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SUMMARY & OUTCOMES

The VII Global Compact Annual Local Networks Forum (ALNF), held in Istanbul on 9-10 June 2009, featured a variety of presentations and discussions between approximately 320 participants from 77 countries. A wide range of issues, from network management to advancing the Global Compact's core issues, were addressed.

The VII ALNF was convened by the UN Global Compact Office with the collaboration the Fundació Fòrum - Barcelona Center for the Support of the Global Compact and with the generous support of: Sabancı Holding, Bursa Chamber of Commerce and Industry, China Development Bank, Gülor and the Spanish Embassy in Istanbul. Logistical support was provided by UNDP Turkey and VIP Tourism.

Highlights and key outcomes of the VII ALNF include:

- Network delegates **agreed on recommendations** for Global Compact Local Networks (GCLNs) and the Global Compact Office (GCO) concerning: Role of GCLNs in the Communication on Progress (COP), Engagement of micro-enterprises, Engagement of Civil Society Organizations, and Minimum Requirements of GCLNs. Recommendations were developed by four network working groups established at the previous ALNF held in Bonn in October 2008.
- The Global Compact Office released the **Local Network Report 2008** at the Forum. Taking stock of the work of over 80 established and emerging networks around the world, the report features statistics and case examples on network governance, composition, activities, issues and communications. In addition, it takes a deeper look at Local Network efforts regarding facilitation of COPs and engagement of civil society.
- In **network exchange session**, representatives made presentations on their efforts in a specific area: Partnerships, Outreach, Learning Events, COP and related practices, Network Management, Best Practices, and Human Rights and Anti-Corruption Activities. Presentations developed for the exchanges, which are all available on the Global Compact website, add to the knowledge bank on network practices and governance.
- A number of **side events** were held in coordination with the Forum making for a dynamic and productive ALNF: Progress and Value Workshop, ILO Training Workshop on the Labour Principles, Expert Group Meeting on Responsible Investment in Conflict Affected Countries, Human Rights Working Group, 5th COP Workshop, and Regional Meetings for Network Focal Points.
- The **VIII ALNF** will be held in conjunction with the 2010 Global Compact Leaders Summit on 24-25 June 2010 in New York. Many regional meetings will be held in the third quarter of 2009, and will focus on input to the Leaders Summit.

ALNF OPENING PLENARY

This opening session included welcome addresses from ALNF conveners and supporters, and included a signing ceremony to welcome the Bursa Chamber of Commerce and Industry as a participant.

Ahmet C. Dördüncü, Chief Executive Officer, Sabancı Holding

As host of the ALNF venue, Mr. Dördüncü welcomed forum participants and shared his views on the Global Compact from his perspective as chief executive of a large, global company stating that the “values of the Global Compact are of great importance to us as a holding company and throughout all 70 subsidiaries”. He noted that the economic turmoil is causing companies to review systems and models, adopting and changing to survive. Mr. Dördüncü stressed that, for Sabancı, sustainability is only possible through creating long-term value for the company that is linked to economic, environmental and social factors. He highlighted the company’s focus on environment and ethics, as well as its philanthropic foundation with an endowment of nearly \$1 billion. In the words of Mr. Dördüncü: “Success is our responsibility: success economically for the nation, success environmentally to leave a better future for the next generation, and success socially to meet society’s expectations and provide a fair workplace.”

Mireia Belil, General Director, Universal Forum of Cultures Foundation – Barcelona Center for the Support of the Global Compact

As co-organizer of the ALNF, Ms. Belil laid out 3 questions that she hoped would be considered during the forum: 1) Is it possible to build explanatory and implementation models that apply across situations? 2) How can we find the balance between local (community, city) and national or regional concerns? 3) Can we make a clear business case for all of the principles, taking a lesson from the prominence of the climate agenda? She argued that these questions must be better considered if the Global Compact is to have broader impact. Additionally, Ms. Belil encouraged participants to approach the work and issues from a fresh perspective, stating that it can be “hard to solve problems if we do not find new ways to look at them”. Commenting that “a group of smart people doesn’t always make an intelligent group”, Ms. Belil called for more imagination in developing strategy and new ways of collaboration.

