



UN Global Compact Board Meeting Report 21 September 2013

The UN Global Compact Board held its biannual meeting in New York on 21 September 2013, which was chaired on behalf of the UN Secretary-General – who was unable to attend - by Sir Mark Moody-Stuart, Vice-Chair of the Board and Chair of the Foundation for the Global Compact. Discussion focused on the Global Compact Leaders Summit 2013; sustainable funding for the initiative; a review of the integrity measures and next steps related to the initiative's strategy for growth. Following is a summary of the Board's discussions and key outcomes.

Welcome and Debriefing on the UN Global Compact Leaders Summit 2013

Background

Sir Mark Moody-Stuart opened the meeting, welcoming Board members and a Government observer from Denmark. Georg Kell, Executive Director of the UN Global Compact Office, gave an overview of the Leaders Summit, including the Post-2015 Business Engagement Architecture and its open invitation for collaboration with organizations that respect universal principles, are transparent and accountable and are aligned with global priorities. Mr. Kell also discussed new issue platforms on Business for Peace, Education and Sustainable Agriculture, work on rule of law at the request of the UN Secretary-General, technology-powered platforms to advance collective action and over 30 special sessions. The importance of cooperation and co-investment was emphasized as well as a need to further empower Local Networks, especially in Africa. The upcoming Caring for Climate Business Forum during COP19/CMP9 (19-20 Nov, Warsaw) was also highlighted to Board members.

Discussion

Leaders Summit and Business Engagement Architecture

- Business must play an important role in working towards the Millennium Development Goals, and in shaping and implementing the post-2015 agenda. Utilizing the Architecture to collaborate with other organizations is critical. (Polman, Gopalakrishnan, DiPiazza, Labelle) Climate must be an important part of the agenda. (Polman, de Grief)
- The focus of the UN Private Sector Forum on Africa is important and the Global Compact should continue to strengthen its efforts in Africa, including by supporting Local Networks. (Polman, Fu, DiPiazza, Jennings, Labelle, Tukaki)
- It is important to have quality high-level participants over quantity. (Polman)
- The size of the Leaders Summit worked well for its purpose. There were enough CEOs to signal its importance but it would have been challenging to have over 1000 CEOs. (DiPiazza)
- The next Leaders Summit should focus on practical implementation building on the inspiration and vision of this year's Leaders Summit. (Labelle)
- The CEO study developed with Accenture does not reflect the full picture of corporate sustainability and is not fully representative of the Global Compact participant base. (Polman, Tukaki, de Grief)
- Financial organizations – both those from the banking sector and investors – were generally not vocal at the Leader Summit. The Global Compact should work with investors on the challenges y face engaging with corporate sustainability. It is also important to have more visibility from banks,

many of whom are in fact doing good work in the implementation of the Equator Principles. (DiPiazza, Polman, Engshuber)

- Local Networks could have been even more deeply integrated at the Leaders Summit. (Collymore). They were very active in the pre-meetings, but less visible in the plenary. (Moody-Stuart)

Issue Prioritization & Process

- The Global Compact needs to continue to focus on Local Networks and how they can engage with the issue platforms. (Arima, Fu)
- The issue platforms present a menu of options for Local Networks. Each network can focus on issues relevant to its context. (Kell) At the same time, there is a need to consolidate and prioritize issues. (Moody-Stuart)
- The process for informing and consulting the Board on new issue areas and projects should be strengthened. Much more could be done in circulating material to Board members before they become public. Apart from the possibility of input from Board members, Board members should not be blindsided by significant material which is issued without their prior knowledge. (Jennings, Moody-Stuart, Tukaki, Carrier) All materials circulated to the Board, except the "Special Supplement on Dialogue Facilitation", are shared with the Local Network Advisory Group by its Chair who holds an Ex-Officio Board position. (Tukaki)
- It was noted that the Architecture was circulated with some notice (DiPiazza) and plans for new platforms were included in the Strategy Note endorsed by the Board. (Kell)
- The Global Compact should intensify efforts around the labour principles and supply chain issues, particularly in light of this year's tragedy at Rana Plaza. The agreement reached between unions companies and civil society on remedial actions is a good example of multistakeholder activity, and it is encouraging that Global Compact signatories were early signers. (Jennings, Carrier, Wilton)
- The Global Compact should continue its work on biodiversity. (Marton-Lefèvre)
- The Board programme is a welcome addition to the Global Compact portfolio. (Hägglund)

Africa Strategy

Board member Elias Masilela provided an update on the development of an Africa strategy for the Global Compact. At the Leaders Summit, Local Networks from Africa met to begin a process of coordinating regionally and discussing the draft Africa strategy in order to ensure their ownership of it. Mr. Masilela provided an overview of the draft strategy document on "UN Global Compact Growth and Engagement Africa" shared with Board members.

