



# **United Nations** Global Compact

## **Meeting of the Global Compact Board**

**United Nations Headquarters**

**New York**

**19 November 2010**

**Prepared by the Global Compact Office**

## Executive Summary

The Global Compact Board met at United Nations Headquarters in New York on 19 November 2010. UN Secretary-General Ban Ki-moon, chairman of the Board, remarked that 2010 was a pivotal year in the evolution of the Global Compact – marking both the tenth anniversary of the initiative and the Global Compact Leaders Summit. He stressed the important role of the private sector in supporting United Nations objectives, and called for greater engagement by business to advance sustainable development.

The meeting was chaired by Sir Mark Moody-Stuart, Vice-Chair of the Board. Discussion focused on the Global Compact Strategy for 2011-2013, the launch of Global Compact LEAD, the initiative's integrity measures and the Foundation for the Global Compact.

Following the meeting, Board members joined Government representatives at lunch to discuss the contribution of business to UN priorities and events, notably the upcoming UN Conference on the Least Developed Countries (May 2011) and the UN Conference on Sustainable Development – Rio +20 (May 2012). Government representatives conveyed support for the Global Compact and its advancement of the sustainability agenda. (See Appendix 2 for summary of discussion and list of attendees).

*Outcomes and recommendations emerging from the Board meeting include:*

- The Board provided support for Global Compact LEAD as it launches a two-year experimentation phase in January 2011. The Board asked that new developments and growth of the platform be reported in future meetings.
- The Board indicated general support for the GCO's Strategy Note 2011-2013.
- The Board agreed to extend the terms of reference for the Expert Group on Responsible Business & Investment in Conflict-Affected Countries. The group will continue its activities for an additional year.
- The Board agreed that the moratorium on delisting companies from non-OECD/G20 countries will end on 31 December 2010.
- The Board approved the test phase of the COP differentiation framework, requesting that the Global Compact keep Board members apprised of developments and, where relevant, seek input and guidance.
- The Board agreed that Local Networks should be leveraged in order to support company efforts to adhere to the integrity measures, particularly fulfilling the COP requirement and where possible supporting dialogue facilitation procedures.
- The Board asked that more details be provided on each matter raised under the dialogue facilitation mechanism in advance of Board meetings.

The next Board meeting will be held in the first quarter of 2011.

## Opening of the Meeting

The Board Meeting was opened by the Vice-Chairman, *Sir Mark Moody-Stuart*.

### Agenda Item 1: Briefings from the Global Compact Office and the Strategy Note 2011-2013

The Global Compact Office (GCO) provided the Board with a series of short briefings on recent developments and key workstreams, with an emphasis on how the GCO will advance its initiatives pursuant to the Strategy Note for 2011-2013. The Strategy Note is a document provided to the Global Compact Office's Government Donors.

Looking forward the GCO has identified four key priorities: (1) sustaining existing leadership of key participants, (2) improving and refining the Global Compact's integrity measures — specifically its COP requirements, (3) transitioning the initiative's many working groups from dialogue and learning into more action and activities, and (4) improving the Global Compact Local Networks, thus embedding the culture and practices of the Global Compact on a local level.

Before the main briefings, *Manfred Warda* inquired about the status of a report being developed by the Joint Inspection Unit (JIU) of the United Nations. Georg Kell responded that the report would be released later next year and that the GCO had provided comments to the unit on its draft development. He indicated that the final JIU report would be circulated to the Board.

**Blueprint for Corporate Sustainability Leadership within the Global Compact:** The GCO updated the Board on the Blueprint, which was launched in June at the Global Compact Leaders Summit 2010. The Blueprint consists of 50 criteria for advanced performance on three dimensions. Since the Summit, the Blueprint has been translated into all six UN languages and has garnered interest from not only the business community, but also from investment institutions and business schools. The GCO is now in the process of developing a new platform, **Global Compact LEAD** (to be launched in January 2011) that will focus on implementation of the Blueprint by leading companies. LEAD will enter an initial two-year experimental phase with an anticipated 30 to 60 companies. To maintain and operate this new platform, LEAD will implement a tiered fee structure based on company size. Companies invited to participate would have to meet key criteria before being considered, including active participation in an existing Global Compact platform or initiative, and demonstrable leadership within a Global Compact Local Network (GCLN). Further, invited companies must participate within the Global Compact's Advanced Programme for Communications on Progress (for further information, see *Agenda Item 3: Integrity Measures*). LEAD has already garnered positive feedback from invitees, with at least 30 companies committing to participate.

