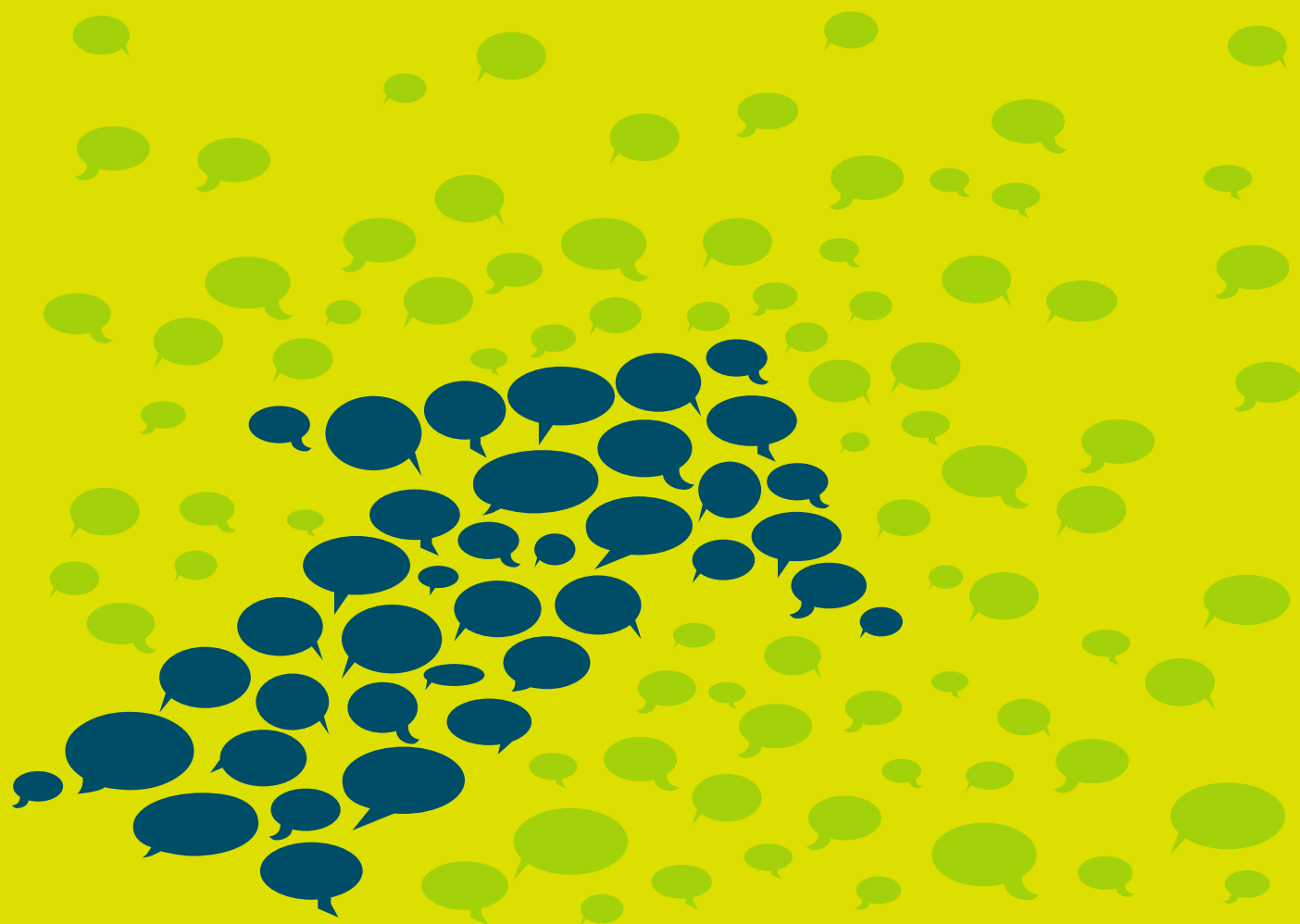# A Strategy for the Commons

Business-driven Networks
for Collective Action and Policy Dialogue

The Example of Global Compact Local Networks

United Nations Global Compact | Bertelsmann **Stiftung**

UN Global Compact

Launched in 2000, the United Nations Global Compact is a call to companies around the world to align their strategies and operations with ten universal principles in the areas of human rights, labor, environment and anti-corruption, and to take action in support of broader UN goals. Through the development, implementation and disclosure of responsible corporate policies and practices, business can help ensure that markets advance in ways that benefit economies and societies everywhere. With more than 10,000 signatories in over 135 countries, it is the world's largest corporate responsibility initiative.

