieve consistency and a common global – local mind set, Local Networks will select their local priorities using the same global lens of the Post-2015 Business Engagement Architecture: a common methodology designed for this purpose. As Local Networks set their strategic priorities, the Global Compact will work to align issue platforms in order to achieve the most impact, improving the effectiveness and efficiency of resources. The prioritization for alignment will operate bottom-up rooted in local realities and will work in a systematic, ongoing and process-oriented way, vested in a consistent global-local narrative.

This consistent approach to identifying local priorities will improve the ability to exchange good practices and track value generation. In addition, feedback from local practices can flow to the global level, including discussions of the interconnection between responsible business practices and global sustainable development goals.
BOTTOM-UP APPROACH METHODOLOGY

A methodology has been developed to enable Local Networks to identify the opportunities for engagement in each post-2015 issue in their local context. The process is defined in 4 steps:

1. **Build Global-Local Mind set**
   - Ongoing knowledge channeling of full UN Global Compact Agenda to Local contexts
   - Understanding of the Post-2015 Business Engagement Architecture
   - Know how to analyze local context through lenses of the Architecture

2. **Diagnosis of Local context through Global lenses**
   - Analyze each of the areas of the Architecture in the country to identify local engagement opportunities in:
     1. In the definition and implementation of local development goals: Opportunities for Policy Dialogue, Partnerships, etc in each sustainable development local issue
     2. In Accountability processes,
     3. In relationship with Most relevant stakeholders,
     4. In engagement with our GC resources for better assessment and interaction in each local development issue (engagement framework)

3. **Strategic Matrix Global-Local Integrated Action**
   - Define the priorities in terms of the What, Why, How, and with Whom
   - Explain how priorities contribute to building the Post-2015: Policy dialogue, Implementation and accountability
   - Goals and UNGC growth targets
   - This matrix will set the Global local alignment

4. **Action Plan**
   - Define the actions to be taken in each priority area
   - Will be used to align resources from UN GCO with LN
1. The global lens of the Post-2015 Business Engagement Architecture is used to look at local realities in a consistent way.

2. The strategic matrix below is used to set the global-local alignment:

<table>
<thead>
<tr>
<th>WHAT</th>
<th>WHY</th>
<th>HOW</th>
<th>WITH WHOM</th>
<th>Global Local / Local articulation</th>
<th>How it contributes to the Post 2015 Architecture</th>
<th>How it contributes to the GC Growth Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue prioritized within the Post 2015 Business Engagement Architecture in the country in each of the 4 pillars</td>
<td>Strategic Reasons identified in the diagnosis of the local context</td>
<td>How to engage in each issue prioritized: • Strengthen capacities at local network and learning • Policy dialogue • Partnerships • Private Resource mobilization for sustainabillity • Creating awareness • etc</td>
<td>Strategic Partners: • Collaborative multistakeholder public private proposal</td>
<td>Sinergies from: • Global Local Alignment • From other networks</td>
<td>• Definition of Local Post 2015 Agenda • Implementation of the Post 2015 Agenda • Definition of Post 2015 local accountability frameworks • Building trust • Triggering social and/or market based incentives • Scaling up impact by engaging in GC platforms</td>
<td>Contribution to the growth targets, and building critical mass Contribution to Global Local funding targets</td>
</tr>
</tbody>
</table>
This matrix allows for priority setting through the analysis of the local context and the identification of most relevant actors and engagement opportunities in each area of the Post-2015 Agenda. Engagement opportunities include multi-actor public-private policy dialogue, implementation opportunities through strategic partnerships, mobilizing private finance resources for sustainability and other means of implementation, as well as opportunities to participate in the definition of local Post-2015 accountability frameworks incorporating the contribution of sustainable business.

3. The strategic matrix will be used to define an action plan and calendar to facilitate efficient and effective global-local alignment of resources and the engagement of other stakeholders.

**Global Compact Local Network Progression Model**

**Background:**
Since the creation of the first Global Compact Local Network (GCLN) in 2001, GCLNs have grown rapidly in number and size; resulting in diversely composed and independently managed and governed GCLNs. GCLNs have become an integral part of the UN Global Compact initiative and an important dimension of its governance structure.

Since 2003, an annual meeting of Local Networks has been convened to bring Local Network Representatives and contact persons together to share experiences, learn from each other and network. This annual meeting has also provided the opportunity to seek the input of Local Networks on key governance issues relating to GCLN and, more broadly, to the initiative as a whole.

Following the comprehensive governance review of the Global Compact during 2004-2005, and given the growing importance of GCLNs and their annual meeting, in the third quarter of 2005, the UN Secretary-General accepted the recommendation to elevate the status of the meeting and its role in the initiative by making it a formal component of the Global Compact’s multi-centric governance framework. The annual meeting was named the Annual Local Network Forum (ALNF).