Board member Pierre Sané outlined next steps for further developing the strategy before it is presented for Board approval in the future. It was proposed that a working group on Africa – including representatives from both inside and outside of Africa – be formed to drive implementation and report regularly to the Board. Board member Brent Wilton expressed interest in participating. Terms of Reference (ToR) for this group are under development and will be circulated. Several elements of the Africa strategy still need to be decided, including the geography it will cover and the role of Governments and regional organizations.

Outcomes

- Board members congratulated staff on a successful Leaders Summit, noting that participants were energized by the event and logistics were well planned.

- Board members welcomed the Architecture and the Global Compact's focus on collaboration to advance global priorities.
- Board members welcomed the further development of a strategy to extend corporate sustainability throughout Africa.

Report to the Board on Regular Agenda Items – Review of Integrity Measures and Growth Strategy

Background

The Board received the "Review of Progress on Integrity Measures" – which reported on the three main Global Compact Integrity Measures: (1) the Communication on Progress (COP); (2) logo policy and brand management; and (3) the facilitation of dialogue on alleged systematic and egregious abuse, the "Review of Progress on Going to Scale", and the "Special Supplement on Dialogue Facilitation". The new Global Compact Relationship Management team is in place and has been conducting outreach to potential participants and supporting current participants with their COPs, thus helping to increase both quality and quantity. In addition, the number of companies that categorize their COPs as Advanced has increased while the number categorizing themselves as Learners has decreased. The Communication on Engagement (COE) requirement for non-business participants previously discussed by the Board will take effect on 31 October 2013. There has also been work with the Local Networks to improve the consistency of their logos and develop a policy.

Discussion

- One of the cases listed in the "Special Supplement on Dialogue Facilitation" is now in the hands of the relevant OECD National Contact Point. (Jennings)

Updates from the Foundation for the Global Compact

Background

Sir Mark Moody-Stuart provided a brief overview of the finances of the Foundation for the Global Compact. There will be no surplus in 2013 so the fundraising strategy for 2014 is critical. Board members were informed that as a result of several meetings over the course of the year, the Foundation, Local Network Advisory Group and Local Networks have agreed upon a collaborative funding model, which Local Networks may choose to opt into. Participating networks will have the opportunity to reach out to participating companies for contributions together – either through a joint letter from Global Compact Office and the Local Network Representative or two separate letters sent together. More than 20 networks will pilot this approach in 2014 and the hope is that all networks will follow this model in the future.

The new model emphasizes transparency and governance of both the Local Networks and Global Compact Office. In addition, it was agreed that no Local Network will act against the interests of the Global Compact Office. The Local Networks are discussing strategies for how best to support emerging networks through building skills and capacities, as well as financial resources. Upcoming regional network meetings will further develop the value proposition.

Discussion

- The collaborative model is looking at the relationship between the country where a company is headquartered and the Local Network in that country. To maximize the impact of Local Networks, each network should have a value proposition to attract not only companies in their country but also the local management or subsidiaries of companies headquartered elsewhere. (Moody-Stuart)
- Updates from the Local Network Advisory Group should become a standing item on the Board meeting agenda. (Tukaki)

Miscellaneous

Board Nomination Process

The question of how Board members are nominated was raised. Sir Mark Moody-Stuart explained that all Board members are appointed by the UN Secretary-General in his role as Chair of the Board. While there is no direct election, there is a nominating committee, which recommends candidates and aims to maintain geographic and gender balance. Local Networks and Governments also have input into the process. The Terms of Reference for Board members includes a provision dealing with the situation of suspension or termination due to credible allegations.

- It is important that there is a strong nomination process for Board members. (Tukaki)
- Board members should know in advance the procedure if they are under investigation for alleged misdemeanors. (Labelle)
- The standard for dealing with Board members under investigation should always be applied consistently. (DiPiazza)

Other Items for the Board's Information

The Global Compact wishes to thank Paul Polman for his critical role encouraging the Dutch Government to contribute to the Global Compact Trust Fund.

Closing

The next Board Meeting will take place in the first or second quarter of 2014 in New York.

A closed discussion session with Board members only, without Global Compact staff members, was also held.