Mary Robinson, President, Realizing Rights: The Ethical Globalization Initiative, and Member of the Board, UN Global Compact

Representing the UN Global Compact Board, Mrs. Robinson provided an update on where the initiative stands, especially amid heightened calls for implementation of ESG issues in the wake of the financial crisis. Pointing to highlights from the Global Compact Annual Review 2008, she described an overall picture of growth and development with numerous challenges remaining, notably the need to push Global Compact commitment beyond headquarters and for improved disclosure that addresses impacts, not just actions and policies. Taking stock of Local Network developments, Mrs. Robinson highlighted the work of many networks to safeguard the initiative’s integrity by helping companies fulfill the COP requirement, as well as by increasingly facilitating dialogue in the case of complaints. Finally, she stressed the important role of networks in advancing Global Compact issue areas, using as an example the numerous network campaigns around the 60th anniversary of the Universal Declaration of Human Rights.

Celal Sönmez, President of the Board, Bursa Chamber of Commerce and Industry

Mr. Sonmez publicly committed his organization – one of the largest chambers of commerce in Turkey – to advance the principles of the Global Compact and shared reasons for joining. Since its founding in 1889, the Bursa Chamber of Commerce has carried out a mission to serve common interest and the public, especially through economic and industrial development. “By signing on to the Global Compact, we hope to build a platform for sustainable development in Bursa,” said Mr. Sonmez.

UPDATE ON UN GLOBAL COMPACT & NETWORKS

Forum participants received an update on Global Compact developments and activities, as well as an overview of the status of Global Compact Local Networks around the world.

Georg Kell, Executive Director, UN Global Compact Office

In the context of ongoing global crises – especially linked to climate and the economic downturn – he pointed out that the Global Compact is in a strong position, with a spotlight finally being placed on issues that the initiative has long advocated. “It is increasingly understood that a globalized marketplace requires a stronger ethical orientation and more comprehensive management of risks,” he stated. Mr. Kell argued that as business adjusts to new economic and global realities, there is a compelling case for them to orient towards – not away from – sustainability, specifically by:

1. Increasing focus on long-term value creation;
2. Proactively embracing an expanded view of risk management to include environmental, social and governance (ESG) factors; and
3. Emphasizing the role of responsibility and ethics in driving confidence and trust.

In reviewing the Global Compact issue portfolio and other priority areas, the role of Local Network support was stressed. Current priority work includes:

- *Anti-corruption*: The CEO letter campaign calling for an effective implementation mechanism for UNCAC marks the first time that the Global Compact has facilitated collective action by business globally to influence global rules that could improve the environment within which business works.
- *Climate change*: The climate agenda is cross-cutting and an increasingly dominant theme in the Global Compact’s work, especially in the lead up to Copenhagen negotiations in December. All participants have been encouraged to take steps to “Seal the Deal!” and advocate for a balanced and comprehensive climate agreement.
- *Environmental stewardship*: Work is underway to define a broad concept of environmental stewardship by business, which includes Caring for Climate, CEO Water Mandate, food sustainability and other issues. A global working group is being convened and Local Network input will be important.
- *2010 Leaders Summit*: Taking place on 24-25 June 2010, a successful Leaders Summit will require active input from Local Networks in the planning and lead up to the event.

Soren Petersen, Head of Local Networks, UN Global Compact Office

Presenting findings from the Local Network Report 2008, Mr. Petersen provided an update on the 80 established and emerging networks. He reviewed statistics and examples linked to network growth, governance, composition, activities, issues and communications. Network highlights include:

- Activities: “Learning” has surpassed “Outreach” as the main activity
- Communications: 1/2 have a newsletter, 2/3 have a website
- Civil Society Organizations (CSOs): 1/2 include CSOs in governance body, 9/10 invite them as full participants (versus observers)
- Steering Committees: Business is in the majority in 9/10 committees; 1/2 committees are elected at general network meetings
- COP: 4/5 engage in COP facilitation of some kind, 3/4 conduct training or awareness activities, 1/2 engage in COP mentoring, 1/3 involve multi-stakeholder vetting, and 1/4 conduct peer-to-peer reviews of COPs
- Complaints: 1/6 have received complaints which they facilitate locally, then pass on to Global Compact if needed

PRESENTATION ON GLOBAL COMPACT ISSUE AREAS

Representatives of Global Compact participating companies discussed their commitment to the initiative, outlining the challenges and opportunities faced when tackling specific issues.

