STATUS REPORT: LOCAL NETWORKS / AFRICA

This document is geared toward Global Compact Local Networks (LNs) for learning purposes. It contains the findings of research on the current status of LNs in sub-Saharan Africa. Conducted in July-October 2015, the research included telephone interviews with eight African LNs & fourteen Global Compact participants.

GLOBAL COMPACT LOCAL NETWORKS

Global Compact Local Networks (LNs) advance the initiative and its ten principles at the country level. They help companies understand what responsible business means within different national, cultural and linguistic contexts and facilitate outreach, learning, policy dialogue, collective action and partnerships.

WHAT DO COMPANIES IN AFRICA NEED & VALUE IN A LOCAL NETWORK?

Companies Need
- Assistance with long-term issues to enable adequate planning
- Continuous communication
- Both general Global Compact updates & local developments
- COP submission deadlines
- Feedback on COPs after submission
- Peer discussions on practical application of Global Compact principles
- Assistance developing the COP

Local Networks can Deliver
- Networking to widen reach, LNs attract industry leaders and reputable companies
- Activities that deliver tangible benefits
- Links between networks to collaborate & address cross-border issues
- This is of particularly high relevance to multi-national companies
- Development of LN websites

COMMON PRACTICES AMONG LOCAL NETWORKS IN AFRICA

As for resource management, LNs in Africa have had success hosting secondments from LN participants, seeking grants, approaching donors, and securing financial sponsorship of events by LN participants.

Recruitment
- Events
- Direct invitations to companies via letters or phone calls
- Building relationships with individuals in organizations
- Referrals from current participants

Retention
- Practical & active involvement of businesses around ten principles, e.g. subcommittees, public events
- Links with sustainability practitioners & Chief Executives
- Consistent support on sustainability issues and COPs

Approach to Partnerships
- Coordination with NGOs, LN participants, UN Organisations (e.g. UNDP, UNICEF)
- They work best when built on specific objectives & outcomes
- Centred around resources and financing
- Informal amongst local networks, except for quarterly calls

Measures of Success
- Quality and relevance of organized events
- Influence on legislation and company executives to drive change
- Being perceived as the preferred authority on issues of corporate sustainability
- LN participant retention & quality of partnerships with other organizations
- Number of COPs submitted

LOCAL GOVERNANCE & LEADERSHIP IN AFRICA

Network Hosting Organisation
- The vision and strategy of the host shape the LN
- The amount of resources the host allocates to LN activities can drive its effectiveness

LOCAL NETWORKS SEEDING & HOSTED

Steering Committee / Board of Directors
- Inclusion of representatives from beyond the host adds value
- The LN benefits from the chairperson’s level of engagement & influence
- Clear governance & representation across multiple stakeholders adds value
- Steering committees drive the LN’s strategic direction

Steering Committee Structures
- All LNs in Africa have steering committees in place
- Steering committees have representatives of non-governmental organizations (NGOs), companies of all sizes, trade unions, host agencies
- Steering committees are most often chaired by a business representative
- Some LNs are registered legal entities and therefore follow country-specific requirements

Secretariat
- Secretariats receive support from the host, steering committees and LN participants
- Resource availability - funds & human resources - is a critical aspect of what an LN can undertake
- Secretariats typically have one full-time or part-time coordinator who runs operations

OVERVIEW OF LOCAL NETWORKS IN AFRICA

GLOBAL COMPACT LOCAL NETWORKS

Number

Country
Project/Donor Funds
LN Participants
Host Organisation
Strategic Partners
Steering committee members

Current Funding Sources

Steering Committee Structures

Local Network Hosting Organisation

How Local Networks are Seeded & Hosted

Steering Committee / Board of Directors

LOCAL NETWORK FUNDING IN AFRICA

In spite of current funding sources, inevitably LNs in Africa consider themselves underfunded relative to operating costs and growth goals.
SUSTAINABILITY REPORTING:
LOCAL NETWORKS / AFRICA

ABOUT THE COMMUNICATION ON PROGRESS

The Communication on Progress (CoP) is an annual disclosure to stakeholders on progress in implementing the ten principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption, and in supporting broader UN goals.

