



UN Global Compact Board Meeting Report 1-2 July 2014

The UN Global Compact Board held its bi-annual meeting in New York on 1-2 July 2014. Board members reported to the UN Secretary-General at the meeting, which was chaired by Sir Mark Moody-Stuart, Vice-Chair of the Board and Chair of the Foundation for the Global Compact. Discussions focused on implementation of the Global Compact integrity measures; next steps related to the initiative's strategy for growth; governance and management of the initiative; initiatives relating to the ethical and governance dimension of corporate sustainability; and sustainable funding for the Global Compact. The meeting also marked the first time that the Global Compact Board met together with the Advisory Council of the Principles for Responsible Investment (PRI) to discuss collaboration between the two initiatives. Following is a summary of the Board's discussions and key outcomes.

Welcome and Report from the Executive Director of the UN Global Compact Office

Background

Sir Mark Moody-Stuart opened the meeting, welcoming Board members and the Government observer from Switzerland, and noting apologies from those Board members who were unable to attend. Georg Kell, Executive Director of the UN Global Compact, introduced the Global Compact Activity Report 2013, which describes in detail the initiative's work throughout the year. The report also discloses funding sources and expenditures to further strengthen transparency and accountability. Mr. Kell noted that the initiative is continuing to grow steadily and while participant retention continues to be a challenge (due to failure to meet the COP requirement), it is improving due to increased participant engagement, COP training and other measures. He emphasized the progress of existing issue platforms on climate, water, anti-corruption, women's empowerment, children's rights and supply chain sustainability – which recently launched a guide on traceability – as well as the newly launched initiatives: Business for Peace, Business for the Rule of Law and the Food & Agriculture Business Principles. The online Global Compact Business Partnership Hub, which connects potential partners at the local and global levels, was also featured.

Activities of Global Compact sister-initiatives the Principles for Responsible Investment (PRI) and Principles for Responsible Management Education (PRME) were highlighted, including joint workstreams with PRI on effectively communicating the financial value of sustainability to investors and addressing short-termism in investing.

Mr. Kell reported on the recent renewal of the Global Compact's mandate by the General Assembly (A/RES/68/234): "to advance United Nations values and responsible business practices within the United Nations system and among the global business community". Through a resolution passed every two years, Governments have welcomed the work of the Global Compact along these lines. Specific mention was made in the resolution of several Global Compact initiatives, the role of Local Networks, capacity building on UN-business cooperation, and Global Compact integrity measures. Finally, Mr. Kell provided a brief overview of the Annual Local Network Forum (ALNF) and UN System Private Sector Focal Points (PSFP) meetings which were recently held in Addis Ababa. Board members were invited to share their reflections.

Discussion

- The ALNF-PSFP meeting, which included the Great Lakes Private Sector Responsible Investment Roundtable convened with UN Special Envoy Mary Robinson as well as the Human Rights and Labour Working Group meeting, was considered successful and was well-attended by international and African companies, Local Networks and UN representatives. Several high-level Government representatives, including the Prime Minister of Ethiopia, attended the Great Lakes event. (Argüden, Moody-Stuart, Kell)
- The Global Compact Africa Strategy, which was developed by members of the Board (Collymore, Sané), was launched at the ALNF-PSFP and received significant support. Discussions of the strategy focused on how to implement it rather than further deliberation on its contents. The strategy was used to guide the conversation at the Great Lakes meeting, and it helped to make the Global Compact and its offerings more concrete during meetings with the Pan African Chamber of Commerce and Industry in Ethiopia. (Masilela)
- Following the creation of the Local Network Advisory Group (LNAG), Local Network representatives at the ALNF were more familiar with and engaged in Global Compact activities because they received more frequent updates from their regional LNAG representatives. (Argüden, Kell)

- At the ALNF, a new Memorandum of Understanding for Local Networks was accepted and networks agreed to continue consultations to further develop a progression model that was introduced. (Argüden)
- LEAD companies should become more involved at future ALNF meetings. Given their multinational nature, there would be value for these companies and their subsidiaries to engage more actively with the networks. (Argüden)
- Local Networks understand that the Global Compact issue platforms are a menu of options to choose from based on local priorities rather than a set of requirements. (Wang, Kell)
- The post-2015 agenda presents an important opportunity to scale up Local Network activities to contribute to new global goals. (Kell, Kantrow)

Outcomes

The Board welcomed the Global Compact's Activity Report 2013.