Local Networks have shaped the corporate sustainability agenda since the early years of the UN Global Compact, by facilitating outreach, learning, dialogue (including policy dialogue) and more recently also collective action and partnerships at the country level. The Local Networks Progression Model is now being introduced to provide both UN Global Compact Headquarters (UNGCHQ) and GCLNs with an assessment of the current state of a GCLN as well as a clear path for GCLNs to further progress and grow. It also sets a road map for the development of the GCLNs, support them in adding value to their participants by engaging globally with the UNGCHQ, as well as setting clear transparency and accountability measures.

Each GCLN promotes and implements the UN Global Compact principles through a variety of activities, according to their capacity, their local priorities and where they can add value for their participants. By fully leveraging GCLNs as facilitators, the Global...
Compact can grow to scale and promote transformative change. However, this can only be achieved if GCLNs reach the highest levels of performance, with a strong relationship between the GCLN and the UNGCHQ as well as consistent, effective and coherent engagement with participants based on clear accountability and integrity measures.

Moreover, as GCLNs are self-governed and business-led, a transparent and robust governance structure is important to the effectiveness and sustainability of the GCLN. It is also key to the broader governance of the UN Global Compact initiative, including safeguarding the UN Global Compact brand.

WHAT ARE LOCAL NETWORKS?

GCLNs are independent entities that work closely with the UNGCHQ to advance the UN Global Compact and its ten principles at the country level and root the initiative within different national, cultural and language contexts. GCLNs support and facilitate the progress of companies (both local firms and subsidiaries of foreign corporations) engaged in the UN Global Compact with respect to their implementation of and disclosure of performance on the ten UN Global Compact principles, and create opportunities for multi-stakeholder engagement and collective action. Furthermore, networks deepen the learning experience of all participants through their own activities and events and promote action in support of broader UN goals. GCLNs have helped shape the corporate sustainability agenda in their countries and beyond by facilitating outreach, learning, dialogue (including policy dialogue), and collective action and partnerships at the country level. Increasingly, representatives of GCLNs are also participating at the global level in issue working groups and other UN Global Compact issue workstreams.

Currently the governance and management aspects of the relationship between the UNGCHQ and the GCLNs are described in a Memorandum of Understanding (MoU) that is signed on a yearly basis between the UNGCHQ and those GCLNs that meet a certain set of minimum criteria. Sixty of the total 85+ GCLNs have MoUs with the UNGCHQ.

With the UN Global Compact marking its 15th anniversary this year, the time has come to establish clearer management processes to safeguard the integrity and reputation of the UN Global Compact brand and to ensure more effective relationships between UNGCHQ and GCLNs, whether they are at the inception phase or have been fully functioning for years. With several years of experience now accumulated with the differentiation model for UN Global Compact participants in place, it is also time to create more robust system for GCLNs to progress and strive for continuous improvement. This new management system provides for each stage of GCLN development a description of the basic governance expected of GCLNs along with a definition of the minimum activities that the GCLNs should undertake. It also lays out the kind of support the UNGCHQ can provide to support GCLN growth and progress. Consequently, the Progression Model provides for different MoUs for each stage of GCLN development with different expectations of GCLN governance and scope of activities.

Current situation:

Presently, there are three categories of networks: Formal, Established, and Emerging. The only category that currently entails signing a MoU with the UNGCHQ is the Formal one. In the MoU, there are clear minimum requirements for the GCLN including on the activities to be undertaken and also a description of the minimum that the UNGCHQ should be providing to support implementation of the activities and enhance knowledge sharing.

Current Definition of each category:

1. **Formal**: Formal Networks meet all governance and accountability requirements laid out in the MoU that the GCLN signs. Use of the Network logo is authorized.

2. **Established**: Established Networks have met at least two of the governance and accountability requirements, but have not formally signed the MoU.

3. **Emerging**: Emerging Networks are in the early stages of development; they have identified an individual to liaise with the Global Compact Office with regard to nationally organized awareness and outreach activities, but have not met at least two of the MoU requirements.
Challenges with the Emerging and Established Network categories:

1. UNGCHQ does not currently provide documentation that would indicate the role/status of the Contact Persons with respect to the UNGCHQ. Such a document would boost the credibility of the Contact Person, providing a ‘license to operate’ as a representative of the GC initiative at country level.

2. No specific time frame is provided during which such networks should move to the next level of development.

3. There is no clear exit mechanism by which such GCLNs would lose their status and there are only vague criteria to assess which GCLNs are not performing.

4. There is no signed commitment from the established and emerging networks with UNGCHQ making accountability more challenging.

5. Emerging and Established networks do not have an official GC Network logo and are not allowed to use any other Global Compact logo (since they do not have a signed MoU).

To address these and other challenges, the introduction of a Local Network Progression Model is proposed. The model would provide a clear road map for GCLNs on how they can grow and enhance their value proposition by providing clear guidance for their management and activities. The model also sets clear accountability and transparency measures from the sides of the GCLNs and UNGCHQ.

The model has a special focus on newly established networks and aims at providing them with a clear progression path. It also provides safeguards for the UNGC reputation and brand name including by reserving the rights of the UNGCHQ to re-evaluate its relationship with a GCLN’s secretariat that is not meeting the requirements in the MoU, including with a view to recognizing a more suitable secretariat.