Moderated by Dr. Yilmaz Arguden, Chairman, ARGE Consulting, Turkey

Human Rights: Ron Popper, Head of Corporate Responsibility, ABB Ltd

Mr. Popper first looked at trends and challenges in tackling human rights in companies. He pointed to the economic crisis as presenting a major challenge, as appetite for risk-taking may grow – in terms of cutting corners or failing to do proper due diligence. He then laid out criteria for seriously addressing human rights, including: leadership driven; due diligence conducted same way as for legal and financial risks; willingness to walk away from business or see lower sales; commitment to training at all levels; embedding into supply chain process and M&A targets. Mr. Popper emphasized the importance of embedding human rights criteria into daily business decisions – for example, translating policies into terms that everyone can understand and then embedding in project risk review processes. He also stressed that companies must not view human rights only as a reputational issue. He shared lessons from ABB's divestment in Sudan and broader challenges linked to the complex area of complicity. Mr. Popper argued that only through working in partnership with NGOs and other stakeholders will a common framework be found that will result in human rights becoming a reflex for business.

Labour: Matthew Tukaki, General Manager, Drake International

Mr. Tukaki shared his perspectives on labour challenges, trends and priorities, based on his experiences working for a large international human resources and employment company which helps companies fill jobs across a wide range of roles. He listed a number of challenges linked to labour, notably due to major shifts in labour supply (aging workforce, migration, unskilled youth), corruption and absence of governance. When looking at the labour principles, Mr. Tukaki stressed the need to understand who the stakeholders are, pointing to roles of unions, working families, clients, employees and contractors. Additionally, He pointed to two priority issues: downsizing and green jobs. When it comes to downsizing, he suggested best practices of keeping track of who is being retrenched, not just to help them, but also so they might be brought back when the economy recovers. With regard to the rise of a "green collar" workforce, he noted that green will touch every job and questioned whether we have the services and skillsets needed for a green wave. Mr. Tukaki committed Drake International to helping develop those skills, as well as committing to support Seal the Deal! and using the company's lobbying resources to advocate for key outcomes.

Environment: Dominique Heron, VP for Partnerships, Veolia Environnement

Mr. Heron's presentation focused on the work being done by Veolia Environnement, a company that manages environmental services, to address climate change – which he stressed is linked to all environmental issues, as well as all Global Compact areas. He emphasized that environment and climate issues are directly linked to core business. The company is working to reduce emissions all over world. For examples, in providing services to local governments in areas such as drinking water, waste or public transport, Veolia examines the climate dimension. In terms of developing positive solutions, the company has worked on many clean development mechanism projects (CDM), for example in Alexandria, Egypt (collection and elimination of waste) and Bogota, Colombia (development of rapid bus system). Finally, Mr. Heron stressed the company's commitment to projects in support of broad UN goals, and their work under Caring for Climate, CEO Water Mandate, and the recently formed UN – Regions partnership "Towards low carbon and climate change resilient territories".

Anti-Corruption: Wang Yuan, Director General, China Development Bank

Ms. Wang focused her remarks on how the China Development Bank is taking steps to avert corruption risks in its work. Because the bank's core business is to make often large investments for infrastructure – with long and complicated supply chains – the organization must stress anti-corruption policies, otherwise development and wealth will be lost and the objective of social progress will not be met. Ms. Wang highlighted some of the bank's anti-corruption measures. For example, a joint supervision mechanism is used in project management which balances input from government watchdogs, the public and the bank. Additionally, the China Development Bank has a public social complaints system and website to invite public views. To avert breaches, Ms. Wang stressed the importance of taking a holistic approach and getting public involvement and buy-in to help ensure that benefits reach all designated groups.

Partnerships for Development: Jessica van Onselen, Sr. Officer, AngloGold Ashanti

Ms. Van Onselen shared lessons and strategies used by AngloGold Ashanti in relation to partnerships for societal development. First, she stressed the importance of maximizing relations with host governments in an effort build good partnerships, which can allow for better pooling of resources and implementation of programmes. Experiences in Mali and Ghana were cited as examples. Next, Ms. Van Onselen pointed to the importance of finding partners in the community so that local knowledge and expertise is a key influence on the project – citing an example in the Democratic Republic of the Congo. Finally, she emphasized the need for more industry collaboration in partnerships in order to achieve more effective results. She referenced AngloGold Ashanti's early efforts to address HIV/AIDS which resulted in other industry companies following suit, all ahead of government action. She concluded by arguing that this sort of collective industry action and cross-sector collaboration could move partnerships to the next level.