Agenda Item 1: Review of Progress on Integrity Measures and Strategy to Bring the Global Compact to Scale

Background

The Global Compact gave an overview of its efforts to grow in both quantity and quality. Work is underway to better engage current and new participants in the issues and also to target new companies in frontier markets through efforts such as the Africa Strategy. An important part of the strategy to go to scale includes a review of the value proposition. The Global Compact has undertaken a process with an external communications firm to evaluate its narrative and branding, and it has become clear that the Global Compact needs to better clarify its core messaging and its wide portfolio of offerings. Solutions are already being identified for how to reshape the narrative so that it speaks to business more clearly while continuing to emphasize the Global Compact's unique elements as part of the UN. Select Local Networks, as well as business participants, Global Compact staff and other stakeholders, are closely involved in the brand review process. Depending on available resources, the culmination of the project will be a new Global Compact website in 2015, as well as new collateral materials.

The Board also received and discussed the "Progress Report 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.

In addition to giving an overview of COP statistics, the Global Compact shared Board members' concern over the high number of non-communicating SMEs. To address the challenge, the Global Compact is working with a dozen Local Networks to increase their capacity to support participants in reporting and a group of Global Compact staff is focusing on the issue. It was noted that first deadline for reports from non-business participants – the Communication on Engagement (COE) – is 31 October 2015. The COE has been well-received and once the deadline arrives, it is expected that the balance of Global Compact participants will re-orient even more strongly towards business. Finally, the Global Compact highlighted its work within the UN system to fulfill its General Assembly mandate to help build the system's integrity in working with the private sector, which includes a shared due diligence service for UN agencies and an integrity day for UN representatives at the recent ALNF-PSPF meeting among other activities.

Discussion

Local Networks and growing to scale

- Local Networks have a critical role in recruiting new companies and retaining current participants as they are working on the ground, understand local context and have the most opportunities for face-to-face engagement. It is critical that networks understand the Global Compact value proposition and are well-briefed on global engagement opportunities. Already, networks have learned many lessons about growth that can be leveraged by other networks as well as the Global Compact in New York. (Argüden, Hagglund, Kohli, Arima, Pes, Wang, Tilaar, Moody-Stuart)
- Following the creation of a number of sub-chapters throughout the country that hold monthly in-person meetings, the Local Network in India observed a significant increase in participant retention. (Kohli)

- In both Spain and Japan, networks found that engaging a small group of champions – either CEOs or other individuals – was effective for growth. (Pes, Arima)
- In Turkey, the network’s approach has been to leverage allies to create incentives for companies to both incorporate responsible practices and join the Global Compact. For example, the network convened Turkish banks with banks in the Netherlands to discuss incorporating the Global Compact principles into credit valuation criteria. The network also works with larger brands to incorporate Global Compact principles into their purchasing decisions, which incentivizes SMEs and other companies throughout the supply chain. (Argüden)

Leveraging other constituencies for growth

- Local Networks should work to better engage national labour unions. Their large memberships present potential participants. Likewise, local chapters of global labour unions should be encouraged to reach out to Local Networks in the same way that multinational corporations are urged to engage their subsidiaries in the Local Networks. (Jennings, Kell, Moody-Stuart)
- National business associations are another potential source of new Global Compact participants. It should be further explored how the Global Compact can better collaborate with them. (Greenhill, Wilton, Wang, Kell)

Strengthening the value proposition

- Improving the quality of engagement of Global Compact participants will naturally lead to a larger volume of participants. To achieve this, it is critical to think more seriously about impact (Masilela). Better communicating the Global Compact’s impact across a range of issues is needed to attract more and better quality participants (Masilela, Naqvi, Argüden, Sané). One way to demonstrate impact is by influencing public policy (Abrahão).
- The Global Compact should better harness the power and convening authority of the UN. There is an opportunity for the Global Compact to become the mechanism that pulls all other sustainability organizations together and acts as a guiding force. By amplifying the messages of other initiatives, the Global Compact will gain their support. (Naqvi)
- The value proposition should highlight that through the Global Compact’s involvement in the intergovernmental process to develop the post-2015 agenda, the initiative will have an impact on the work of the UN going forward. Business is going to have an important role in implementing the post-2015 agenda and with the Global Compact’s portfolio of issues, the pieces are in place for companies to engage. (Kantrow)
- One method for strengthening the value proposition is segmentation by audience as the Global Compact creates different types of value for large companies, SMEs and other participants. Strategies should be targeted accordingly and it is critical that actions are aligned with what is communicated. (Argüden, Wang)
- Another tactic for the value proposition is to first paint a picture of global challenges and what could happen without responsible business. Once the challenge is understood, then the Global Compact can be presented as a solution. This approach has been successful in Kenya. (Collymore)
- The various issue workstreams need to be more closely connected to the Global Compact ten principles, and it is important that labour is more prominent (Raina). The Global Compact is open to opportunities to focus more on labour and is working to better communicate the close connection between issue work and the principles (Kell).
- Presenting good practices of Global Compact companies gives them profile, which adds value, and also allows other companies to compare themselves with participants in their sector. (Abrahão)