In October 2013, the Global Compact began requiring non-business participants to submit a Communication on Engagement (CoE) with the Global Compact every two years. Analysis of pertinent themes related to the CoE is forthcoming.

LNs PROVIDE CRUCIAL SUPPORT ON REPORTING IN THEIR OWN WAYS

As for training on reporting, most LNs in Africa have done in-person meetings in which a number of business participants are in the room at the same time.

COMMUNICATORS ARE NEEDED TO HELP

Institutionalizing CoPs and empowering LNs to share their know-how is a key next step.

HOW LOCAL NETWORKS IN AFRICA ASSIST COMPANIES IN REPORTING

1. Lack of feedback on submitted COPs limits continuous improvement.
2. Stakeholder engagement
3. Highlight actions undertaken by companies that link to Global Compact principles
4. The benefits of transparency & accountability

WHAT NOW?

1. Make companies aware of external expectations
2. LNs can assist with submission where internet connectivity is problematic
3. Highlight the benefits of transparency & accountability
4. Encourage peer review of COPs

Recommended Actions for LNs

WHO DO A COP?

1. Stakeholders on progress in implementing the ten principles of the Compact
2. Facilitate peer learning on the COP
3. Provide 1-on-1 engagements with companies
4. Selection of the most appropriate type of report
5. Data collection & availability
6. Determining materiality
7. New reporters are often unsure if COP is required
8. Online submission has been a challenge
9. Selecting the most appropriate type of report
10. Data collection & availability
11. Determining materiality
12. Stakeholder engagement

Reporting challenges among companies


e.g. talking about doing good seen as bragging in SU

WHY DO A COP?

1. Activism by non-governmental organizations & shareholders
2. Large companies - require transparency & disclosure in their supply chains. Contractual agreements may be linked to Global Compact participation.
3. Peer pressure arising from reputable companies and other peers involved in sustainability initiatives & reporting
4. Corporate reputation management, i.e. companies’ desire to strengthen reputation & resiliency
5. Implementation & enforcement of regulatory & regulatory incentives
6. Listing requirements or industry standards
7. Long-standing companies & others require transparency & disclosure in their supply chains. Contractual agreements may be linked to Global Compact participation.
8. Large companies - require transparency & disclosure in their supply chains. Contractual agreements may be linked to Global Compact participation.
9. Companies’ perception that reporting is complex
10. Corporate reputation management, i.e. companies’ desire to strengthen reputation & resiliency
11. Determining materiality

Regional variations impact on reporting challenges

AFRICA LOCAL NETWORKS / www.unglobalcompact.org/participation/report/coe

COMMON DRIVERS OF SUSTAINABILITY REPORTING ACROSS AFRICAN MARKETS

Push Factors

A. Implementation & enforcement of regulation & regulatory incentives, such as tax codes.
B. Listing requirements or industry standards.
C. Large companies - require transparency & disclosure in their supply chains. Contractual agreements may be linked to Global Compact participation.
D. Activities by non-governmental organizations & shareholders.

Pull Factors

A. LN advocacy focused on private sector
B. LN’s successful delivery of value proposition
C. Corporate reputation management, i.e. companies’ desire to strengthen reputation & resiliency

COP SUBMISSION BY LOCAL NETWORK IN AFRICA

COP Submissions July 2014 – June 2015 / Source: Global Compact Database

- CI - Côte d’Ivoire
- KE - Kenya
- NI - Nigeria
- SU - Sudan
- GH - Ghana
- MA - Malawi
- SA - South Africa
- UG - Uganda

LOCAL NETWORKS IN AFRICA

Source: Global Compact Database

"Awareness building, networking and sensitization around pertinent issues [such as reporting] are the most valued support required from LNs."

– Global Compact Participant