For more information, please visit www.unglobalcompact.org

Bertelsmann Stiftung

The Bertelsmann Stiftung is committed to serving the common good. Its work is based on the conviction that sound competition and civic engagement are fundamental to ensuring social change. In accordance with its articles of incorporation, the Bertelsmann Stiftung is a private operating foundation that carries out its own projects. It conducts several programs addressing issues in diverse areas such as education, health care, economic development and civic participation. The Corporate Social Responsibility (CSR) program pursues three objectives. The first is to promote CSR framework conditions by addressing the role of public actors at different levels. The second is to advance strategic cross-sector alliances through dialogue platforms and cooperation instruments. The third is to enhance transparency through a Corporate Responsibility Index (CRI) that combines the outside-in and the inside-out perspectives and offers managers a solid and relevant tool for measuring their company's CSR performance.

For more information, see www.bertelsmann-stiftung.de

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The Example of Global Compact Local Networks

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Foreword

The UN Global Compact advances a comprehensive and integrated concept of corporate sustainability that combines corporate responsibility with strong encouragement that businesses take appropriate action in support of UN goals and global issues. Over the past 12 years, the initiative has grown rapidly.

However, corporate sustainability as practiced today is insufficient. True scale and depth of corporate sustainability requires business to convene and act at country and regional levels. To this end, Global Compact Local Networks play an instrumental role. Since the early years of the initiative, Local Networks have shaped the corporate sustainability agenda by engaging in outreach, and facilitating learning and dialogue among companies at the country level. Today, the Local Networks have the structure in place for a transition from outreach and learning to action on the ground.

In the last several years, a range of analytical studies on the UN Global Compact have been published, elaborating on the ways in which the initiative has contributed to change. The concept of business-driven networks for sustainability has emerged and offers insight into how the UN Global Compact acts as an agent of positive change at the country level through its Local Networks.

"A Strategy for the Commons" is one of the first publications illustrating how the Global Compact Local Networks can inspire action to bring the sustainability agenda to a new level. In particular, this publication explores ways in which collective action and policy dialogue are initiated and sustained by Local Networks. It is encouraging to see a range of examples of our Local Networks mobilizing business action around sustainability issues.

I hope this publication will inspire and guide Global Compact Local Networks in their efforts to become sustainability hubs operating to address local sustainability priorities.

Georg Kell

Executive Director
United Nations Global Compact

Taking responsibility for the sustainable and future-oriented development of our society and its common goods is more important now than ever. This holds especially true for companies that depend on a stable and healthy operating environment. Responsible companies can strike a balance between the need to meet societal expectations and explore business opportunities while transforming global challenges into competitive advantages.

First and foremost, companies bear responsibility for their core business: through products and production processes that conserve energy and resources, through decent working conditions within the company and along the supply chain, and by investing in their social environment. Companies can also serve as "corporate citizens" by actively shaping the communities they operate in, thereby promoting social cohesion. Finally, networked companies able to pool their resources and expertise in targeting greater sustainability can create added value that is greater than the sum of its parts.

For many years and with great success, the Bertelsmann Stiftung has been committed to developing and implementing cooperation between different societal sectors. Most prominently, the partnership model "Partners in Responsibility" results in the goal-oriented networking of business with politics and civil society on a regional level. Such models have the capacity to facilitate social innovation because even though global institutions and norms play a pivotal role, action is taken at the local level.

This study on business-driven networks for sustainability aims to highlight the links between the local and global levels. Although it addresses primarily business-driven networks, the publication is a "Strategy for the Commons" for all relevant stakeholders of such networks in closing the governance gap threatening the provision of common goods. The Global Compact Local Networks provide salient examples of how business-driven networks can help realize this "Strategy for the Commons." The United Nations Global Compact, as a principle-based platform, bundles and strengthens the impact of all Local Networks.