NETWORK EXCHANGES

During this session, Network representatives made presentations on their efforts in a specific area: Partnerships, Outreach, Learning Events, COP and related practices, Network Management, Best Practices, and Human Rights and Anti-Corruption Activities. The following chart includes key points from each presentation by country. Full presentations are available on the Global Compact website at: www.unglobalcompact.org/NetworksAroundTheWorld/Annual_Local_Networks_Forum/VII_ALNF_Istanbul.html

Partnerships			
<p>Nepal</p> <ul style="list-style-type: none"> • Introduced why and how the private sector can contribute to MDGs through partnerships -- several successful examples were provided • Win-Win situation when integrating poor into the market economy • Contribution of financial or in-kind resources to development projects (e.g. earthquake, flood) 	<p>Russia</p> <ul style="list-style-type: none"> • Shared lessons learned from 2001 to 2009 engaging Russian business communities • Conducted survey among GC Russian participants on institutional development: "Why Global Compact?" 	<p>Ukraine</p> <ul style="list-style-type: none"> • Twofold approach: awareness raising and policy dialogue • Introduced the "Go Green" National Campaign to enhance environmental stewardship • "Go Green" included a climate change themed photography contest, social advertising, corporate clean up events with more than 50 companies and 600 volunteers, media coverage • Survey on Climate Change Perceptions and First Ukrainian Business Summit on CC 	
Outreach			
<p>Chile</p> <ul style="list-style-type: none"> • Established relationship with El Mercurio, the major Chilean newspaper, and with other regional newspapers and magazines • Signed alliances and agreements with media that provide space for news • Conferences at universities to present GC and share company experiences and best practices • Impact survey was conducted with member and non-member companies 	<p>Italy</p> <ul style="list-style-type: none"> • Providing one-on-one mentoring to companies • Trying to implement informational material to answer company questions about added value of the GC • To meet company needs, starting in September will send information to companies to keep updated on what GC is working on • Currently, focusing on holding seminars for about 10 companies and invite expert to show good examples 	<p>Japan</p> <ul style="list-style-type: none"> • Sub-committees focused on getting better understanding of practical efforts to realize the 10 principles in business activities • For publications, run two types of websites: one for the public and the other for GC members in Japan • Produce posters for public relations • For young future company leaders, hold symposiums and seminars to educate and build awareness • Surveyed 26 management teams of member companies on what and how executives think about CSR 	<p>Vietnam</p> <ul style="list-style-type: none"> • Identified sustainable office for business as a partner for successful implementation • Situated as a non-governmental agency that is close to the government • Engage in various activities with stakeholders with objectives of: raise awareness, provide learning opportunities and networking • Held conference with about 100 participants and had good coverage in 20 newspapers

Learning Events

<p>Germany</p> <ul style="list-style-type: none"> Organizes 1 day learning forums three times a year, attracting 70-100 participants from all stakeholder groups Among past topics addressed was "Sustainable consumption and human rights", with forums on "Human Right and Water" and "Adapting to Climate Change" planned for 2009 Practical case examples are discussed and relevant concrete tools to assist participants in their implementation efforts are highlighted in the forum Exploring the idea of "coaching" and have established a working group to develop process – a human rights "coaching" planned for November Benefits of learning forums include: inspire individuals, create new awareness and increased understanding of issue, introduce new tools and processes, valuable networking opportunity 	<p>Korea</p> <ul style="list-style-type: none"> Main objectives: raise awareness of climate change issues in business management, encourage companies to participate in international efforts to combat various environment challenges, and introduce current status of climate change discussions Hosted a number of learning events and distributed related materials to member companies "Corporate Response to Climate Change & Green Growth Strategy" provided platform for stakeholders to initiate dialogue on corporate response to climate change and the Korean government's green growth policy Through lectures and newsletters GCLN successfully encouraged companies to participate in CEO Water Mandate and Caring for Climate initiatives 	<p>Moldova</p> <ul style="list-style-type: none"> Main target for 2009 is raising awareness of the principles among participants through trainings, meetings and network website In May 2009 launched the national environmental campaign "GO GREEN" which consisted of the following elements: 1) active involvement of participants to remove waste from a public area, 2) the adoption of an ecological code for the office setting, and 3) an award for the most ecologically responsible member of the GCLN 	<p>US</p> <ul style="list-style-type: none"> Main focus is to act as a platform for learning, which a recent survey of network participants indicated was of most interest Convenes two learning forums each year, the most recent on "CSR and Public Policy" and "Water in the 21st Century" Benefit of these events is engagement of NGOs which has built trust among the stakeholder groups as business becomes increasingly aware of the advantages of working with NGOs. Forums allow for contacts to be made to facilitate cross-sector partnering
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COP and related practices