The model is for internal management purposes. The status of the LN would be visible only in the KSS and not on the public website.

The model sets a road map for the development of the GCLNs as well as setting clear transparency and accountability measures.

Objectives of the GCLN progression model:

There are the following objectives for the progression model:

1. Create a clear road map for GCLN progression and Establish concrete time phased steps for GCLNs to take to grow and reach the highest levels of GCLN development

2. Support GCLNs in creating their own value proposition with greater clarity and support for the roles they can play in the local context and strengthen the governance and accountability of the GCLNs

3. Establish a clear mechanism for the UNGC to support GCLNs

4. Strengthen and formalize the working relationship between the UNGCHQ and all GCLNs with tailored MoUs for the different stages with different minimum requirements and levels of support from UNGCHQ

5. Setting clear accountability and transparency measures from the sides of the GCLNs and UNGCHQ.

Concept:

The GCLN progression model would have two dimensions:

1. Governance and management of the GCLNs

2. Activities undertaken, including level of GCLN involvement in different issue areas and collaboration with other GCLNs.

To align with category names used in the UNGC differentiation model for participants’ COPs, the proposal is to rename two of the existing GCLN categories as follows:

<table>
<thead>
<tr>
<th>Existing</th>
<th>Suggested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging</td>
<td>Emerging</td>
</tr>
<tr>
<td>Established</td>
<td>Active</td>
</tr>
<tr>
<td>Formal</td>
<td>Advanced</td>
</tr>
</tbody>
</table>

Proposed changes to Governance and MoUs:

As indicated above, the GCLN progression model would have tailored MoUs for the different stages of GCLN development and different levels of support from UNGCHQ. To facilitate assessment, including self-assessment, of progress, the minimum requirements would have criteria or KPIs associated with them. For accountability purposes,
performance against the minimum requirements would be reported via the KSS.

The progression model would also set a clear path with a timeframe for how a GCLN could move to the next level; and enable more and better support from the UNGCHQ, including capacity building programmes.

Proposed Definitions:

1. **Emerging Networks** are GCLNs in the early stages of development. Typically, the Global Compact has been launched in the country and recruitment efforts are underway to increase the number of UNGC signatories. An individual has been identified to liaise with the UNGCHQ on locally organized awareness and outreach activities and a letter is issued by the UNGCHQ authorizing that individual to conduct these activities during a specific timeframe agreed by the parties. At the end of that period, the GCLN should have enough participants to form a steering committee / simple governance structure in order to launch the GCLN and to move to being an established or advanced GCLN. Tools and templates are available to guide GCLNs in these matters. GCLNs at this stage are not authorized to use Global Compact logos or to create their own logo.

   During this stage, the main activities undertaken by the GCLN would be focused on raising awareness, promoting the UN Global Compact, recruiting UNGC signatories and providing COP and Communication on Engagement (COE) support.

2. **Active Networks** are GCLNs that have identified a hosting entity and have put in place at least a simple governance structure (for example, a steering committee, but not necessarily a full structure including bylaws, etc…) and have at least one annual activity focusing on one of the 4 issue areas of the UNGC principles. Active networks would sign an MoU with the UNGCHQ. The MoU would be comparatively simple and set out activities that the GCLN would undertake and include minimum requirements for strengthening the GCLN’s governance structure and management. The timeframe for meeting the requirements and for the GCLN to move to the next stage (advanced GCLN) would be agreed with both parties.

   GCLNs at this stage would be authorized to use a GCLN logo to help build brand identity in the country.

   During this stage, the main activities undertaken by the GCLN would be raising awareness, providing COP and COE support, and conducting learning and dialogue activities. Active Networks can also work with the Foundation for the Global Compact on collaborative fundraising activities.

3. **Advanced Networks** are GCLNs with a formal governance structure (for example, a business led, multi-stakeholder steering committee with a clear mission and accountability measures) and that meet all the accountability and integrity measures set out in the MoU, including public disclosure of financial information. Advanced Networks have signed an MoU with UNGCHQ outlining all the minimum requirements that they need to meet.

   Advanced Networks are familiar with the UNGC portfolio of issues and have identified the local priorities on which local UNGC signatories want to engage. They are required to send an annual work plan to the UNGCHQ on an annual basis, by the 31 January; and to hold at least two major activities annually to advance the 10 UNGC principles and UN Development Goals. These UNGC networks also engage in and facilitate collective action and partnership projects as defined in the LN Engagement Framework.

   GCLNs at this stage would be authorized to use GCLN logos. They would also be involved in policy dialogue if they have the capacity. Advanced GCLNs should also work towards establishing their own independent secretariats to ensure the sustainability of the network in the longer term. Many will be formal legal entities under local law. They should also be working with the Foundation for the Global Compact on collaborative fundraising activities.

   Advanced GCLNs are also expected to play a role in supporting emerging networks to improve their management and governance and seek to engage in collaboration opportunities.