Birgit Riess

Director CSR Program
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Executive summary

The tragedy of the commons

The current challenges involved with ensuring global sustainability are daunting. Climate change is increasing the incidence of severe weather events, natural resources are undergoing rapid depletion, labor conditions in global supply chains are often inhumane and degrading, and corruption around the globe is undermining competition and destroying wealth. These and other global challenges pose serious problems not only to mankind in general, but also to the sustainability of companies. Indeed, companies rely on enabling environments, local and global alike, for long-term success. Companies depend on a reliable legal framework conducive to investment and competition, a healthy and viable natural environment, and a secure social environment that facilitates the well-being of its inhabitants. However, given the overexploitation of shared resources, also known as the "tragedy of the commons," companies often find it difficult to address global sustainability challenges and invest in enabling environments. All sustainability challenges face this tragedy: Although each societal actor ought to have an interest in creating or ensuring the viability of these common goods, the incentive to "free ride" on the efforts of others and let them bear the costs is exceedingly high. As a result, short-term profit maximization often damages the long-term growth prospects of companies. Since governments lack the capacity to address the complexity and global scope of sustainability challenges alone, a "strategy for the commons" is needed that allows companies, governments and other actors to overcome the free rider dilemma and invest in sustainable development.

Collective action and policy dialogue are two governance mechanisms that enable companies to jointly address sustainability challenges, invest in the creation of common goods, and to do so in concert with govern-ments and other stakeholders. Collective action entails a coordinated and sustained process of collaboration among different parties who invest resources to achieve a common objective. Policy dialogue entails addressing regulatory and community issues through the involvement of all relevant public and private sector stakeholders in a policy development and implementation process. Both mechanisms can bring together stakeholders from different sectors and different countries in structured processes targeting common objectives.

If collective action and policy dialogue initiatives are to reach their fullest potential, five enablers should be implemented: (1) participants need to share common ground; (2) the initiative needs to be perceived as legitimate by other stakeholders and society as a whole; (3) a sufficient implementation capacity needs to be in place to coordinate activities; (4) basic resources are required to start a joint process; (5) initiatives need to reflect the global and local nature of the issues they address (see Figure 1).

How important these enablers are depends on the nature and goals of the specific initiative. Successful ad-hoc or short-term initiatives may not require all enablers to be in place. In more ambitious efforts, however, the lack of a relevant enabler might pose problems for the successful initiation and implementation of an initiative.

Forums for collective action and policy dialogue

Business-driven networks for sustainability have great potential to drive collective action and policy dialogue. These business-led networks are more or less formalized structures in which actors from all sectors come together in order to further the creation and maintenance of the common goods that en-
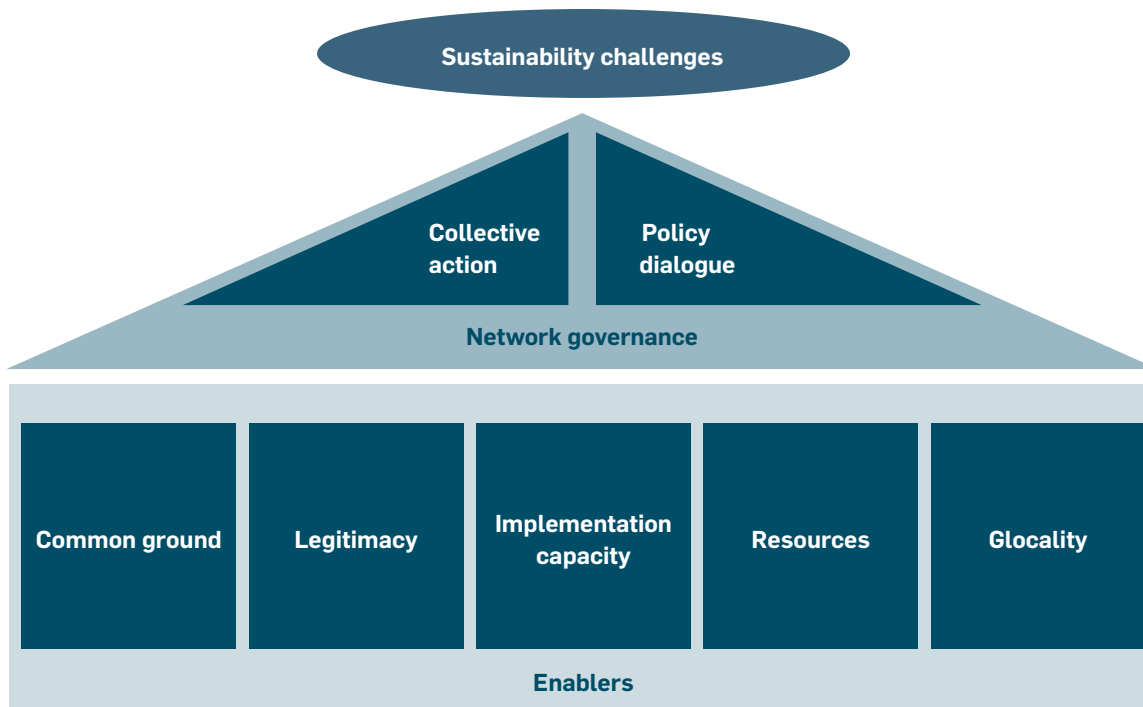
Figure 1: The five enablers of collective action and policy dialogue in addressing sustainability challenges
Source: Endeva