The Board was supportive of the LEAD initiative with several members noting that the platform would drive better implementation of the Blueprint — as well as encourage support of the UN as a whole — and that the initiative's emphasis on collective action will be essential to ensuring that the Global Compact remains an effective initiative into its second decade. Board members who expressed support for LEAD and the Blueprint as advancing quality of engagement included *Louise Kantrow, Mads Oevlison* and *Oded Grajew*. *Jim Baker* supported the proposal for "collective action" by companies.

The Board did, however, raise some reservations regarding LEAD's tiered fee structure. *Ntombifuthi Mtoba* and *Antonio Peñalosa* expressed concerns that a fee structure could take away from company contributions to other workstreams or to Local Networks. *Louise Kantrow* expressed a similar concern that even the appearance of "pay to play", which a fee structure might create, could be problematic. *Juan de la Mota* and *Chad Holliday* inquired as to how the fees would be managed and how they would be spent. Mr. de la Mota noted that there were concerns in the Local Networks that LEAD contributions would go to other UN agencies. *Antonio Peñalosa* also questioned whether the fee structure could become an obstacle, particularly for small- and medium-sized enterprises (SMEs).

**Sir Mark Moody-Stuart** acknowledged these concerns, but also noted that a commitment to LEAD would also support the Global Compact as a whole. He further clarified that LEAD fees would be treated in the same manner as other contributions to the Foundation for the Global Compact; they would only go to the work of the GCO. Sir Mark agreed that it would be important to communicate to the Local Networks exactly how LEAD contributions would be spent. The GCO also reiterated that a requirement of participating in LEAD includes active leadership within a GCLN, particularly in non-OECD countries. Additionally, the GCO indicated that it had implemented a lower fee option that would be more manageable for SMEs.

Some board members brought forward possible solutions to address the concerns about the fee structure. **Chad Holliday** suggested that a discussion with each joining company that participation in LEAD should not be seen to substitute for other monetary contributions for the Global Compact could resolve the issue. Meanwhile, **Oded Grajew** suggested that the problem could perhaps be resolved by making contributions a voluntary option, rather than a requirement of participation.

**Local Networks:** The GCO briefing highlighted the collaboration among Global Compact Local Networks (GCLNs) and the growing sophistication in their work. Since the last Board Meeting, four networks were launched, bringing the total number to 74 established networks and 20 emerging networks. Networks are increasingly capable of collaborating on a regional basis – with recent examples in Latin America and Europe, and the launch of a regional support centre in Southeast Asia. The GCO has expanded the Local Networks team, with four new regional network managers, all of whom have been seconded from participating companies. Looking forward into 2011, the GCO will focus on: (1) building GCLN capacity, (2) making GCLNs more global, and (3) highlighting/showcasing existing good examples to serve as models.

Several board members agreed that Local Networks must be a core focus of GCO activities moving forward, particularly in terms SME support and in terms of how Local Networks can collaborate to become more effective organizations for bringing private sector support to UN activities, such as disaster response. Board members who expressed these and similar viewpoints included **Fernando Chico Pardo** and **Louise Kantrow**.

**Juan de la Mota** also expressed that while the GCO should support Local Network development and growth, that Local Networks must also be more involved with GCO's other key workstreams, such as LEAD. It is essential that Local Networks be able to communicate new platforms or developments to their members.

**Human Rights & Labour:** The GCO's briefing on the human rights workstream emphasized the office's continued commitment to align with the work of the Special Representative of the Secretary-General on Business and Human Rights (SRSG) — specifically the *Protect, Respect and Remedy* framework. The SRSG's "respect" dimension strongly reinforces the Global Compact's work in this area by providing greater operational clarity on the business responsibility to respect human rights. Importantly, the Global Compact also involves a commitment to support human rights. Moving forward, the GCO will focus on engaging wider audiences and raising awareness of numerous guidance materials available, including an e-learning tool developed with the Office of the High Commissioner for Human Rights and guidance on how to develop a human rights policy statement. The GCO is also working with other UN agencies on specific global platforms, including the Women's Empowerment Principles (with UNIFEM, part of UN Women), and Children's Rights and Business Principles (with UNICEF). Work also continues on contextualizing business and human rights through the development of case studies and dilemmas analysis. On Labour issues, the GCO continues to support the work of the International Labour Organization (ILO) and is involved in new platforms on the worst forms of child labour and human trafficking.

**Sir Mark Moody-Stuart** shared highlights from the Human Rights Working Group meeting which was held earlier in the week in London. He noted that the Working Group expressed strong support for the

Human Rights element of the GCO Strategy Note, and provided input on how to bring the strategy more in line with the SRSR's framework. The Working Group also expressed strong support for Global Compact LEAD.