   Only Advanced GCLNs Networks would have voting rights at the Annual Local Networks Forum (ALNF) and the possibility to be nominated and elected for the Local Networks Advisory Group (LNAG) and LNAG Chair positions according to the LNAG TOR.
### Network Development Comparison:

#### PRESENT

<table>
<thead>
<tr>
<th>Emerging</th>
<th>Established</th>
<th>Formal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MoU</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GCLN Logo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaborative Fundraising</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Voting Rights</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LNAG nomination for election</td>
</tr>
</tbody>
</table>

#### PROPOSED

<table>
<thead>
<tr>
<th>Emerging</th>
<th>Active</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MoU (New)</td>
<td>MoU</td>
</tr>
<tr>
<td></td>
<td>GCLN Logo (New)</td>
<td>GCLN Logo</td>
</tr>
<tr>
<td></td>
<td>Collaborative Fundraising (New)</td>
<td>Collaborative Fundraising</td>
</tr>
<tr>
<td></td>
<td>Voting Rights</td>
<td>LNAG nomination for election</td>
</tr>
</tbody>
</table>

### Local Networks Development Matrix

![Local Networks Development Matrix Diagram](chart.png)

- **Emerging Networks**
- **Active Networks**
- **Advanced Networks**

**Prospective Networks**
Matrix for GCLN governance and management:
The matrix for GCLN governance and management sets out the minimum requirements for GCLN governance and management at each stage of GCLN development. It includes criteria on such topics as:

Identification of Contact persons and Representatives, having a steering committee, preparation of activity plans and financial reports, attendance at regional meetings and the ALNF, having a GCLN logo policy and integrity measures, playing an active role in dialogue facilitation, governance structures, adequate staffing, conducting due diligence of partners, having and maintaining the GCLN website, and establishment of legal entities.

<table>
<thead>
<tr>
<th></th>
<th>Emerging</th>
<th>Active</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential Hosting Entity identified</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Person</td>
<td>✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
</tr>
<tr>
<td>Network Representative</td>
<td>✓ ✓</td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Steering Committee</td>
<td>✓ ✓</td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Network logo policy</td>
<td>✓ ✓</td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Governance Structure</td>
<td></td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Annual activity plans based on local assessment</td>
<td>✓ ✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Report posted on the KSS (Financial Reports encouraged to be posted on the KSS)</td>
<td>✓ ✓</td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Activity Reports Publicly Disclosed</td>
<td></td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Financial Reports Publicly Disclosed</td>
<td></td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Due diligence for 3rd parties</td>
<td>✓ ✓</td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Recommended to be independent entities</td>
<td></td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>LN Website</td>
<td></td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Regional Meetings attendance</td>
<td>✓ ✓</td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>ALNF attendance</td>
<td></td>
<td>✓ ✓ ✓</td>
<td></td>
</tr>
<tr>
<td>Voting rights</td>
<td></td>
<td></td>
<td>✓ ✓ ✓</td>
</tr>
</tbody>
</table>
Matrix for GCLN activities:

The matrix for GCLN activities sets out the minimum requirements for GCLN activities at each stage of GCLN development. It includes criteria on such topics as:

- Awareness raising, recruitment and retention, minimum number of annual activities, COP/COE support, learning activities, collective action, public policy engagement, partnership brokering, activities related to UN goals, updated website, development of local thought leadership, engagement with global issue platforms, local working groups, implementation of collaborative fundraising activities, and supporting other networks.

<table>
<thead>
<tr>
<th></th>
<th>Emerging</th>
<th>Active</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness raising</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Recruitment and retention</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Minimum number of annual activities</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>COP/COE Support</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Collaborative Fundraising activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning activities</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Activities related to the UN goals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective Action and Partnerships activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy Dialogue</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dialogue facilitation</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Updated website</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Global Compact support to Local Networks:

One of the important aspects is the guidance and support given to GCLNs via a growing dedicated team at UNGCHQ whose main role is to support and connect the GCLNs to the different UNGC issues and also continuously build the relationship between HQ and the GCLNs.

The UNGCHQ provides support and training for management of GCLNs, provides greater visibility for GCLN activities and outputs, and identifies and promotes good practices.

Currently, the UNGCHQ provides the following to support the governance and management of GCLNs:

- Global Compact website
- Participant Information and statistics
- Recruitment and retention assistance
- COP statistics
- Dialogue facilitation assistance
- GCLN Management Toolkit
- Convening of various Local Network meetings, events and trainings (Regional Meetings, ALNF, GCLN Exchange Program)
- Travel Subsidies
- Local Network logos
- Local Network Awards.
The UNGCHQ is continuously looking for ways to better support the GCLNs, including through developing templates and guidance to support GCLN operations. For GCLN governance and management, the idea of templates and guidance to support GCLNs in establishing a basic governance structure, activity plan, activity report and financial report are currently being explored.