<p>China</p> <ul style="list-style-type: none"> Not just submit to GCO or company website, but also should publicize to employees and other stakeholders and ensure that employees understand report Big difference between ways that companies do CR and so have to base work on company needs 	<p>Ghana</p> <ul style="list-style-type: none"> How ensure compliance? Education and encouragement, delisting, performance evaluation Ghana Business Code – expanded into 55 points – is country specific and compatible with legal regulation Is a voluntary code without force of law and based on local and cultural practices Code developed through stakeholder participation and is based on long-term perspective which is important because so many are focused on survival 	<p>Spain</p> <ul style="list-style-type: none"> Activities to help with COP: guide to responsible management in supply chain and COP training Working group on COP used to share experiences and is way for public screening on company management practices from COP perspective Guide COP focal point on COP elaboration and teach about continuous improvement cycle For SMEs and micros, new COP template being developed, which is important because many in network are small and want to submit COPs 	<p>UK</p> <ul style="list-style-type: none"> Mentoring and peer review system for COPs started 2 years ago to provide more support for network members Have refined process over time – e.g., toned down language of "verdict" so not legalistic and is more friendly. Reviewees provide self-assessment which helps identify where information is and make streamlined Timing is often after COP submitted, so taking steps to facilitate feedback prior to submitting to GCO
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Network Management

<p>India</p> <ul style="list-style-type: none"> • Strategic Plan 2009-2015 developed by Global Compact Society in India lays out goals hope to achieve by 2015 and how intend to do so • Strategic Plan took three months to develop, and provided GCLN opportunity to consider long-term objectives, budgeting support, etc. • Among the goals is development and strengthening of governance structure and GCS secretariat to provide required support to members and implement Strategic Plan • Plan clearly communicates functioning of GCLN to participants and provides guidance to network secretariat • A challenge in process was obtaining feed-back from GCLN members during broad-based consultations 	<p>Macedonia</p> <ul style="list-style-type: none"> • GCLN is leading founder of the Coordinating Body (CB) for CSR founded in December 2007 • Reason for CB was to bring together different initiatives and activities • Over last 12 months, CB organized many dialogue forums and presentations for many stakeholder groups • CB developed, on behalf of the government, the National 5-year CSR Agenda and is currently working on the National 10-year CSR strategy, which it expects to have it ready by the end of 2009 	<p>Malaysia</p> <ul style="list-style-type: none"> • Goal is to build multi-stakeholder network that is open, transparent and inclusive • Re-launched in August 2008 after earlier launch failed to gain momentum • Incubated by UNDP and handed over to private sector in February 2009 through election of focal point • Mixture of beginners and advanced participants, plus suppliers to large multinationals (e.g. Schneider Electric) and subsidiaries (e.g. Talisman) are becoming engaged • Funding remains a priority, with idea of membership fees under review, but the network must first show value so that participants will want to pay • No events have been conducted to date, as still focused on formalizing the network 	<p>Paraguay</p> <ul style="list-style-type: none"> • Network defined organizational structure, legal status, members cover part of annual costs • Small network (approximately 30 companies), it is missing engagement by SMEs, government and key sectors (e.g. agriculture) • Key challenge is to sensitize companies that have major impact on vulnerable groups • Issues specific to Paraguay that seek to address: pervasive inequality and poverty; precarious living conditions; environment (e.g., deforestation, water, fossil fuels) • Network struggling to grow, as UNDP can drive issues only with more member companies and greater variety of stakeholders
<p>UNDP RBEC</p> <ul style="list-style-type: none"> • Research undertaken by UNDP RBEC on network sustainability • UNDP catalyst for all GCLNs within the East Europe and CIS • Role evolving as try to move towards business-led models • Outlined elements of GCLN sustainability: 1) relevance & creation of value, 2) institutional backing, 3) governance, 4) financing • Stressed importance of creating workable and transparent governance structures to ensure accountability and legitimacy • Most GCLNs in area have semi-formal governance model with small steering groups and elected rotating chair 	<p>Serbia</p> <ul style="list-style-type: none"> • Semi-formal organizational structure governed by Steering Committee (five members), and supported by a Secretariat and five Working Groups • No membership fee, with activities funded through voluntary financial support from members • UNDP in Serbia and the National Bank of Serbia jointly support operation of the Network by performing role of Network Secretariat • Working groups established to tackle key issues: social inclusion, anti-corruption, CSR in banking and finance, environment, and development of CSR strategy 	<p>Syria</p> <ul style="list-style-type: none"> • Launched as partnership between UNDP and government, with mix of companies, NGOs, and business association, and has a National Advisory Committee • Many challenges of engaging private sector, especially: involvement of MNCs; lack of value proposition in country; companies are very proud and do not want to feel judged (via COP); and many want to work alone and not desire collective action and partnership 	<p>Turkey</p> <ul style="list-style-type: none"> • Slow start after 2002 launch, but gained momentum when largest companies began joining in 2006 • Steering committee with multi-stakeholder presence and transitioned from UNDP • Current focus on content development (translation, context), increased participation (industry associations, chambers of commerce) and reporting (COP guidance, checklist, tracking) • Not a legal entity and most financially-linked efforts done on pro-bono basis and through sponsorship • Do not want membership fees which could preclude growth