**Antonio Peñalosa** agreed that work with the ILO would be a key part of the GCO's activities in this area. To this end, the Labour Working Group will work closely with the ILO. He further noted that the ILO had recently published a clarification of its understanding of freedom of association and freedom of expression — specifically, a company's freedom to challenge its unions. Mr. Peñalosa hoped that this clarification would encourage many companies, including those in the United States, to become engaged with the GCO.

**Jim Baker** expressed concerns about some of the ILO wording on the freedom of expression versus freedom of association issue.

**Environment:** The GCO briefing focused on the two strategic priorities — continuing efforts to advance existing platforms and making a significant contribution to the Rio+20 process for 2012. In terms of the former, Caring for Climate continues to grow and is currently at over 400 signatory companies. A steering committee has also been created, and the initiative will partner with PRI and UNEP FI for collaboration during the COP16 process in Cancun, Mexico. The CEO Water Mandate is also progressing, with over 70 signatory companies and the recent launch of a new guide regarding Water and Public Policy. In terms of Rio+20, the GCO is collaborating with the International Chamber of Commerce (ICC) and the World Business Coalition for Sustainable Development (WBCSD) to create a temporary coalition called “**Business Action for Sustainable Development**” which will represent the voice of business in the lead-up to Rio+20 and illustrate business solutions and innovations for sustainability issues.

**Fernando Chico Pardo** expressed hopes that the GCO's activities at COP16 could be used as a way to attract greater interest in the GCO among Latin American Local Networks.

**Anti-Corruption:** In the briefing, the GCO stressed that the numerous new tools and resources developed through the Anti-Corruption working group and with key partners that cover topics including reporting, supply chain and extortion. Moving forward, the GCO will focus on promoting understanding of the tools, as well as the development of an e-Learning tool with the UN Office of Drugs and Crime (UNODC). A meeting of the Working Group for the 10<sup>th</sup> Principle will be held in early December, and will include collaboration with the Principles for Responsible Management Education (PRME) initiative on how the anti-corruption principle can be implemented into business school curricula.

**Business and Peace:** The GCO provided an update on the Guidance on Responsible Business in Conflict-Affected & High-Risk Areas resource, developed with the Principles for Responsible Investment (PRI) and launched at the Leaders Summit. The guidance is now entering an implementation phase, with two pilot groups (one for business and one for investors) that will implement the guide. Additionally, the GCO sought to extend the terms of reference of its Business and Peace expert group for an additional year, as the group is currently scheduled to dissolve at the end of 2010. The Board agreed to extend the terms of the expert group.

**Partnerships for Development:** The GCO reviewed highlights of the September UN Private Sector Forum, which brought CEOs, civil society organization leaders, Heads of State and the UN together to discuss solutions for closing MDG gaps. Moving forward, the GCO will make it a strategic priority to ensure that this annual Forum is further elevated in profile and integrated into the annual General Assembly. The GCO also indicated that it would work on becoming a better facilitator for partnerships, particularly through the business.un.org website, which will continue to be maintained and further developed. In 2011, the GCO will draft the Secretary-General's bi-annual report to the General Assembly on the state of UN partnerships, particularly with the private sector.

***Louise Kantrow*** commended the GCO for hosting the UN Private Sector Forum, noting that it was the most successful forum yet, particularly in how the event breaks down tensions between stakeholders. She also expressed a desire for further opportunities for the private sector to contribute to the UN, perhaps at next year's Conference on the Least Developed Countries.

***Jim Baker*** noted that partnerships must also bring Governments into the equation. Governments need to support the ten principles more holistically, beyond simply anti-corruption measures.

**Outcomes: Briefings on Board Working Groups and Global Compact Update on the Strategy Note 2011-2013**

The Board provided support for Global Compact LEAD as it launches a two-year experimentation phase in January 2011. The Board asked that new developments and growth of the platform be reported in future meetings.

The Board indicated general support for the GCO's Strategy Note 2011-2013.

The Board agreed to the terms of reference of the Expert Group on Responsible Business & Investment in Conflict-Affected Countries. The group will continue its activities for an additional year.

## **Agenda Item 2: Welcome by the Secretary-General & Tour de Table for Board Members**

**UN Secretary-General Ban Ki-moon** joined the meeting, welcoming Board members to the United Nations and thanking them for their commitment to the initiative. The **Secretary-General** underscored that the United Nations and the private sector have found more common ground than ever before to address global challenges. He indicated that after 10 years of experimentation, growth and brand-building, the Global Compact is well positioned to mobilize tangible support from the private sector in support of UN goals.