able long-term business success. Examples include global networks like the World Business Council for Sustainable Development (WBCSD) or the International Business Leaders Forum (IBLF) and national networks such as Business in the Community (BitC) in the UK or the National Business Initiative in South Africa. These networks provide and create the enablers required to allow companies to address sustainability challenges and invest in common goods together.

The United Nations Global Compact and the Global Compact Local Networks (GCLN) are particularly well placed to catalyze and host collective action and policy dialogue initiatives. With its Ten Principles, the UN Global Compact attracts companies with a certain mindset and offers business, governments and other actors a platform upon which they can establish clear common ground in addressing sustainability issues. Acting under the UN umbrella to further broadly agreed upon global goals, the UN Global Compact enjoys greater legitimacy than other networks. Most of the nearly 100 Local Networks in

countries around the globe have established solid implementation capacities as well as funding sources for basic resources. Finally, as a network of networks, it provides linkages between the local and global levels.

Defining a strategy for the commons

Collective action and policy dialogue initiatives need to be planned carefully in order to be effective. Facilitators and members of the network should therefore approach initiatives strategically. In particular, ambitious initiatives aimed at creating long-term impact, such as business codes of conduct or national CSR policies, require acumen in strategizing. From the beginning, all actors involved in an initiative should strive to clearly define common goals. Structures and processes need to be designed to suit the stated objective. Goals, structures and processes should fit together in order to create the five enablers for successful collective action and policy dialogue. The matrix on the next page spells out what each

enabler implies for the design of an initiative's goals, structures and processes. For example, in order to establish common ground, an initiative's goals should be relevant to all stakeholders, its structures should engage all relevant actors, and the process should facilitate the open exchange of views among all participants in developing a joint approach. Drawing on evidence from the UNGC case studies, this publication, the "Strategy for the Commons" provides concrete advice on what to consider when setting up a collective action and policy dialogue initiative.

	Common ground	Legitimacy	Implementation capacity	Resources	Glocality
Goals should be:	relevant	social	attainable and measureable	beneficial	adaptive
Structures should be:	inclusive	transparent	efficient	financed	interlinked
Processes should be:	safe	open	professionally facilitated	cost-efficient and long term	connected

Figure 2: Critical elements of a strategy for the commons
Source: Endeva

Realizing the strategy

Business-driven networks for sustainability provide important forums for collective action and policy dialogue because they can effectively implement these two governance mechanisms. Companies, governments, international organizations (IOs), civil society organizations (CSOs) and intermediaries can all strengthen these networks and thus facilitate the realization of each network's potential. They can, for example, actively engage in collective action and policy dialogue initiatives, participate in an initiative's governance body, or provide funding and expertise.

In order to maintain and create an enabling environment for long-term business success, it is urgent to establish these new governance forums. As a global society, we are still experimenting with governance mechanisms that reach beyond traditional governing structures and processes. Our future will depend to a great extent on whether we can develop effective mechanisms to avert the tragedy of the commons. We need a strategy for the commons, and this study is a step in this direction.

Approach

The Global Compact Local Networks are examples of an interesting new breed of governance structure: **business-driven networks for sustainability**.