Best Practices

<p>Bulgaria</p> <ul style="list-style-type: none"> • Held international forum on “Public Policies and Business Opportunities in Times of Crisis” on in April 2009, among other events • Strategic CSR less affected by financial crisis • More sophisticated, strengthened and embedded CSR could provide financial profit 	<p>Gulf States</p> <ul style="list-style-type: none"> • Hold frequent events • Monthly, free community lectures featuring speakers on CSR and climate change • CSR Arabia awards, calling on businesses from the GCC and wider Arab world to participate and to be honored for outstanding leadership on CSR 	<p>Nordic Countries</p> <ul style="list-style-type: none"> • New website • Visit by UN SG to Denmark, met CEOs on occasion of World Business Summit on Climate Change • Caring for Climate Nordic Best Practice Publication showcasing best practices on Climate change from Nordic companies 	<p>Zambia</p> <ul style="list-style-type: none"> • Participants showcase best practices to justify status • Efforts to stimulate competition by giving awards to companies • Integrating 10 principles into core business is promoted, and only philanthropic practice avoided
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Human Rights and Anti-Corruption Activities

<p>Brazil</p> <ul style="list-style-type: none"> • Published report “CSR Against Corruption”, a partnership between Instituto Ethos and government accountability office, which became a part of Brazilian working group on anti-corruption • Working together with focal points of Latin America and other organizations, focusing on anti-corruption pact with other countries • Conducting workshops in second half of the year where companies will participate in publication and presentation of cases • 12 Brazilian companies participate in test of GC reporting guidance on the 10th principle 	<p>Netherlands</p> <ul style="list-style-type: none"> • Reported on shared human rights project based on a framework presented in John Ruggie report • Three core elements in the John Ruggie report: 1) State duty to protect against human rights abuses by third parties—including business entities; 2) Corporate responsibility to respect human rights (do no harm); and 3) More effective access to remedies. • Assessed human rights policy of 10 participating companies by conducting interviews with key persons and archival research – in order to develop company reports • Based on reports, exchanged views and experiences through working groups, in which companies participated on specific issues for more than one month. Through the process, developed good practices guide. 	<p>Nigeria</p> <ul style="list-style-type: none"> • Organized two workshops: fighting corruption and business taking a stand in the fight against corruption • Major issues raised during these meetings: behavior of private sector, involvement of government and policy, making the fight against corruption more attractive for business, building coalitions, how to make better use of international instruments, and improving public and private sector awareness on corruption • Case study developed about private-public initiative to tackle corruption in 15 African countries by maintaining ethical conduct, competence, transparency and accountability • Trust is critical for successful collective action: trust among competition, among business and government, among business and CSOs • Transparency in procurement and integrity pacts are key areas 	
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LOCAL NETWORK GOVERNANCE SESSION