Supporting SMEs in reporting

- SMEs are a critical driver of economic activity. Local Networks play a crucial role in supporting them and caution should be taken when dealing with COPs globally rather locally (Collymore). In Spain, a major value proposition of the network is helping SMEs with COPs, through direct interactions as well an online tool. (Pes)

- Other solutions include SME mentoring programmes (Carlson-Nelson) and analyzing data to understand whether there is a certain size or sector of SMEs that face greater difficulties in reporting (Labelle).

Outcomes

- The Board welcomed the Global Compact's review of its narrative and branding, and expressed interest in remaining apprised of the process going forward.

Global Compact Governance and Management

The Board held a closed-door session to discuss Global Compact leadership, as the Global Compact Executive Director is set to retire as of August 2015. The Board will play a key role in succession planning for the initiative.

Agenda Item 2: Strategic Guidance on Ethical and Governance Dimension of Corporate Sustainability

Background

The Global Compact briefed Board Members on efforts to integrate the ethical and governance dimensions of corporate sustainability into its work to advance the post-2015 development agenda. Three core activities of the Global Compact were highlighted: the Working Group on the 10th Principle Against Corruption, Business for Peace, and Business for the Rule of Law. Board members received background executive summaries on each of the initiatives. The Global Compact sought guidance from Board Members on how to best mainstream ethical and governance issues into the corporate sustainability agenda.

Discussion

- Anti-Corruption work in Sport Sponsorship is an important area of focus. These efforts should be linked with FIFA, the International Olympic Committee and the Global Unions that represent athletes. (Jennings, Labelle)
- In Brazil a public corruption clean list was created. It helps to guide companies on the aspects of corruption that should be addressed in their strategies and operations; companies that perform well on these criteria are subsequently recognized publicly. (Abrahão)
- Good governance issues are figuring prominently in post-2015 discussions. The Call to Action being directed to Governments by the private sector to take on more responsibility sends a strong signal. (Kantrow)
- It will be important for the Global Compact to underscore the linkages that rule of law has to the ten principles. This will help to ensure that it is fully integrated within the initiative and does not add perceptions of complexity to participants. (Greenhill)

Outcome

- The Board expressed support for the Global Compact to continue to advance its ethical and governance initiatives. It is important to assure that these topics are closely connected to the ten principles and integrated into the post-2015 development agenda.

Update from the Foundation for the Global Compact

The Global Compact Activity Report provides a consolidated overview of the funding received and expenditures incurred in 2013 by the Global Compact Office and the Foundation for the Global Compact. It is anticipated that this report will be issued on an annual basis.

In 2014, the Global Compact embarked on a collaborative funding arrangement with 25 Local Networks. With these Local Networks the Global Compact communicates to companies jointly or in a coordinated manner when seeking contributions. This reinforces the importance of business supporting global and local initiatives. Additionally, follow-up with companies is coordinated. It was anticipated that in the first "pilot" year, the collaborative funding arrangement could negatively impact the total amount of contributions received to the Foundation to the Global Compact, where more companies would provide contributions but at lower amounts – as a portion of the contributions would be directed to the Local Networks.

Moving forward, the Global Compact will work with Local Networks to help build their capacity to conduct fundraising operations. Additionally, in 2015, it is anticipated that more Local Networks will enter into the collaborative funding arrangement.

Meeting with the Secretary-General

Background

UN Secretary-General Ban Ki-moon, Chair of the Global Compact Board, joined the meeting to discuss the progress of the initiative. The Secretary-General's remarks were followed by brief interventions by several Board members. [View the Secretary-General's full remarks \[as prepared for delivery\].](#)

Remarks

The Secretary-General thanked the Board Members for making progress on the global corporate sustainability agenda through their discussions, and for being trusted advisors in their areas of expertise. He outlined the challenges they face ahead in the establishment of the sustainable development goals (SDGs), and shared his thoughts on the negotiations thus far, noting a consensus around a central goal of poverty eradication. The Secretary-General asked for the private sector's help in advancing solutions to climate change, highlighting business' ability to be nimble and implement changes quickly.

