



United Nations corporate partnerships: The role and functioning of the Global Compact JIU/REP/2010/9

A response from the Global Compact Office

Updated 24 March 2011

This document highlights some of the inaccuracies contained in the above-mentioned JIU report, as well as the responses from the Global Compact Office. This is the third time that the Global Compact Office has provided detailed comments on the report. The JIU chose to publish its final report without regard for most of the Global Compact's corrections or comments.

3. These divergent views can be explained by the fact that the initiative was conceived as a learning tool rather than as a regulatory instrument. Indeed, the Global Compact does not police companies, nor measure their behaviour and actions, nor enforce its principles. Thus, paradoxically, it cannot be ensured that companies associated with the United Nations image and reputation effectively comply with its basic principles.

This is one of the most fundamental misrepresentations contained in the JIU report. In fact, the Global Compact incorporates a Communication on Progress policy which requires all participating companies to report annually on their progress in implementing the Global Compact's ten principles – or face expulsion. During the past three years, more than 2000 companies have been publicly expelled for failure to adhere to this policy. One of the main purposes of this policy is to instil accountability with respect to companies' commitment to the Global Compact, and help guard against possible misuse of the UN affiliation. To further protect the integrity of the UN, the Global Compact also incorporates a strict brand and logo use policy.

6. In line with the JIU internal standards, guidelines and working procedures, the methodology followed in preparing this report included a preliminary desk review, interviews with more than 50 United Nations officials and participants in the initiative, questionnaires/surveys and in-depth analysis of results. An electronic survey in three languages was sent to 90 Global Compact local networks (GCLNs), with a response rate of 43 per cent. Two additional surveys were designed for business and non-business participants but could not be launched since the GCO declined to provide their contact information on grounds of confidentiality and "client survey fatigue", sharing instead the results of its own recent survey of business participants. Consequently, the Inspectors were not able to get the participants' independent views on the GCO performance and the initiative's success.



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The request came after the Global Compact Office had concluded several surveys of participants for reports to be launched on the occasion of its ten-year anniversary. Many of our participants have requested that the Global Compact Office do not share their contact information with third parties, while others have asked that the number of surveys be reduced to a reasonable minimum. In addition, several of the Global Compact's surveys asked the same (or similar) questions that the JIU survey sought to ask. The Global Compact's Annual Implementation Survey is conducted by an independent and reputable partner – the Wharton School of Business at the University of Pennsylvania.

11. [...] Thus, the Global Compact was born, and nine principles (a tenth anti-corruption principle was added in 2004) were adopted in four areas of action: human rights, labour, environment and anti-corruption, deriving from four major United Nations instruments. These focus areas/principles embrace a number of United Nations universal values set out in the Preamble and Article 1 of the Charter of the United Nations. Regrettably they do not include the pursuit of peace and development.

This is not correct. While the Global Compact principles focus on widely recognized areas of environmental and social performance, the second objective of the Global Compact explicitly states that the initiative seeks to “catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs)”. Almost since its inception, the Global Compact Office has thus engaged a vast number of companies and other stakeholders on the issue of business and peace, resulting in a number of concrete tools to address the role of business in conflict and post-conflict environments. Likewise, the business role in advancing sustainable development has been the subject of countless efforts under the Global Compact's umbrella, including the most recent UN Private Sector Forum on the MDGs held in September 2010. Implying that the Global Compact does not pursue peace and development as focus areas wilfully ignores a substantive portion of the initiative's work over the past 10 years.

13. Since 2000 the General Assembly has adopted six resolutions under the agenda item “Towards global partnerships”. These resolutions recognized the value of the Global Compact but refrained from giving it a clear mandate or “carte blanche”.

Later resolutions (especially [A/RES/64/223](#) and [A/RES/62/211](#)) have given the Global Compact a much clearer mandate tasking it with specific functions.

17. A review of all General Assembly resolutions on global partnerships revealed no reference to the GCO's self-set objective of encouraging and facilitating dialogue and partnerships among key stakeholders in support of the ten principles and broader United Nations goals, [...].