Knowledge Sharing System

To kick off the Governance Session, a presentation was made by the Global Compact Office on the Knowledge-Sharing System which is in the final stages of development. Each GCLN contact person will be provided with an individual user account and a guidance note once the tool has been finalized. Once the system has been launched, Local Networks are asked to check the accuracy of their network information and to upload missing information. Moving forward, Local Networks will be asked to keep information for their GCLN updated, which includes adding information on new events and activities. If properly updated, the Knowledge Sharing System will allow Local Networks to exchange information on activities and governance-related information and easily produce an activity report at the end of each year.

Working Group Recommendations & Approvals

The Governance Session focused on recommendations made by GCLN Working Groups in the areas of: Role of Local Networks in the COP; Engagement of Micro-Enterprises in GCLNs; Engagement of Civil Society Organizations in GCLNs; and Minimum Requirements of GCLNs. Each working group produced recommendations that were circulated for comment prior to the ALNF and no comments were received. All prepared recommendations were approved by network representatives in plenary. Three additional recommendations directed to the Global Compact Office in the Memorandum of Understanding between the Global Compact Office and a Global Compact Local Network were presented in plenary discussion and also approved.

1. Role of Local Networks in the Communication on Progress

Recommendations with respect to Global Compact Local Networks:

1. The Working Group strongly encourages all GCLNs to become engaged in the COP process by:
 - a) providing access to key documents, definitions on the minimum requirements and examples of good practices; and
 - b) using any tools available at the local level to provide recognition to participants who have submitted COPs (e.g. through network newsletters or network websites).
2. Furthermore, GCLNs are strongly encouraged to advise participants on how their COPs can meet the minimum requirements.
3. GCLNs are encouraged to reference examples from other networks for ideas and inspiration.

Recommendations with respect to the Global Compact Office:

1. The GCO is asked to make every effort to ensure that participants are fully aware of the reporting requirement when signing up to the UN Global Compact.
2. The GCO is asked to provide clear guidance on the "minimum requirements" of COPs.
3. The GCO is asked to promote and support the organization of regular COP training and workshops.
4. The GCO is asked to improve the process by which:
 - a) Networks are informed of upcoming COP deadlines;
 - b) Networks are copied on feed-back to participants on their COPs; and
 - c) Networks are informed when COPs of participants in their network are chosen as "Notable".

The Working Group does not propose any changes to the Memorandum of Understanding between the Global Compact Office and a Global Compact Local Network.

Recommendations approved (as prepared)

2. Working Group on the Engagement of Micro-Enterprises in GCLNs

While recognizing that the inclusive nature of the Global Compact is important, it is understood that the value of micro-enterprise engagement varies depending on the local context.

The Working Group therefore recommends:

1. Engagement of micro-enterprises at the local level should be determined by each GCLN.
2. GCLNs are encouraged to reference examples of micro-enterprise engagement by other GCLNs for ideas and inspiration.

The Working Group does not propose any changes to the Memorandum of Understanding between the Global Compact Office and a Global Compact Local Network.

Recommendations approved (as prepared)

3. Working Group on the Engagement of Civil Society Organizations in GCLNs

Recommendations with respect to Global Compact Local Networks:

1. GCLNs are strongly recommended to engage CSOs as much as possible within the networks (possibly as full participants).
2. The Working Group encourages all GCLNs to test innovative instruments to engage CSOs within the local context.
3. GCLNs are encouraged to facilitate and foster partnerships between companies and CSOs within the local dimension.
4. GCLNs are encouraged to reference examples of CSO engagement by other GCLNs for ideas and inspiration.

Recommendations with respect to the Global Compact Office:

1. Require CSOs to report annually on their engagement; however, CSO COP requirements should be tailored to the specific functions that CSOs have within Global Compact and should not be the same as for companies.
2. Create a best practice database to share information on CSO experiences within the local context.
3. Create a permanent working group which includes GCLN representatives to better define the different roles CSOs play within the initiative and to produce guidelines on CSO engagement.

The Working Group does not propose any changes to the Memorandum of Understanding between the Global Compact Office and a Global Compact Local Network.