He concluded by acknowledging that the 15th anniversary of the Global Compact is approaching in 2015. He lauded it as the first and only public-private initiative of the United Nations based on network governance, noting that its unique role and attributes have enabled it to grow and innovate beyond expectations

Discussion

Sir Mark Moody-Stuart thanked the Secretary-General for his strong commitment to the Global Compact, and expressed the Board's appreciation for extending Mr. Georg Kell's tenure as Executive Director by a few months in 2015. He assured the Secretary-General that the Board is working to find an appropriate successor.

Dr. Uddesh Kohli expressed his appreciation, and that of Global Compact Network India, of Mr. Kell's vision as the Executive Director. He supported the notion of finding an appropriate successor, but suggested that Mr. Kell be kept on as Executive Director should the Board be unable to find an appropriate candidate.

Mr. Jyrki Raina discussed UNI Global's efforts to improve fire and building safety in Bangladesh, and expressed confidence, that despite challenges, the Bangladeshi garment industry will be safe and sustainable within 5 years. He requested the Secretary-General's help in asking companies to contribute to the Rana Plaza trust fund for victims and families of last year's building collapse.

Mr. Yilmaz Argüden encouraged a focus on SMEs in the development of the sustainable development goals. He also pointed out platforms such a Business for Peace that Local Networks can sign on to, as he felt that this strengthens the initiative.

Mr. Robert Collymore emphasized the importance of getting the private sector more deeply involved in the post-2015 development agenda process. He emphasized that the delivery and implementation of the sustainable development goals will rely on private sector support.

Mr. Angel Pes Guixa acknowledged the 10th anniversary of the Global Compact Network Spain, and encouraged the Secretary-General to attend the forthcoming event that will mark this milestone.

Ms. Huguette Labelle reported on some of the activities of the Working Group on the 10th Principle and expressed her belief that the post-2015 development agenda is a tremendous opportunity to reenergize the world, build trust in Government and business leaders, prevent social destabilization and improve quality of life. She emphasized the need to have a goal on governance and the rule of law to ensure that the other SDGs are met.

Ms. Louise Kantrow emphasized the importance of bringing the voice of business to the table in the elaboration of the new development agenda and was pleased that the Global Compact has been working to bring the concerted and constructive voice of business to the post-2015 process.

Mr. Toshio Arima provided an update on the activities of Global Compact Network Japan, particularly the network's engagement with the next generation of business leaders. He mentioned that the network has started inviting university students to its annual China- Japan-Korea roundtable and asked if the Secretary-General would provide a message of inspiration for the meeting.

Mr. Pierre Sané highlighted the need for the Global Compact's new Africa Strategy to ensure that economic prosperity in Africa is accomplished by businesses willing to commit to responsible business principles. He emphasized that in order for the strategy to be effective, it would require that all UN agencies on the ground be involved in implementation, particularly to assist Local Networks and Governments in turning the strategy into operation.

Ms. Wang Fengzou highlighted several outcomes from the recent Caring for Climate China Summit, including company proposals and a compendium of examples of business action on climate in China. She indicated that addressing climate change in China has become more mainstream, and that the network is actively working to promote Caring for Climate in the country.

The *Secretary-General* thanked the Board members for their contributions and invitations to various meetings. He was pleased to hear about the growth of the Local Networks, and made known his intentions to meet with Global Compact participants wherever and whenever his schedule allows.

He emphasized that the views of the business community are being reflected in discussions around sustainable development and mentioned that he will be submitting a synthesis report of his own views on the process by the end of December 2014. He assured them that he would work with Mr. Kell for input on the views of the private sector and that the initiative was playing an important role for business in the process.

Touching on a previous mention of the recent tragedies in Bangladesh, the *Secretary-General* highlighted the importance of educating countries and businesses about prevention and disaster risk reduction through the implementation of guidelines and codes of conduct. He called on the Global Compact to leverage its business networks to spread knowledge on these issues.

Finally, the *Secretary-General* responded to the comments on African development, stating that he was very encouraged that African leaders are working together on the post-2015 process, coming together on common issues, such as human rights and the environment.

Executive Briefing on Collaboration between the Global Compact and PRI

A special session was convened for the Global Compact Board and PRI Advisory Council. Shared workstreams were presented by the Global Compact Deputy Director and the PRI Managing Director, including an investor briefing series to improve investor-company communication on ESG issues, the Sustainable Stock Exchanges Initiative and the investor statement to Governments on climate change – to be shared with Governments at the Secretary-General's Climate Summit (September 2014). Additionally the Global Compact has worked with PRI to advance the concept of Private Sustainability Finance – that private finance actors can contribute to development goals in a manner consistent with their fiduciary responsibility. The Global Compact and PRI see this as important to the implementation of future sustainable development goals.