Board members were called on to mobilize private sector support for the United Nations at important upcoming events: the fourth United Nations Summit on the Least Developed Countries and the UN Conference on Sustainable Development (Rio+20).

Following the Secretary-General's remarks (see Annex 3), each Board member provided an update regarding activities undertaken in support of the Global Compact.

**Fernando Chico Pardo** indicated that in conjunction with the United Nations Climate Change Conference (COP16), held in Cancun, a project on the integration of the Global Compact principles in the Mexican stock exchange will be presented. Mr. Pardo anticipates that this event will have substantial media coverage and help raise awareness about the Global Compact in Mexico.

**Toshio Arima** informed the Secretary-General that the Local Network in Japan has doubled the number of participants within the last two and a half years. Additionally, he mentioned that a ten year anniversary forum was held earlier in the year by the network and that the network has many active working groups, including one that gathers young professionals to discuss corporate responsibility and related issues.

**Manfred Warda** said that the Global Compact encourages many unions that his organization represents to work with companies to promote UN goals worldwide on social justice, sustainability, peace and many other issues. He indicated that an existing obstacle is that in many countries there is no respect for trade union rights.

**Antonio Peñalosa** indicated that the issue of SME engagement in the initiative is critical and that he is committed to support this work. He also shared a recent experience in Zimbabwe where he was helping to launch a Local Network and mentioned that the Prime Minister expressed full commitment to the principles and quoted a local businessman saying "I don't want to be identified as a Zimbabwe business leader; I want to be identified as a Global Compact business leader."

**Ntombifuthi Mtoba** addressed the importance of strengthening the Local Network in South Africa as it is an important step to spreading the Global Compact principles throughout the continent. She explained that the network is emphasizing climate change, anti-corruption and developing a governance structure to build capacity. Noting that South African companies increasingly recognize the loss of resources due to corruption, she underscored the importance of recently developed reports and guidelines as they will support implementation of anti-corruption efforts throughout the region.

**Jim Baker** indicated that it is often mentioned by his organization that the potential for dialogue and interaction among stakeholders in the Global Compact is enormous, and that this type of engagement can support not only the MDGs but can also allow other societal problems to be addressed in a more collective manner. He suggested that the coming months should bring a critical examination of processes with the objective of improvement for dialogue.

**Jean-Pol Poncelet** remarked that more and more companies are aware of global challenges, and are ready to support initiatives that address these challenges. Though he asked that all consider that even in companies, resources are limited and that duplication of initiatives that address these challenges can

become cumbersome for companies. He suggested that there be greater streamlining and coordination among these different initiatives.

**Louise Kantrow** commented that this is a new era of private sector engagement with the United Nations, due in no small part to the vision of the Secretary-General and the leadership of the Global Compact. She continued that the Global Compact has become an extremely important platform and vehicle for private sector engagement and increasingly ICC members are keen to work with the UN on a variety of issues, including climate change, sustainable development, and addressing the needs of the least developed countries.

**Nam Young-chan** mentioned that his company participated in a business side event at the recent G20 Summit held in Seoul, where approximately half of the event's participants were Global Compact companies. In addition, he explained that the Local Network Korea hosted a meeting in conjunction with the event, and highlighted recent collaboration across networks with China and Japan. He underscored the importance of a regional network as a means for dialogue among companies in the region.

**Guillermo Carey** emphasized that dialogue between SMEs and large companies is important and can produce results. Through collaboration the private sector can more effectively call on Governments and support them to take action to solve challenges; rather than waiting on Governments to tell the private sector how to solve problems. Dialogue has permitted us to present practical solutions that are acceptable and that are exportable within other regions. He mentioned that this has already worked among different stakeholder groups in Chile, such as with indigenous populations helping them to communicate solutions that they need to the Government.

**Juan de la Mota** emphasized that the message from the European region regarding the Global Compact is very positive: the initiative is welcomed and its potential outcomes are important to companies. Additionally, coordination among Local Networks in the region is quite effective and strong. He explained that the Local Network in Spain now has over 1,000 companies, and that they are currently focusing on how to engage SMEs and scale up efforts to address the MDGs. He shared his belief that the Blueprint and Global Compact LEAD will support this next phase.

**Chen Ying** underscored the variety of global challenges the world is facing, such as achieving the MDGs by 2015, growing inflation and finding effective solutions. She emphasized that it is important to assure that the private sector has the motivation to address these challenges, and that the Global Compact is an important platform for companies in China to take up, as it provides inspiration for companies to address the pressing challenges.