<table>
<thead>
<tr>
<th>Emerging</th>
<th>Active</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updated Knowledge Sharing System</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Knowledge Sharing System Manual</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Local Network Management Toolkit</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Activity Plan Template</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Activity Report Template</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Financial Report Template</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Basic Governance Structure Template</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Advanced Governance Structure Template</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide Participant Information and Statistics</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Recruitment and Retention Assistance</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Provide timely COP statistics</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Framework for Engagement in GC Issues</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>At least one Exchange Programme per year</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>One Regional Meeting per region per year</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>One Annual Local Networks Forum every year</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Exclusive Orientation Week at UNGCHQ</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Travel Subsidy for the Exchange Programme, Orientation Week, Regional Meetings and ALNF*</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>LNAG Nomination for election</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Local Network Awards</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Best Practices featured on the GC Monthly Bulletin</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

* As established in the UN Global Compact Travel Subsidy Guidelines.
Currently, the UNGCHQ provides the following to support activities of GCLNs:
UNGCHQ offers basic awareness raising material to support GCLNs in carrying out outreach activities. To better enable GCLNs to carry out various issue-related activities, the UNGCHQ is currently refining the Issue Engagement Framework and is considering new ways to recognize highly-engaged GCLNs. Current support available includes:
• Issue platforms, tools and resources as a menu for GCLN activities to draw on
• Advice and guidance in support of GCLN issue activities
• Global issue engagement opportunities in global working groups, global events etc

To encourage information sharing and learning from others on both governance and management and activities, GCLNs have access to the Local Network Monthly Update, the KSS and Local Network webinars. A KSS Manual is available to enable Local Networks to take full advantage of the database.

Global Compact Integrity Measures
The United Nations Global Compact is not designed, nor does it have the mandate or resources, to monitor or measure participants’ performance. Nevertheless, with the aim of assuring that the integrity of the Global Compact is safeguarded at all times and falls within the rules and regulations of the United Nations body, the organization has adopted the following measures.

PARTICIPANT NON-ENGAGEMENT AND RESTRICTED ENGAGEMENT
The UN Global Compact does not accept companies to join the initiative that:
• are involved in the manufacture, sell or distribution of anti-personnel mines and cluster bombs;
• are listed on the United Nations banned vendors list;
• have less than 10 employees

While not a criteria for non-engagement, the UN Global Compact does not encourage engagement with companies involved in the sale, manufacture or distribution of tobacco products. Please see our Tobacco Company policy for more information.

ENGAGEMENT WITH UN/USG SANCTIONED ENTITIES
Special notice should be made of companies or individuals applying to join the UNGC that are currently subject to UN or US government sanctions (as the Foundation for the Global Compact, which supports the work of the Global Compact is a US-based entity subject to the laws of the country):
Companies/organizations based in Iran, North Korea and Cuba: No financial transactions (this is to include invitations to paid registered events, solicitation of contributions and the provision of goods and paid services).
Companies/organizations or individuals from Sudan, Syria, Myanmar and Iraq or on the Specially Designated Nationals (SDN) list: Financial transactions allowed under a UN general license, however, before any financial engagements, please consult with your relevant Relationship Manager.

PARTICIPANT DUE DILIGENCE AND INTEGRITY ISSUES
As the UN Global Compact continues to expand, it is important to remember that even with its goal of being as inclusive as possible, all business and non-business entities that apply to the UNGC undergo a series of due diligence procedures to ensure their legitimacy under the prevailing national law. In addition to checking, to the best of its ability, the legitimacy and authenticity of the organization, the Global Compact also employs several due diligence and background checking tools to screen applications. Applicants found with negative or contentious information through the due diligence tools are referred to the Local Networks for further consultation.

As such, Local Networks maintain a critical role in our due diligence procedures through their regional and country-level perspective and vetting for participant candidates. However, it is important to note that, as the Global Compact is primarily a learning platform for business, an applicant’s sustainability profile — unless in direct violation of UN principles — is not criteria to reject an application.
MISUSE OF ASSOCIATION WITH THE UN AND/OR GLOBAL COMPACT

The use of the United Nations name and emblem and any abbreviation thereof is reserved for official purposes of the Organization. The United Nations emblem may be authorized for use by non-UN entities in exceptional circumstances, such as for illustrative and educational purposes which require the prior written authorization of the Secretary-General. Requests for such authorization should be submitted to the Office of Legal Affairs and not through the UN Global Compact.

The use of the Global Compact's name and logos are limited to certain authorized users and instances only. The Global Compact Office reserves the right to take appropriate action in the event of a breach of this policy which may include, but are not limited to, revoking participant status, requesting the assistance of the relevant Global Compact governmental authorities and/or instituting legal proceedings. Any suspected misuse of the Global Compact name or logos should be referred to the Global Compact Office.

ALLEGATIONS OF SYSTEMATIC OR EGREGIOUS ABUSES

In the event that credible allegations of systematic or egregious abuse of the Global Compact's overall aims and principles are brought against a participant, the Global Compact Office can assist or provide guidance in this regard, by means of a facilitation dialogue. It should be noted that the Global Compact Office will not involve itself in any way in any claims of a legal nature that a party may have against a participating company or vice versa.