Subsequently the Board and Council members discussed potential areas for collaboration. Following are key discussion points raised during this segment:

- The joint work of the Global Compact and PRI was welcomed, particularly the investor briefing series and value driver model toolkit. Such work has the potential to help CFOs translate the company's ESG efforts into financial data points.
- The concept of private sustainability finance will be a key aspect of the post-2015 development agenda and it is important to already have investors engaged in the process. A roadmap such as the Business Engagement Architecture can provide direction in terms of steps that companies and investors can already take to mobilize action, such as encouraging large pension funds of Global Compact companies to join the PRI.
- Public ESG reporting is an important aspect to both initiatives, as both now have such requirements for participants. It was mentioned that investor perspectives on content that they would want to see in a company's Communication on Progress would be valuable information.
- It is important that PRI and Global Compact continue to work toward ensuring good governance and social sustainability. These topics should continue to underpin the work of these initiatives.
- The responsible investment movement advanced by the PRI continues to grow, but is not yet mainstream in the investor community. Steps should be taken to better ingrain these ideals among key influential business and investor organizations.

Appendix 1: Members of the Global Compact Board

Chair

H.E. Ban Ki-moon, Secretary-General of the United Nations

Vice Chair

Sir Mark Moody-Stuart (Ex Officio), President & Chairman, Foundation for the Global Compact

Business

Mr. Toshio Arima, Director and Executive Advisor to the Board, Fuji Xerox, Japan

Mr. Kurt W. Bock, Chairman of the Board, BASF SE, Germany*

Ms. Marilyn Carlson-Nelson, Chairperson, Carlson, USA

Mr. Fernando Chico Pardo, President, Grupo Aeroportuario del Sureste (ASUR), Mexico

Mr. Robert Collymore, Chief Executive Officer, Safaricom Limited, Kenya

Ms. Monica de Greiff, Chief Executive Officer, Bogota Chamber of Commerce, Colombia*

Mr. Samuel di Piazza, Vice Chair, Institutional Clients Group, Citi, USA*

Mr. Fu Chengyu, Chairman, Sinopec Group, China*

Mr. Andrei Galaev, former Chief Executive Officer, Sakhalin Energy Investment Company Ltd., Russia*

Mr. S. Gopalakrishnan, Executive Co-Chairman, Infosys, India

Mr. Björn Häggglund, Member of the Board, Alfa Laval AB, Sweden

Mr. Li Decheng, Standing Vice President and Director General, China Enterprise Confederation/China Enterprise Directors Association*

Mr. Elias Masilela, Chief Executive Officer, Public Investment Corporation, South Africa

Mr. Arif Masood Naqvi, Vice Chairman and Group Chief Executive Officer, Abraaj Capital Holdings Limited, UAE

Mr. Angel Pes Guixa, President, Global Compact Network Spain

Mr. Paul Polman, Chief Executive Officer, Unilever, United Kingdom*

Ms. Güler Sabanci, Chairperson, Sabanci Holding, Turkey*

Ms. Maria das Gracias Silva Foster, President and Chief Executive Officer, Petrobras, Brazil*

Ms. Martha Tilaar, Chairperson, Martha Tilaar Group, Indonesia

Mr. Sudhir Vasudeva, Chairman and Managing Director, Oil and Natural Gas Corporation (ONGC) Ltd., India*

International Labour and Business Organizations

Mr. Jean-Guy Carrier, Secretary-General, International Chamber of Commerce*

Mr. Philip Jennings, General Secretary, UNI Global Union

Mr. Jyrki Raina, General Secretary, IndustriALL Global Union

Mr. Brent Wilton, Secretary-General, International Organisation of Employers

Civil Society

Mr. Jorge Abrahão, President, Instituto Ethos de Empresas e Responsabilidade Social

Ms. Huguette Labelle, Chair, Transparency International

Ms. Julia Marton-Lefèvre, Director-General, International Union for Conservation of Nature*

Mr. Pierre Sané, President, Imagine Africa International

Other Ex-Officio

Mr. Yilmaz Argüden, Chair, Global Compact Local Network Advisory Group

Mr. Robert Greenhill, Managing Director and Chief Business Executive, World Economic Forum

Mr. Georg Kell, Executive Director, UN Global Compact Office

Mr. Martin Skancke, Chair of the Board, Principles for Responsible for Investment

Alternates

Ms. Wang Fengzou, China Enterprise Confederation/Sinopec Group

Mr. Uddesh Kohli, Oil and Natural Gas Corporation (ONGC) Ltd.