**Mads Oevlison** indicated that membership in the Local Network in Denmark is currently at 259 companies. Additionally he provided a brief update on the supply chain sustainability working group. He was particularly pleased with the manner in which companies from the "south" are actively driving deliberations of the group. He underscored the importance of the Global Compact LEAD initiative to the Global Compact and the UN broadly, as it will help to scale up company efforts to address critical issues such as human rights.

**Oded Grajew** explained that in Brazil there is a long history of collaboration between the private sector and the UN. He added that the private sector is mobilizing to positively influence public policies to advance the sustainable development agenda. He indicated that there is a process in place to launch a leadership initiative for global sustainability comprised of business unions, trade unions, academia and global networks with the Global Compact.

**Chad Holliday** explained that the Global Compact has joined with the ICC and WBCSD to have a single business voice in the lead up to Rio+20, working to advocate for the positive things that businesses have done and can do to promote sustainable development. He explained that one important objective is to



help businesses of all sizes understand why sustainable development is mission critical to their future success.

**Sir Mark Moody-Stuart** informed the Secretary-General that earlier in the meeting the Board had received a remarkable report on progress from the GCO across all issue areas. He also mentioned the other topics of discussion: GCO strategy document and the Global Compact LEAD initiative. He explained that engagement of SMEs remains a primary challenge and encouraged the Secretary-General to continue to visit with Local Networks, as it is very beneficial to the initiative.

**Secretary-General Ban Ki-moon** assured the Board that any time he meets a business leader he inquires whether their company participates in the Global Compact. In addition, that he takes great pleasure in visiting with Global Compact Local Networks, and intends to continue these encounters when possible. The Secretary-General explained that he sees the world's most pressing challenges, such as water shortage, food crises, energy crises and global health issues as interconnected, and that all global players must address each issue comprehensively and with consideration of the others. He underscored that it is critical that businesses operate within the vision set forth by the Global Compact, adding that private sector engagement will be essential to the outcome of upcoming events such as Rio+20.

### Agenda Item 3: Review of Progress on Integrity Measures

Based on a background document “Progress Report on Integrity Measures” provided in advance of the meeting by the GCO, the Board discussed implementation of the integrity measures — comprised of the Communication on Progress (COP), logo policy and dialogue facilitation process. Emphasis was placed on the Global Compact’s recently released Differentiation Framework (in test phase), which seeks to provide a roadmap to help all companies improve sustainability disclosure and to give better recognition for progress made. Using the COP as its platform, the Differentiation Framework features basic, intermediate and advanced reporting levels.

#### Communication on Progress:

**Juan de la Mota** emphasized that the COP is the key for a company’s endorsement of the Global Compact principles. The Local Network in Spain developed a COP template to support companies, particularly SMEs; however he stressed that a template alone is not sufficient, it is also important to work directly with companies to help them to understand how to report. The template developed by the Local Network Spain was the basis for the template now offered by the Global Compact for the basic level of reporting within the Differentiation Framework.

**Sir Mark Moody-Stuart** indicated that it is important that all materials are available in many languages. He also inquired about the training capacity of Local Networks. (The GCO clarified that Local Networks are required to provide COP support to participating companies. Currently some networks are more advanced in this regard. At a minimum all Networks must have something in place.)

**Oded Grajew** suggested that encouraging large companies to engage their value chain in the ten principles would be an effective manner to reach SMEs.

**Chen Ying** mentioned that many SMEs join the Global Compact due to mandatory requirements of large companies that they supply or otherwise work with. Given these circumstances perhaps large companies that require Global Compact participation should provide training, or at least allow the Local Network to engage their value chain. **Juan de la Mota** and **Manfred Warda** agreed with the potential impact of engaging value chains directly.

**Antonio Peñalosa** expressed doubt regarding encouraging large companies to engage their supply chain, as implementing additional rules and procedures on companies can decrease the perception of the initiative, diminishing its value added.

It is important to keep in mind that companies committed to sustainability are faced with several disclosure programmes, said **Jean-Pol Poncelet**. The more external reporting requirements facing a company, the more challenging it is to adhere to each and the value added for the company may become questionable. The process among initiatives should be streamlined.

**Louise Kantrow** emphasized the importance of assuring that quality is maintained through the implementation of differentiated processes for reporting. In light of the levels resulting from self-assignment it is important that the Global Compact see the differentiated levels as an indication of the degree of support that a company requires. It is important that there is sufficient guidance and support in place to help companies, particular ones new to the initiative.

**Ntombifuthi Mtoba** indicated that the collaboration between the Global Compact and the GRI will go a long way to make the COP process better for companies. Companies need to communicate with stakeholders on different fronts; a single report accepted by many would be an effective solution. One of the biggest challenges cited is that the reporting requirements are burdensome, which leads to a negative perception of the process.