SUBSIDIARY PARTICIPATION

Subsidiaries are welcome to join the Global Compact in addition to or in lieu of their parent company being a participant. The Global Compact encourages multinationals to take advantage of their participation in the initiative and involve their subsidiaries with the relevant Local Networks. Please refer to the website for further information on the Global Compact’s subsidiary participation and COP policy.

GLOBAL COMPACT LOGO POLICY

Permission is required in advance for each distinct use of a Global Compact logo. This is because the UN Global Compact Headquarters needs to review each intended use for its layout and context. The UN Global Compact Headquarters also records each approval. Therefore, even organizations that have already received permission for a use in the past should make a new request for other distinct uses of the same logo.

Use by participants of the “We Support the Global Compact” logo (hereinafter the “Endorser logo”) is encouraged as a way to promote their commitment to the initiative and raise awareness of the United Nations Global Compact. It can be used, for example, on corporate websites and pertinent printed materials. Please note, however, that every use of a Global Compact logo — except the contextualized version of the logo for use in COPs, which may be downloaded and used in a COP without prior permission — requires permission in advance from the UN Global Compact Headquarters. Participants can request the use of a Global Compact logo using the online logo request. We invite Participants to become familiar with the Global Compact Logo Policy before requesting permission to use a Global Compact logo.

There are six different kinds of Global Compact logos:
4. The regular Global Compact logo
5. The regular Global Compact logo with type (the Logotype)
6. Communication on Progress (COP)
7. The Endorser logo
8. Local Network logos
9. Specialized Global Compact initiative logos (e.g. the Caring for Climate logotype)

REQUESTING A LOGO

To seek approval for use of a Global Compact logo, the participant needs to:
1. Login to the participant administration section of the UN Global Compact website using the organization’s username and password. Please note that support on the retrieval or (re)creation of login information is available via the Participant Administration section.
2. Select “Logo Requests” and click on “New Logo Request”.
3. Complete the request form and upload a sample of the desired use.
4. Await a response from the UN Global Compact Headquarters.

UN Global Compact Headquarters looks at:
1. The accuracy of any information provided about the Global Compact in the material
2. Whether the colour and layout of the logo is compliant with the Global Compact Logo Policy. See the Rules Governing the Reproduction and Display of the Logos and the Design Guidelines Manual (pdf).
3. Whether the placement of the logo in the material would incorrectly imply any kind of endorsement by the UN Global Compact Headquarters or that the UN Global Compact Headquarters was the source of the material.

Reprinting of a document containing a Global Compact logo does not require seeking new permission if the previous use had been approved. Similarly, for documents that use the same template, such as a presentation, permission can be sought for the master copy, and approval, if given, will be valid for all versions produced using that template.

ELIGIBILITY

According to the Global Compact Logo Policy, every use of a Global Compact logo requires permission in advance from the UN Global Compact Headquarters. However, a special contextualized version of the Endorser logo has been introduced for use by participants in their COP without prior permission from the UN Global Compact Headquarters. Use of this logo is optional. This logo can be downloaded at the Global Compact Logo Policy page. The Global Compact Logotype — which appears in the banner of the UN Global Compact website — is exclusively for use by the UN Global Compact Headquarters.

The Endorser logo is the logo most often approved for use by Global Compact participants. In exceptional circumstances, such as where the UN Global Compact Headquarters is directly involved in the activities described in the material, permission to use the regular Global Compact logo may be given. Permission is still required for all other uses of the Global Compact logos, including in the context of a participant’s COP.

Generally, only Global Compact participants and stakeholders are given permission to use a Global Compact logo. However, exceptions can be made in appropriate circumstances where the use is consistent with the mission of the Global Compact. The company is kindly asked to submit a sample of the material with its request to gclogo@un.org, also indicating where the logo would appear, the purpose of the material, its target audience, projected date of its release and other relevant information.

All uses of the UN emblem by non-UN entities require the prior written authorization of the Secretary-General of the United Nations. However, it should be noted that such requests are only very rarely granted.
PERMITTED USES

1. Logo of the Global Compact Network [country] (“Network logo”)

The Network logo is for official Network purposes only (and not for use by Network members). Permitted uses of the Network logo by the Network staff include:

1. At an event, forum or conference organized, sponsored by or involving the Network;
2. In promotional or informational material prepared by the Network including, but not limited to, advertisements, banners, brochures, event agendas, presentations, reports and signs — should the Network wish to do so;
3. On business cards of Network staff members and the Network representative;
4. On the official Network website; and
5. On Network letterhead and in Network emails or other communications with Network members.

2. Version of the Global Compact Network logo for Network member use (Network Endorser logo – “We Support” logo)

Network members are encouraged to show their support for the Network by applying to the Global Compact Network [country] to use the Network Endorser logo. In order to apply for use of the Network Endorser logo, an organization must be: (1) a signatory to the United Nations Global Compact (“UN Global Compact”); and (2) a member of the Network.

The Network Endorser logo is a statement by the member about its support for the Network and is not an endorsement by the Network of the member, its products or services or level of sustainability performance. Use or placement of the Network Endorser logo must not imply that such an endorsement has been given.