Observers

Mr. Luca Etter, Programme Manager, Switzerland

Mr. Mads Øvlisen, Chairman, Danish Council on Corporate Social Responsibility, Denmark*

*Not present at 1-2 July Board meeting

Appendix 2: Government Attendees of the UN Global Compact High-Level Luncheon

H.E. Mr. Tété António, Permanent Observer, African Union
H.E. Mr. Martin Sajdik, Permanent Representative of / President of ECOSOC, Austria
Ms. Amy Haddad, Counsellor, Australia
H.E. Mr. Pascal Buffin, Deputy Permanent Representative, Belgium
H.E. Mr. Antonio de Aguiar Patriota, Ambassador Extraordinary and Plenipotentiary Permanent Representative, Brazil
Mr. Mauricio Favero, Counsellor, Brazil
H.E. Mr. Carlos Olguin, Deputy Permanent Representative, Chile
Ms. Lu Mei, Counsellor, China
H.E. Ms. María Emma Mejía Vélez, Permanent Representative, Colombia
H.E. Mr. Ib Petersen, Permanent Representative, Denmark
Mr. Americo Beviglia Zampetti, First Counsellor, European Union
H.E. Mr. Tekeda Alemu, Permanent Representative, Ethiopia
H.E. Mr. Janne Taalas, Deputy Permanent Representative, Finland
Ms. Laetitia Bosio, Policy Advisor, France
H.E. Mr. Heiko Thoms, Deputy Permanent Representative, Germany
Ms. Stephanie Kage, Counsellor, Germany
H.E. Mr. George Wilfred Talbot, Permanent Representative, Guyana
H.E. Mr. Csaba Kőrösi, Permanent Representative, Hungary
H.E. Mr. Inigo Lambertini, Deputy Permanent Representative, Italy
Mr. Masato Usui, Counsellor of Economic Affairs, Japan
H.E. Mr. Jorge Montaña, Permanent Representative, Mexico
Mr. Peter van der Vliet, Deputy Permanent Representative, The Netherlands
H.E. Mrs. U. Joy Ogwu, Ambassador Extraordinary and Plenipotentiary Permanent Representative, Nigeria
H.E. Ms. Tine Mørch Smith, Deputy Permanent Representative, Norway
H.E. Mr. Mohammad Masood Khan, Permanent Representative, Pakistan
H.E. Mrs. Jeanne d'Arc Byaje, Deputy Permanent Representative, Rwanda
H.E. Mr. Juan Manuel González de Linares Palou, Deputy Permanent Representative, Spain
Mr. Per Bäckman, Counsellor of Commercial Affairs, Sweden
H.E. Mr. Paul Seger, Ambassador Extraordinary and Plenipotentiary Permanent Representative, Switzerland
Ms. Tatjana von Steiger, Counsellor, Switzerland
Ms. Esther May, Development Advisor, Switzerland
Mr. Luca Etter, Programme Manager, Switzerland
H.E. Mr. Gustavo Meza-Cuadra, Permanent Representative, Peru
H.E. Mr. Joon Oh, Permanent Representative, The Republic of Korea
H.E. Mr. Dmitry Maksimych, Deputy Permanent Representative, Russian Federation
H.E. Mr. Peter Wilson, Deputy Permanent Representative, United Kingdom
Ms. Terri Robl, Deputy Representative to the Economic and Social Council, United States of America
Mr. Yavuz Selim Çubukcu, First Secretary, Turkey
H.E. Mrs. Lana Zaki Nusseibeh, Permanent Representative, United Arab Emirates

Appendix 3: Summary of the UN Global Compact High-Level Luncheon

Background

On 2 July, a high-level luncheon was co-hosted by the *Permanent Representatives of Brazil, Nigeria and Switzerland*. The luncheon was attended by the UN Secretary-General and nearly 150 participants – including members of the UN Global Compact Board, the Principles for Responsible Investment (PRI) Advisory Council, the Principles for Responsible Management Education (PRME) Champions Group and 30 ambassadors. The first-of-its-kind meeting featured discussions around the role of the private sector in advancing the post-2015 development agenda.

H.E. Mr. Antonio de Aguiar Patriota, Permanent Representative of Brazil to the UN, delivered welcome remarks on behalf of the three co-hosts of the luncheon, thanking Mr. Georg Kell for his efforts to advance corporate sustainability at the UN. He stated that it is time for corporate sustainability to be strengthened, noting that without a clear understanding of the role of Government and the private sector, we will not progress significantly. He conceded that the dynamics are complex and visible in everyday work at the UN. He expressed confidence that through persistence and leadership business and Government together can achieve a mutually-beneficial way forward.