*Juan de la Mota* mentioned that it is important to assure that the Global Compact strives to capture the interest of investors. Including metrics on the impact of ESG on financial performance should be critical.

*Georg Kell* assured that many of the Global Compact workstreams are integrated with the Principles for Responsible Investment (PRI).

**Logo policy and Dialogue facilitation process:**

*Sir Mark Moody-Stuart* questioned the distinction for referring matters to the ILO Helpdesk. (The GCO clarified that if a matter is regarding Labour Standards the company is offered the opportunity to contact the ILO Helpdesk themselves. In addition the Helpdesk is not adjudicative; rather it is a resource for international standards.)

*Jim Baker* indicated that the background document should include more detailed information regarding each matter. In particular more specific information regarding the nature of the matter and its current status should be communicated in the background report.

*Antonio Peñalosa* complemented the progress made with the integrity measures. He also said that the integrity measures can not be a catch-all for every matter raised. It would not be effective for the Global Compact to address confrontational matters. It should facilitate dialogue, but major complaints should be followed by ILO mechanisms.

*Sir Mark Moody-Stuart* inquired about the procedure for accepting new participants. (The GCO explained that Local Networks are increasingly asking to be brought into the new participant process. Many Local Networks would like to directly reach out to new participants, rather than waiting for the company to approach the network. Currently Local Networks do assist the process of vetting new participants, however integrating Networks in the process of contacting companies should be explored.)

The Board decided to end the moratorium on delisting companies from non-OECD/G20 countries at the end of December 2010. In addition they support exploring the COP differentiation model.

**Outcomes: Review of Progress on Integrity Measures**

The Board agreed that the moratorium on delisting companies from non-OECD/G20 countries will end on 31 December 2010.

The Board approved the test phase of the COP differentiation framework, requesting that the Global Compact keep Board members apprised of developments and, where relevant, seek input and guidance from the Board.

The Board agreed that Local Networks should be leveraged in order to support company efforts to adhere to the integrity measures, particularly fulfilling the COP requirement and where possible supporting dialogue facilitation procedures.

The Board asked that more details be provided on each matter raised under the dialogue facilitation mechanism in advance of Board meetings.

#### **Agenda Item 4: Update on the Foundation for the Global Compact**

**Sir Mark Moody-Stuart**, Chair of the Board of the Foundation for the Global Compact, provided an update on the activities and funding of the Foundation. Specifically, the Foundation has grown both in physical office space and staff. Currently, the Foundation consists of a director and two full time employees who focus on member-relations and contributions, respectively, as well as several interns. To accommodate the larger staff needs, the Foundation has rented a floor at 801 2<sup>nd</sup> Avenue. At the same time, the Global Compact Office has also expanded its staff, primarily by adding contractors and secondees. As a result, the Foundation for the Global Compact shares much of its office space with several employees of the Global Compact Office, including the Local Networks team, the COP team, and the Principles for Responsible Management Education team. Because of the closer proximity, communication has become much more streamlined between the GCO and the Foundation.

Sir Mark discussed contributions by companies to the Foundation. It was noted that only one in five participants contribute, with most contributors being newer participants. Looking forward, with the Foundation's increased staff capabilities, it should be possible to get more contributions from larger companies (both old and new), with an ultimate goal of having companies contribute on an annual basis. As many Local Networks are becoming self-sustained, it will be important to coordinate fundraising efforts to prevent overlapping efforts.

#### **Other Business and Closing**

The matter of Board member term limits was raised. **Sir Mark Moody-Stuart** clarified that the terms of all Board members have expiration limits. These limits were implemented in a staggered manner. Currently there are several Board members approaching the limit of their term. All decisions regarding Board member appointments are made by the Secretary-General and should be forthcoming shortly.

It was agreed that the next Board meeting would occur in the first quarter of 2011, based upon the Secretary-General's schedule.