When the UN Global Compact was launched in 2000, a platform unfolded for companies committed to sustainable development to support the achievement of broad UN goals. The first Local Network was the Indian Network, created on December 4th, 2000. Ten years on, Local Networks have sprung up in almost 100 countries, bringing together close to 10,000 participants from companies and other stakeholder groups, signatories as well as non-signatories (see Figure 3). Local Networks often start out as platforms for exchanging knowledge and experience gained in the implementation of the Global Compact principles, particularly regarding the requirements for the Communication on Progress (CoP).[1] Over time, however, the network often takes on a dynamic of its own as it evolves into a platform for joint action, breeding and hosting collective action and policy dialogue initiatives.
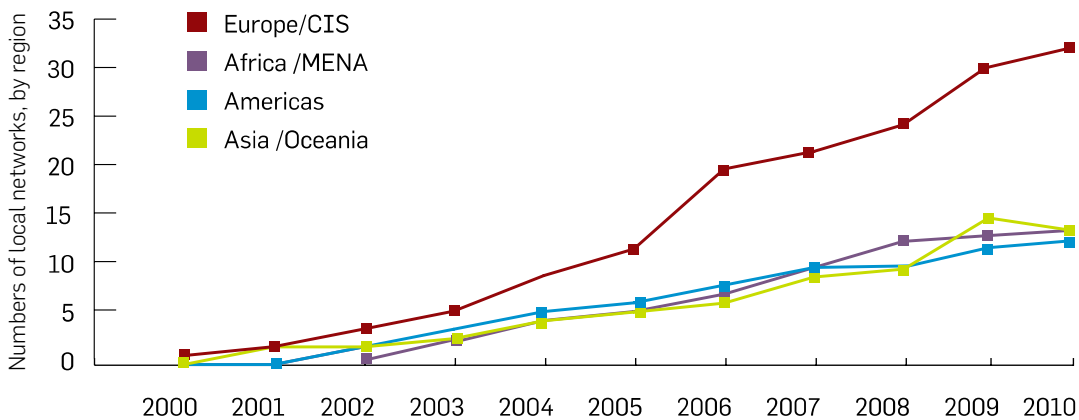
Figure 3: Number of Global Compact Local Networks by region, 2000 - 2010
Source: UN Global Compact (2011), Local Network Report 2011

The current study began from this observation: Local Networks in all parts of the world are increasingly becoming forums for collective action and policy dialogue. The aim of this study is thus to understand the potential of Local Networks in providing a space for these new governance processes. Results will be used to generate general momentum among Local Networks to further their development into platforms that support both collective action and policy dialogue in meeting sustainability challenges.

The study takes an explorative approach. Interviews with 18 Local Network coordinators and eight topic experts, seven government representatives from six countries, as well as a survey among all Local Networks, probed not only past experiences with collective action and policy dialogue, but also future potential and ways to realize this potential.[2] In addition, there are 36 case studies documenting examples of collective action and policy dialogue initiatives of Local Networks from around the globe.

The insights that emerged from this exploration ultimately had relevance beyond the confines of the UN Global Compact and the Local Networks. The patterns of challenges and success factors business-driven networks for sustainable development find when implementing collective action and policy dialogue initiatives appear to be generalizable beyond the specific set up of Global Compact Local Networks.

Since the turn of the millennium, literature focusing on networks as a new way to address sustainability challenges and govern common goods has proliferated. For example, there are reports on the challenges of creating and sustaining mutually beneficial networks, especially on a cross-sector basis.[3] Yet, it is also becoming increasingly clear that mobilization of cross-sector networks rather than individual action can bring large-scale change.[4]

Thus far, however, there exists little practical support to help networks design and organize collective action and policy dialogue. The study aims to fill this gap. Taking from the example of the Local Networks, it begins to outline a "strategy for the commons" – a very practical plan for the joint creation of common goods.

The ideas presented in the following pages are a signpost on the way. Much remains to be explored. Business-driven networks for sustainability are a rather new phenomenon, which responds to the increasing pressure on the common goods that enable long-term business success. Why and how do these networks emerge? Which issues do they tackle, and what are the limits? How do business-driven networks differ from other networks for sustainable development, such as global action networks led by specific issues? These and other questions are well worth investigating. The study creates a space for discussion and reflection.

The tragedy of the commons

Business relies on enabling environments for sustainable growth. It relies on legal environments that are effective and reliable, on natural environments that are healthy and stable, and on social environments that provide security and well-being for their inhabitants. Enabling environments are a common good for businesses, and an extremely valuable one that is often taken for granted. But this common good is subject to increasing pressure from the global sustainability challenges we face as a society.