Recommendations approved (as prepared)

4. Working Group on the Minimum Requirements of GCLNs

Recommendations with respect to Global Compact Local Networks:

1. Given that the ultimate goal is to become an inclusive network, each GCLN should strive towards integrating all Global Compact participants of the country into the GCLN.

Suggested changes to GCLN minimum requirements as defined in the Memorandum of Understanding between the Global Compact Office and a Global Compact Local Network (MOU):

1. Amend MOU point (b) ("Hold a minimum number of events/activities annually") to:
"Hold at least one activity annually for organizational purposes of the Network and at least one activity on a substantial issue of the Global Compact to which at least all Network members are invited; both activities can be held during the same occasion."
2. Amend MOU point (e) ("Produce an annual activities report") to:
"Produce an annual activities report which could be done by producing at least an updated report based on the information in the Global Compact Local Network Knowledge Sharing System."

In addition to recommendations prepared by the Working Group, further recommendations were directed to the Global Compact Office with respect to its role in supporting the activities of the GCLNs (as defined in the MOU):

1. Better inform GCLNs when the GCO has extended invitations (e.g. to events or specialized projects) to companies from their network.
2. More actively encourage companies to join Local Networks, beyond informing them upon joining the Global Compact.
3. Ensure better alignment with GCLNs when making funding requests.

Recommendations approved (with additions made in plenary)

Memorandum of Understanding between the Global Compact Office and a Global Compact Local Network (FINAL)

[Date]

Dear [Name],

This letter confirms, for this calendar year, the authorization that has been given to Global Compact Network [Country or Network Name] to use the name “Global Compact” as part of its own name and the Global Compact Network logo (Annex 1) in connection with the network’s activities. The reconfirmation is based on the understanding that the network will continue to engage in activities that are consistent with the purposes and objectives of the Global Compact, namely:

- (a) Commit to the principles and practices of the Global Compact. This includes the ten principles themselves, the practice of learning by doing, dialogue, partnership and striving to bring together other stakeholders;
- (b) Hold at least one activity annually for organizational purposes of the Network and at least one activity on a substantial issue of the Global Compact to which at least all Network members are invited; both activities can be held during the same occasion;
- (c) Display a willingness to actively support efforts by participants to develop a Communication on Progress;
- (d) Proactively manage and protect the integrity of the Global Compact initiative and develop capacity to find solutions to dilemma situations involving participants in the network;
- (e) Produce an annual activities report which could be done by producing at least an updated report based on the information in the Global Compact Local Network Knowledge Sharing System;
- (f) Identify a person to liaise with the Global Compact Office on day-to-day issues related to the running of a GCLN, and;

- (g) Nominate a person authorised by the GCLN to act on behalf of the Local Network at the Annual Local Networks Forum and in the management of the Network logo.

The Global Compact Office commits to support the activities of the GCLN in the following ways:

- (a) Inform the GCLN on key developments and issues related to the overall governance of the Global Compact initiative;
- (b) Regularly update the GCLN on upcoming Global Compact events and provide advanced notice to GCLNs of communications to all Global Compact participants;
- (c) Communicate relevant contact information for new signatories to the Global Compact from the respective country;
- (d) Send regular updates on the COP status of participating companies;
- (e) Provide a knowledge-sharing system which will serve as a global repository of Network activities to encourage the sharing of experiences; and
- (f) Convene with regular partners as appropriate the Annual Local Networks Forum.

In the unlikely event of a serious abuse by the Local Network of the name and logo, or if otherwise required in the interests of the United Nations, the UN must reserve the authority to withdraw its consent to the use of the name of the Global Compact and of the Global Compact Network logo.

Please note that requests by network participants and others to use the Global Compact's regular logo or "We support" logo must continue to be addressed to the Global Compact Office.

Please confirm your acceptance of the matters stated in this letter by signing below and returning one copy to me.

Yours sincerely,

Georg Kell
Executive Director
UN Global Compact Office

I accept the matters stated in this letter

Signed:
(*on behalf of the Global Compact Local Network*)
[Name]
[Title]
[Organization]

Contact information for the person from the GCLN appointed to liaise with the Global Compact Office:

Name:
Job Title:
Address:
Tel:
Email:

Contact information for the Network Team within the Global Compact Office:

Ms. Nessa Whelan	Network Coordinator	whelan@un.org	Tel: +1 917 367 6001
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