## Appendix 1: Members of the Global Compact Board

### *Business*

Toshio ARIMA	Director and Executive Advisor to the Board, Fuji Xerox, Japan
Guillermo CAREY	Senior Partner, Carey & Allende Abogados, Chile
CHEN Ying	Director, Beijing Rong Zhi Institute of Corporate Social Responsibility, China
CHEY Tae-Won*	President & Chairman, SK Group, Republic of Korea
Fernando CHICO PARDO	President of Grupo Aeroportuario del Sureste (ASUR), Mexico
José Sergio GABRIELLI DE AZEVEDO*	President and CEO, Petrobras, Brazil
Chad HOLLIDAY	Chairman of the Board, DuPont, US
Jamshed IRANI*	Director of the Board, Tata Steel, India
Anne LAUVERGEON*	Chair of the Executive Board, Areva, France
Juan de la MOTA	President, Global Compact Spanish Network
Ntombifuthi MTOBA	Chair of the Board, Deloitte, South Africa
Mads ØVLISEN	Adjunct Professor, Copenhagen Business School Chair, Lego, Denmark

### *International Labour and Business Organizations*

Antonio PEÑALOSA	Secretary-General, International Organisation of Employers
Jean-Guy CARRIER*	Acting Secretary General, International Chamber of Commerce
Sharan BURROW*	General Secretary, International Trade Union Confederation
Manfred WARDA	General Secretary, International Federation of Chemical, Energy, Mine and General Workers' Unions

### *Civil Society*

Habiba AL MARASHI*	Chair, Emirates Environmental Group
Oded GRAJEW	Chair, Instituto Ethos de Empresas e Responsabilidade Social
Huguette LABELLE*	Chair, Transparency International
Mary ROBINSON*	Chair, Realizing Rights: The Ethical Globalization Initiative

### *Ex-Officio*

Sir Mark MOODY-STUART	Chairman, Foundation for the Global Compact
Georg KELL	Executive Director, UN Global Compact Office

### *Substitute Board Members*

Jim BAKER	Representative from ITUC for Ms. BURROW
Jose CARLOS VIDAL	Representative from Petrobras for Mr. GABRIELLI DE AZEVEDO
Louise KANTROW	Representative from ICC for Mr. CARRIER
NAM Young-chan	Representative from SK Group for Mr. CHEY
Jean-Pol PONCELET	Representative from Areva for Ms. LAUVERGEON

\* Not present at 19 November 2010 Board meeting

## Appendix 2: Discussion over Lunch with Government Representatives and UN Global Compact Board Members

Immediately following the meeting, Board Members were invited to a luncheon with Ambassadors for a discussion on private sector contribution to the advancement of UN goals, specifically the LDC Conference and Rio+20.

### Summary of Discussion:

- **UN Secretary-General Ban Ki-moon** opened the meeting by thanking the Board members for their commitment and highlighting that the UN needs to work with the business community and civil society organizations. Without all three pillars — Business, Civil Society and Government — the world cannot improve. The Global Compact is essential in bringing all three pillars together.
- Board Vice-Chair **Sir Mark Moody-Stuart** recapped the key elements of the morning's meeting including: the introduction of the Global Compact Office's 2011-2013 Strategy Note; overview of the Global Compact LEAD platform; reporting updates; a review of private sector contribution to the Foundation for the Global Compact, and discussions of the LDC Conference and Rio+20 processes.
- **Charles Holliday** updated the Board on the Rio+20 process noting that the UN can have an immense impact on the business community, as it did with the Earth Summit in 1992. He noted that the private sector can see and understand the problems facing the world, and are ready to make a difference.
- **Fazlı Çorman, Deputy Permanent Representative, Turkey**, informed the attendees of Turkey's status as host of the fourth LDC Conference. He also noted the importance and need for the private sector role at the LDC Conference. The private sector can contribute much to the development of infrastructure and reduction of unemployment through FDI and microfinance. SMEs in particular can be critical, but they require financing and greater sophistication.
- **Maged A. Abdelaziz, Permanent Representative, Egypt**, indicated that Egypt will host the next Global Compact Annual Local Network Forum. He emphasized that the principles of the Global Compact are connected at a high level within the Egyptian Government. As a member of the event's planning commission he mentioned that the group is eager to recruit private sector representatives to inform the business perspective of the Rio+20 process.
- **Oded Grajew** noted the imminent convening of the Union for Global Sustainability, which will bring together business, civil society, Government, labour and academia to discuss sustainable development for the Rio+20 event in 2012 and beyond.
- **Philip John Parham, Deputy Permanent Representative, United Kingdom**, emphasized that the private sector will be the major driver of green development. He underscored the important role that business plays in providing transformative assistance in developing countries, beyond the development that Governments are able to offer. He stressed that Governments must create the enabling environment to allow the private sector to make investments into sustainable development.
- **Fernando Chico Pardo** indicated that the rules in place to safeguard investments in developing countries ought to increasingly be based on the Global Compact principles. He said that the principles are applicable at both the company and country levels and using this standard can better facilitate responsible investment and ensure capital growth.