Permitted use of the Network Endorser logo include:

1. On informational material or a website (the Network Endorser logo should link to the Network website) to show the member’s membership of and support for the Network;
2. On presentations at network events or other forums or conferences to show the member’s membership of and support for the Network;
3. In the member’s Communication on Progress and/or Sustainability report to indicate their membership of and support for the Network.

Process for applying for permission to use the Network Endorser logo:

1. Applications must be in writing in advance of the intended use and be addressed to the network’s contact person.
2. To expedite the handling of applications, the applicant should include in their application a link to its participant page on the UN Global Compact website and state whether they are a member of the Network.
3. The application should also describe the intended use or uses of the Network Endorser logo and include a sample indicating where on the sample the logo would appear.
4. If the application is approved by the Network office, the logo will be emailed to the member.
5. The logo provided is the ONLY logo that may be used and the logo must not be modified in color scheme or background unless approved by the Network office after consultation with the UN Global Compact Office.
6. If the use of the logo has been denied, a letter or email will be sent to the member outlining the reasons for the denial and suggesting what modifications could be made to the application to enable its approval.

PROHIBITED USE OF THE NETWORK ENDORSER LOGO:

Prohibited use of the Network Endorser logo include, but are not limited to:

1. In material to promote a political party or to lobby a government on an issue not aligned with corporate sustainability;
2. In any component of a Network member’s own logo, trademark or other branding element;
3. Any use that suggests or implies a certification or seal of approval for the member’s activities, services and/or products; and
4. Any use inconsistent with the mission and objectives of the UN Global Compact.
CONSEQUENCES OF MISUSE

The UN Global Compact Office and the Global Compact Network [country] reserve the right to take appropriate action in the event of a breach of this policy. Possible actions may include, but are not limited to, expulsion from the UN Global Compact, expulsion from the Global Compact Network [country] and/or commencing legal proceedings with the appropriate authorities. Any suspected misuse of the Global Compact name or logos, including of the Local Network [country] logos should be referred to both the network’s contact person and to gclogo@un.org.

THE ROLE OF LOCAL NETWORKS IN IMPLEMENTATION OF THE UN GLOBAL COMPACT’S DIALOGUE FACILITATION PROCESS

This note has been prepared in response to requests from Local Networks who wish to better understand their role in the Global Compact dialogue facilitation process under the Global Compact Integrity Measures. It is understood that not all Local Networks will have the capacity and expertise to handle matters locally. Those that do have such capacity and expertise are encouraged to do so. In all instances the Global Compact Office stands ready to support Local Networks in their efforts to help ensure the integrity of the initiative.

The dialogue facilitation process

The UN Global Compact is a voluntary initiative for business committed to aligning their business practice with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption and to taking action in support of UN goals. Nevertheless, participation in the UN Global Compact does not constitute an endorsement by the UN or its Global Compact Office of the businesses or their sustainability policies, practices or initiatives.

And, in order to safeguard the integrity of the initiative and the good efforts of participants in the UN Global Compact, we do have a set of integrity measures in place. These were developed in consultation with the UN’s Office of Legal Affairs. The focus of the integrity measures is NOT to provide a remedy for alleged specific instances of corporate misconduct. The UN Global Compact lacks the mandate and resources for such an undertaking. Rather, the Global Compact’s limited resources are concentrated on fostering effective learning, dialogue and partnerships as a complementary contribution to — not as a substitute for — other approaches aimed at corporate responsibility and enhancing business’ contribution to sustainable development and other UN goals.

The UN Global Compact’s integrity measures include a dialogue facilitation process as a means to handle allegations of systemic or egregious abuse of the Global Compact’s overall aims and principles. The dialogue contemplated is between the party raising an issue and the participant in question. The role of the Global Compact Office and Local Networks in such matters is generally limited to encouraging that dialogue and not to initiating dialogue facilitation processes themselves without another party¹. A detailed description of the steps of the dialogue facilitation process is provided in the section below. Further detail is in the Integrity Measures themselves and in a set of Frequently Asked Questions that were adopted by the UN Global Compact Board², which oversees implementation of the integrity measures, including the dialogue facilitation process.

Local Networks’ role

The Memorandum of Understanding that each Local Network signs includes the following expected function: “Proactively manage and protect the integrity of the Global Compact initiative and develop policies and/or procedures to find solutions to dialogue facilitation involving participants in the network”.

¹. However, in the event that a Local Network forms the view on its own that due to systemic or egregious abuse of the Global Compact’s overall aims and principles the continued participation of a participant in the initiative risks undermining the Local Network or the initiative more broadly, it can raise the matter with the Global Compact Office to explore what action could be taken such as asking the participant to respond to the concerns.