UN Secretary-General Ban Ki-moon emphasized that the world's toughest challenges require solutions that involve business, and that no single entity or sector can tackle complex global issues such as climate change or poverty on its own. He asked for the private sector's strong support in forging new sustainable development goals to ensure that the role of business and civil society are truly reflected. He acknowledged the launch of the Global Compact paper, *The Role of Business and Finance in Supporting the Post-2015 Agenda*, and connected it as proof that the pieces are in place to orient business and markets towards greater sustainability for the post-2015 era.

The Secretary-General appealed to PRI to guide investors around the world to increasingly reward committed companies in order to drive progress. He announced that the Global Compact 100 stock index would soon be launched on electronic markets around the world. The Secretary-General welcomed PRI's work to tackle climate change, and that by rallying investors it provides important momentum to the climate agenda. He thanked the PRME Champions Group for advancing responsible business education, noting the important role educators have in shaping future business leaders, and encouraged Governments to support business solutions by creating an enabling environment, providing incentives, and encouraging companies to enhance accountability. He recognized the Post-2015 Business Engagement Architecture as the roadmap for mobilizing business globally to act on sustainable development, and called on the Global Compact and its Local Networks to harness the power of the private sector to make responsible business a transformative force for good. [View the Secretary-General's full remarks \[as prepared for delivery\]](#)

Mr. Georg Kell, Executive Director of the UN Global Compact, thanked the Secretary-General and the three host ambassadors. He then invited Members of the Global Compact Board, PRI Advisory Council, and PRME Champions Group to report back to the Secretary-General and ambassadors about their initiative's latest key developments.

Ms. Huguette Labelle, Chair of Transparency International, reiterated the vital role of the private sector along with labour organizations and NGOs, and that the Global Compact has been working to bring the voice of business to the SDG agenda. She assured the Secretary-General that this is a big area of focus for the Global Compact and its Board, emphasizing the need for a governance goal which will help ensure that the other SDGs are met.

Mr. Kris Gopalakrishnan, Executive Co-Chairman of Infosys, expressed great pleasure in seeing the three groups convening at the luncheon and reported that, in addition to internal Global Compact matters, the Board prioritized discussions around the post-2015 development agenda. He emphasized that business wants to play an active role in the development of the SDGs and that this topic is discussed across the Global Compact work streams. Due to the multi-stakeholder nature of the initiative, the Board discussions were very robust and they intend to assure that all voices are heard to determine how business can contribute in a meaningful way.

Mr. Martin Skancke, Chair of the Advisory Council of Principles for Responsible Investment, remarked on how much PRI has grown since it began under the wings of the Global Compact to becoming a hub for responsible investing globally – now with over 1,200 signatories representing over \$40 trillion in assets under management. He highlighted the Global Compact’s ability to convene the largest and most influential companies in the world, and that together with investors, they can work toward a sustainable financial system. He went on to say that as PRI rethinks its strategy, they will continue to engage UN partners to maximize their potential. He is pleased that PRI has joined a coalition of investors to draft a statement on climate change to be released at the Secretary-General’s Climate Summit in September. The statement is a call on Governments to provide regulatory certainty for investors by putting a price on carbon. He committed the PRI to working further with UN bodies on these issues, and expressed his appreciation for their cooperation and support.

Ms. Carol Parkes, Director of Social Responsibility and Sustainability at Aston Business School, shared that Aston Business School, as an active member of PRME since its inception, has aimed to improve the lives of people around the world and enhance students’ ability to do this through changing attitudes. She commented on how, only 15 years ago, very few business schools were addressing the corporate sustainability agenda, and now PRME has over 500 signatories that drive Global Compact issues. She went on to remark on the congeniality of the PRME community and the action-oriented approach to various issues through working groups and local chapters around the world. Ms. Parkes emphasized the importance of these issues, not only to business students, but to students of other disciplines as well, and spoke to academic institutions willingness to work with other agencies to make the SDGs a reality.