**Government Representatives attending lunch with Board members:**

H.E. Mr. Tête António	Permanent Observer of the African Union
H.E. Mr. Eduardo Ulibarri	Permanent Representative of Costa Rica
H.E. Mr. Maged A. Abdelaziz	Permanent Representative the Arab Republic of Egypt
H.E. Ms. Sylvie Lucas	Permanent Representative of Luxembourg
H.E. Mr. Claude Heller	Permanent Representative of Mexico
H.E. Mr. Morten Wetland	Permanent Representative of Norway
H.E. Mr. Nassir Abdulaziz Al-Nasser	Permanent Representative of Qatar
H.E. Mr. Erik Laursen	DPR of Denmark
Mr. Fazlı Çorman	DPR of Turkey
H.E. Mr. Philip John Parham	DPR of the United Kingdom
Mr. Paulor Chiarelli	First Secretary of Brazil
Mr. Randhir Kumar Jaiswal	First Secretary of India
Mr. Erik Lundberg	Minister Counsellor of Finland
Mr. Stefano Stefanile	First Counsellor of Italy
Ms. Dong Zhihua	Counsellor of China
Mr. Lizwi Eric Nkombela	Counsellor of South Africa
Mr. Marco Rossi Minister	Counsellor of Switzerland
Mr. Hendrik Schmitz Guinote	Second Secretary of Germany
H.E. Mr. Pedro Serrano	Acting Head of the Delegation of the European Union

### **Appendix 3: Secretary-General's Remarks to United Nations Global Compact Board – *Please Check Against Delivery***

Distinguished members of the Global Compact Board, Ladies and Gentlemen, I am pleased to join you for this meeting.

This has been a pivotal year in the evolution of the Global Compact.

The initiative's tenth anniversary showed that we have much to celebrate, but also that much that remains to be done – on climate change ... on poverty ... on women's and children's health ... and across the whole MDG agenda.

What gives me hope is that we, the United Nations, and the private sector have found more common ground than ever before to address these serious challenges.

The September Private Sector Forum on the MDGs showed the depth of business commitment to sustainable development.

It also showed that effective solutions exist.

And the Leaders Summit earlier this year, also in New York, helped chart a course for the Compact's next decade.

Today, I hope we can find ways to build on the momentum these events generated.

After 10 years of experimentation, growth and brand-building, the Global Compact is well positioned to mobilize tangible support from the private sector in support of UN goals.

The Global Compact Office has just outlined its new three-year strategy.

Your experience and wisdom can guide the initiative, help it to grow and scale up our work.

As you know, we have set ourselves an ambitious objective: 20,000 Global Compact participants by the year 2020.

Efforts such as the Blueprint for Corporate Sustainability Leadership and the LEAD activities that will be launched early next year can help us to achieve this.

By focusing on quality we can increase quantity.

It is important that these initiatives are understood, accepted and implemented by the Compact's participants.

We also need to increase our support to the Local Networks, which now number more than 90.

Your role will be critical. We need your leadership as advocates, innovators and partners.

Looking ahead, I hope you will help us mobilize support for key upcoming UN events, such as the fourth United Nations Summit on the Least Developed Countries and the UN Conference on Sustainable Development – Rio + 20 – where we will need private sector involvement in the dialogue.

Thank you again for your dedication to the Global Compact.

I wish you a productive meeting, and I will join you again at lunch.



**Secretary-General's Remarks to United Nations Global Compact Ambassadorial Lunch – *Please Check Against Delivery***

I am glad we are spending this time together today.

From climate change to poverty reduction, the challenges we face are too great for any one actor alone.

I look forward to hearing about the Board meeting and the strategic plans for the Global Compact for coming years.

The Compact has come a long way in its first ten years. Participation has grown and the concepts of corporate responsibility and sustainability are now broadly embraced.

You are all aware how strongly I feel about the contributions that the private sector can make across the UN agenda.

The synergy between government and business was advanced this year at the Global Compact Leaders Summit, at the UN Private Sector Forum on the MDGs, and through day-to-day partnerships in many fields.

For my part, I continue to urge Governments to create the conditions for the private sector to scale up our work for sustainable development and inclusive markets.

Many Governments represented here have shown consistent support to the Global Compact. We will count on your continued good will.

At the same time, I am urging the Global Compact Board to mobilize private sector involvement in key UN events such as the fourth UN Conference on the Least Developed Countries and the Rio +20 Conference on Sustainable Development in 2012.

The Board can also offer valuable guidance to Governments on what they can do to maximize private sector contributions to the UN agenda.

I thank all of you here today for your role in enabling the Global Compact to come so far in its 10 years of existence.

Let us, together, make it a force for change in the years to come.

Thank you.