This is incorrect. For instance, in [A/RES/64/223](#) the General Assembly recognized “the vital role the Global Compact Office continues to play with regard to strengthening the



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capacity of the United Nations to partner strategically with the private sector in accordance with its General Assembly mandate” and encouraged “the Global Compact to continue its activities as an innovative public-private partnership to advance United Nations values and responsible business practices within the United Nations system and among the global business community, including through an increased number of local networks”.

29. The GCO is also tasked with updating United Nations guidelines for partnerships with input from all relevant United Nations entities. It also convenes, in coordination with UNOP/UNFIP, the annual UN Private Sector Focal Point Meetings and prepares the Secretary-General’s annual report to the General Assembly on “Towards global partnerships.[...]”

As we noted in our earlier comments, the Secretary-General’s report to the General Assembly is a biennial report. Even this simple correction was disregarded.

40. Regarding non-business actors, civil society organizations (CSOs) account for 8 per cent of participants, business organizations, 7 per cent, and academic institutions (4 per cent). In contrast, labour organizations represent only 1 per cent. Among CSOs, few are internationally renowned with global reach.

This fails to acknowledge that civil society or labour engagement in the Global Compact does not require formal participant status, as the focus of the initiative is corporate sustainability. Many CSOs are active contributors at the global and/or local level without having joined the initiative.

54. Non-business participants are also required to sign a letter committing to the ten principles and pledging to take part in the activities of the Global Compact by participating in local networks, engaging in partnerships and specialized initiatives and providing commentary to companies on their COPs.

This is incorrect. Non-business organizations need not become formal participants in order to engage with the initiative. They are welcome to join the initiative, and there is a process to do so, but there is no requirement to do so.

55. The Inspectors wish to point out that even after interviewing Global Compact officials and being informed that, as of 2009, new applications were also being checked against the World-Check database, they were unable to determine what criteria the GCO applied in selecting participants. Global Compact officials argued that the admission of companies was not in itself a certification of good behaviour. They reiterated that the initiative was about learning, dialogue and partnerships and that its role was to assist companies in implementing the principles and provide them with the tools and resources to communicate progress on their pledges.



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Global Compact participants are not “selected” for participation, which could imply some kind of endorsement by the UN. As a truly global UN initiative and a learning platform, the initiative seeks to remain open to a wide range of businesses from around the world and at various levels of corporate responsibility performance. Consequently, the vetting process is minimal to allow for broad participation. World Check results are shared with the relevant Local Network, which is also consulted to see if there are any reasons precluding a company from participation in the initiative.

60. [...] The Global Compact’s principles are principles of behaviour and as such need to be translated into concrete standards and actions, compliance with which should be monitored by special mechanisms. [...]

The Global Compact has always stressed its primary role as a platform for dialogue and learning. This is the role that it was created to play, and which governments have supported. The Global Compact is a complement to, and not a substitute for, government action. The initiative offers a number of practical materials to help business in their implementation of the Global Compact principles. Monitoring the performance of over 6,000 businesses around the world falls outside the mandate of the initiative and is not practical. Instead, the initiative focuses on transparency, offering a disclosure framework that facilitates monitoring by third-party stakeholders (governments, investors, employees, business partners, etc.) that have strong interests in holding the company accountable for its corporate sustainability commitments.

57. As for the NGOs engagement, OIOS expressed concern in its 2006 audit that NGOs might gain direct access to the United Nations through the Global Compact without going through the usual screening and accreditation process administered by the Department of Economical and Social Affairs (DESA) and the Division of Public Information (DPI). The GCO responded at that time that a newly recruited NGO coordinator would facilitate the development of a mechanism to promote and monitor the engagement of non-business participants. The Inspectors could not measure any progress in this respect.

It should be noted that the Global Compact does not provide access to UN decision making processes to NGOs. That still requires the usual screening and accreditation procedures. NGOs participating in the Global Compact, whether as signatories or not, just participate in learning and dialogue events and other activities related to the Global Compact’s objectives. In fact, the Global Compact works in the other direction, projecting the UN agenda into the world and engaging private sector actors to take action in support of UN goals.