². See: http://www.unglobalcompact.org/AboutTheGC/IntegrityMeasures/index.html
In practice, the expectation is that the Local Network will:

- When asked by the Global Compact Office to do so, provide input (i.e. any information that the network has or can easily obtain about the matter and the parties to the dispute) on matters raised under the Integrity Measures about a participant from their country/region
- Inform the Global Compact Office about any integrity measures matters raised directly with the Local Network
- Subject to the Local Network’s capacity and expertise, the Local Network is encouraged to conduct the dialogue facilitation process itself between the party that raised the issue and the participant in question with advice and guidance from the Global Compact Office. In such instances, the process to be followed is the one set out in the Global Compact Note on Integrity Measures and associated Frequently Asked Questions. See below for the sequence of steps
- If the Local Network lacks the capacity and/or expertise, it may ask the Global Compact Office to handle the matter or, in the case of matters raised directly with the Global Compact Office, decline the offer from the Global Compact Office that the Local Network handle the matter itself
- In the case where a Local Network handles the matter itself, keep the Global Compact Office informed of developments (so that it may include the details in its regular reports to the Global Compact Board) and especially of the resolution of the matter.

---

SEQUENCE OF STEPS FOR WHERE A LOCAL NETWORK HANDLES A DIALOGUE FACILITATION MATTER ITSELF

As indicated above, when a Local Network has the capacity and expertise to do so, it is encouraged to handle dialogue facilitation matters itself with advice and guidance from the Global Compact Office. Such matters may either be raised directly with the Local Network or be referred to the Local Network by the Global Compact Office. In the case of Local Networks in countries where there is an OECD National Contact Point, some Local Networks may have established a relationship with regards to handling of matters raised about the conduct of Global Compact participants that also could be raised as a specific instance under the OECD Guidelines for Multinational Enterprises. In such cases, the details of that arrangement will be key to how the Local Network treats the matter.

As a matter of good practice, where there is an OECD National Contact Point in the same country as a Local Network, the Local Network is encouraged to reach out to that National Contact Point to share with each other information about their respective plans and initiatives and to explore the possibility of collaboration where relevant and appropriate, including around matters that may arise under the Global Compact integrity measures dialogue facilitation process that may also constitute specific instances under the OECD Guidelines.

More generally, in all instances, Local Networks are asked to inform the Global Compact Office on receipt of concerns raised about a participant from their country/region and to indicate if they have the capacity and expertise to handle it locally.

Handling the matter locally would mean consulting with the Global Compact Office about whether the matter falls within the Global Compact Integrity Measures. If it does not, as a matter of courtesy, with the permission of the person or organization that raised the matter, the matter can be sent to the participant without compelling a reply. Sample language for doing so is available from the Global Compact Office.

If the matter falls within the Integrity Measures, the LN would then ask the person or organization raising the matter if the matter may be forwarded to the company concerned for a written reply. Sample language for doing so is available from the Global Compact Office. If the person or organization

---

3. This is a matter of self-determination. Namely, the Local Network’s own assessment of whether it has the capacity and expertise is key here.

4. The relationship between the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises is set out here: http://www.unglobalcompact.org/docs/about_the_gcc/UNGC_OECDguidelines.pdf

More information about “specific instances” under the OECD Guidelines for Multinational Enterprises can be found at: http://mneguidelines.oecd.org/specificinstances.htm. Contact information for the National Contact Points in each country where they exist can be found at: http://www.oecd.org/daf/invest/mne/NCPContactDetails.pdf
raising the matter does not reply or declines permission for the matter to be forwarded, the Local Network should not forward the matter and should inform the Global Compact Office.

If the person or organization raising the matter grants permission for the matter to be forwarded to the participant concerned, the Local Network would then do so and request that a written reply be provided directly to the person or organization raising the matter within 2 months. Sample language is available from the Global Compact Office.

The Local Network may wish to seek confidential advice from other UN agencies in the country concerned on the substance of the matter. If the matter relates to other countries, the Local Network should inform the other Local Network(s) about the matter and seek their advice on the substance of the matter.

If the participant:
• Does not respond or refuses to engage in dialogue on the matter (without good reason) within 60 days of being contacted by the Local Network about the matter, the Local Network should inform the Global Compact Office, who will change the participant’s status to non communicating until such time as the participant agrees to provide a written response to the matter raised or otherwise engage in dialogue. After a period of one year with the status of non communicating, a participant will be delisted.
• Responds with a substantive\(^5\) response, the Local Network may write to the parties encouraging them to continue the dialogue and to request that the Local Network be kept informed of any further action taken relating to the matter.

The Global Compact Office stands ready at any time during this process for questions on policy and general guidance.

---

\(^5\) Substantive here means a response that addresses the concerns raised rather than just a pure denial or refusal to engage.
The Ten Principles of the United Nations Global Compact

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

**HUMAN RIGHTS**

**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and  
**Principle 2** make sure that they are not complicit in human rights abuses.

**LABOUR**

**Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
**Principle 4** the elimination of all forms of forced and compulsory labour;  
**Principle 5** the effective abolition of child labour; and  
**Principle 6** the elimination of discrimination in respect of employment and occupation.

**ENVIRONMENT**

**Principle 7** Businesses should support a precautionary approach to environmental challenges;  
**Principle 8** undertake initiatives to promote greater environmental responsibility; and  
**Principle 9** encourage the development and diffusion of environmentally friendly technologies.

**ANTI-CORRUPTION**

**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.