Luncheon Discussion

*Sir Mark Moody-Stuart, Vice-Chair of the Global Compact Board and Chairman of the Foundation for the Global Compact, opened the luncheon discussion by introducing the Global Compact paper, *The Role of Business and Finance in Supporting the Post-2015 Agenda*. The paper highlights the role of business and investors in advancing sustainable development goals through responsible business actions and showcases five implementation mechanisms intended to scale up the contribution of the private sector: small- and medium-sized enterprises, partnerships, transparency and accountability, enabling government policies, and private sustainability finance.*

H.E. Mr. Paul Seger, Permanent Representative of Switzerland to the United Nations, began by thanking the Global Compact for its input to the post-2015 process. He appealed to those present to give Government a clear message that strong SDGs are needed. He reminded the audience that the adoption of the SDGs would not be the end game, but that the most important part comes at the implementation phase, where business is needed the most. He went on to emphasize the need for a strong monitoring process, adding that the SDGs cannot be implemented without it. Ambassador Seger shared his optimism that we are past the ideological battles, not only between north and south, but also private and public sectors, and that the strong voice of the Global Compact is growing. He stated that everyone needs to be “winners” in the development of the SDGs and that sustainability is good business.

H.E. Mrs. U. Joy Ogwu, Permanent Representative of Nigeria to the United Nations, expressed her pride in being associated with the Global Compact, noting a “palpable consensus” that redefines global partnerships in the onerous task of determining the sustainable development agenda. She noted that by linking the global development agenda with business, there are many opportunities for growth and that the Global Compact has already demonstrated the vital role that business can play in development. Mrs. Ogwu went on to note that the African business environment is changing – many foreign companies are investing in the continent – and that the time is right to find new and creative strategies for incentivizing a responsible private sector.

H.E. Mr. Martin Sajdik, Permanent Representative of Austria to the United Nations and President of ECOSOC, acknowledged the indispensable role of the private sector in the implementation of the Millennium Development Goals (MDGs). He went on to provide an overview of ECOSOC’s work around partnerships, including their Annual Partnership Forum, and noted that ECOSOC is eager to carry on these efforts beyond 2015, as they are key to the development and implementation of the SDGs. He pointed to several ways in

which Government can encourage business to be active partners in sustainable development: creating an enabling environment, involving transparency institutions, and assuring that effective implementation is a part of the dialogue.

Mr. Christian Frutiger, Deputy Head of Global Public Affairs at Nestle, noted that it is encouraging that business is at the table for the development of the SDGs. He announced that Nestle is releasing a report as their contribution to the post-2015 process, noting that a long-term perspective will be critical to success of the SDGs. To that end, Mr. Frutiger appealed to investors to take a long-term view. He added that to feed the projected 10 billion people of the world, we need to increase agriculture production and reduce waste. He asked Government to maintain the lead, but to also keep the private sector involved throughout the process, particularly during implementation.

Mr. Robert Collymore, Chief Executive Officer of Safaricom and Member of the Global Compact Board, remarked that the private sector is getting used to the idea of sustainable development and, as a result, companies are now running their businesses not just for the end of the year, but also for the next 20 to 30 years. He encouraged Governments to engage the business sector early to avoid similar challenges that were faced with the MDGs. Mr. Collymore noted the importance of prioritizing children, particularly youth unemployment, pointing to its ability to lead to instability and social discord. He urged those present to focus on creating opportunities for youth, and to ensure the private sector is involved until the end, particularly when implementation and financing is needed.

H.E. Mr. Csaba Kórosi, Permanent Representative of Hungary to the United Nations and Co-chair of the Open Working Group on the SDGs, thanked the private sector representatives for their ideas, vision and commitment, and shared his hope that their input would be included in the zero draft. He reminded the audience of two recent major global transformations – industrial and technological. He stated that we are at the threshold of the third transformation: sustainability, and like the first two transformations, business will have a hand in its development.

H.E. Mr. George Talbot, Permanent Representative of Guyana to the United Nations and Co-facilitator on the Preparations for the Third International Conference on Financing for Development, asked participants to consider the important “complementary process” to the post-2015 development agenda: implementation. He noted that the General Assembly will adopt a resolution convening the 3rd conference on finance, which includes an enormous agenda that no one sector and no one stakeholder group can address. He assured the business community that it has a place at the table and that Government looks forward to collaborating, noting that it will require partnerships that are responsive and reliable enough to serve those on the ground.

Ms. Priya Mathur, Board Vice President of CalPERS and Member of PRI Advisory Council, reported on PRI, calling it “a growing movement of investors that endeavors to be part of the solution of global challenges,” highlighting a focus not only on returns for their clients, but also on how they invest. She touched on PRI’s belief that long-term value creation requires consideration of financial, environmental and human capital. She expressed optimism that collective investment returns and stable productive economies are achievable, but underlined the imperative of addressing climate change and related human and financial costs.