69. Regarding the JIU survey, 23 per cent of respondents reported that they were not aware of the integrity measures; 46 per cent believed that they should be more vigorously implemented with respect to allegations received; 43 per cent said that they were consulted about the de-listing of companies; and only 18 per cent indicated that they had been involved in the handling of complaints related to business participants.



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Given the low sample size and the limited range of respondents, the presentation of percentages is misleading. The JIU survey did not capture a representative sample of Global Compact stakeholders.

72. GCO informed the Inspectors that 73 cases had been received, of which only 29 had been handled through the dialogue facilitation process (since “not all persons raising matters desired to progress through the facilitation process or the matters were not suitable for the process.”³³ The Inspectors could not obtain detailed figures on the number and type of allegations received, handled and resolved, or the number of companies de-listed.

This information was offered by the Global Compact Office, but the offer was not taken up. Moreover, information about integrity cases is shared with Global Compact Board Members prior to every Board meeting – oversight of implementation of the Integrity Measures is one of the Board’s main functions. In addition, the Global Compact’s 2009 Annual Review provided information on this data.

84. Some Global Compact officials consider the association of the GCO with the Office of the Secretary-General critical to the initiative’s success, and that it should be maintained. However, given the criticism the initiative has come under, the Inspectors are of the opinion that maintaining a close association between the GCO and the Secretary-General entails a reputational risk for the Organization. [...]

The Global Compact Office does not believe that the initiative poses a reputational risk to the UN. To the contrary, its actions in building the UN’s capacity to better understand corporate responsibility are helping to safeguard the Organization from potential risks the UN faces across the UN system from partnerships with the private sector that do not expect partners to support UN values such as those embodied in the Global Compact principles.

87. Contributions to the Global Compact have been exceptionally charged only a 7 per cent programme support cost since 2005, unlike other voluntary contributions, which are charged 13 per cent. Five per cent of these costs is retained by the GCO, and 2 per cent is paid to the Foundation for services provided.

This is incorrect. The Global Compact Office does not pay the Foundation for the Global Compact for services provided or for anything else.

113. The GCO is also encouraging participants to engage in partnerships for advancing other United Nations goals, such as the MDGs. Such partnerships are beyond the implementation of the principles and scope of the GCO mandate of “sharing relevant lessons learned and positive experiences from partnerships.” Indeed, they have a broader and more concrete impact, and the Inspectors are of the opinion that their promotion would better fit within the UNOP/UNFIP mandate.



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See response under 17.

117. The Board meets twice a year, which is insufficient to ensure adequate guidance and monitoring. In addition, there is no follow-up and reporting at subsequent meetings on the few recommendations that it adopts, or modalities to put them to higher governance body with greater decision-making power. Although the Board's issue-related working groups have contributed, to some extent, to the operationalization of the ten principles, they remain weak and their output is still scarce, partly because they have only recently been created.

This is incorrect. There is indeed follow-up, and the Global Compact Office has followed all of the Board's recommendations. Agenda items are followed through at the next meeting and/or via email between meetings. Matters arising between meetings are also dealt with via email. Given the high level representation of Board members, their busy schedules and the fact that the Board meetings are typically chaired by the Secretary-General, it would be very difficult to arrange more meetings of the Board.

Likewise, working group output has been quite prolific, particularly in the areas of anti-corruption, human rights and environment.

125. Held every three years, the Leaders Summit was intended to be the Global Compact's highest decision-making forum. However, the 2004 and 2007 summits were a public-relations event attended by a relatively small number of participants, where few strategic decisions were adopted.

The Global Compact Office does not agree with this characterization. The detailed reports of the events show otherwise. For instance, at the 2004 Leaders Summit, the Global Compact adopted the 10th principle on anti-corruption, a milestone in the initiative's evolution. The Global Compact Office has also noted that there is no reference to the 2010 Leaders Summit and the New York Declaration. All Leaders Summits have played an important role in setting the strategic direction of the initiative.