Global and local challenges

World leaders gathered in Brazil in June 2012 to honor the 20th anniversary of the groundbreaking 1992 UN Convention in Rio and chart the way forward. Together with the world community, they face the same global sustainability challenges as 20 years ago. A look at "Our Common Future," also known as the Brundtland Report, which laid the groundwork for the issues addressed at the convention 20 years ago,[5] shows that little progress has been made in ensuring the future of our planet.

- Climate change, or the "greenhouse effect," was already high on the agenda. Since then, global CO_2 emissions have increased by 50 percent, and this trend shows no sign of reversal.[6] Incidents of severe weather have increased significantly. Farmers around the world, in particular near the equator, face changing rainfall patterns. In some areas, rainy seasons have disappeared.[7] In 2011, the Horn of Africa faced its worst drought in 60 years, leaving around 10 million people in need of assistance and tens of thousands dead.

- Natural resources are quickly being depleted. Scientists estimate that 150 - 200 species of plants, insects, birds and mammals become extinct every 24 hours. Around 15 percent of mammal species and 11 percent of bird species are considered to be threatened with extinction.[8] Global fisheries are vanishing at an alarming rate.

- In many areas, labor conditions in global supply chains continue to be inhumane and degrading. The International Labour Organization estimates that 246 million children between the ages of five and 17 are currently forced to work (about 15% of the world's children, about 35% of children in sub-Saharan Africa). Worldwide, 126 million children work in hazardous conditions, often enduring beatings, humiliation and sexual violence by their employers.[9]

- Corruption is hampering competition and destroying wealth. According to the World Bank Institute, more than $1 trillion is paid in bribes each year.[10] According to the BBC, corruption costs Africa more than $148 billion annually, increasing the cost of goods by as much as 20 percent, deterring investment and thwarting development.[11] This is just the tip of the iceberg: the visible corruption. These numbers do not take into account the negative side effects of corruption, such as unreliable regulation, ill-informed policies, poor infrastructure, etc.

These challenges are global in scope. Climate change, overfishing and corruption do not stop at national borders. Even issues like child labor or labor rights, which can be effectively addressed at the national level, have a global dimension, as countries face fierce competition over jobs and investment. These issues call for action that is beyond a country's borders.

Global challenges such as these threaten the sustainability of companies. Climate change increases the risk profiles of business activities in a wide range of sectors, from agriculture to construction and financial services. The depletion of natural resources threatens the very foundation of companies from sectors such as the food, pharmaceutical and tourism industries. Revelations about labor and human rights abuses in value chains not only create political and public pressure, but also affect the quality of the goods produced. Poverty and migration cause unrest, which frequently leads to political instability and conflict, the ultimate coffin nails for investment and economic development.

Local enabling environments are equally critical for business success. These include not just peace, security and regulation that is reliable and conducive for business, but also a functioning infrastructure for transport, electricity or telecommunication, a trained workforce, educated and informed consumers, and a healthy environment. Companies can only thrive if they can rely on these enabling conditions.

Feature 1

Common goods and their tragedy

Common goods are one of four main types of goods in a typology that distinguishes goods based on two criteria: whether the consumption of the goods by one person precludes their consumption by another person (rivalry), and whether it is possible to exclude a person from consumption of the goods (excludability). Based on these two distinctions, the matrix below shows the four types of goods: private, club, common and public.

Private goods are both rivalrous and excludable. They are the domain of private enterprise. Shoes, cars, bread, etc. are sold on the free market and allocated efficiently without major problems. Common, club and public goods are not so easy to allocate, as they all suffer from the tragedy of the commons, or its twin brother, the prisoners' dilemma. These dilemma structures preclude the individual from investing as much in certain goods as is required to retrieve the efficient amount of them (in individual and social terms). Hence, the "free rider" problem: it is advantageous for the individual to use goods that are non-rivalrous and/or non-excludable without investing in them, and since the incentives are the same for all beneficiaries, no one will invest.

	Excludable	Non-excludable
Rivalrous	**Private goods** (e.g., clothing food)	**Common goods** (e.g., fish stocks, biodiversity)
Non-rivalrous	**Club goods** (e.g., standards for human rights or labor conditions)	**Public goods** (e.g., clean air, climate, national peace)

Figure 4: Types of goods

Source: adapted from Hal, Varian R. (1992): Microeconomic Analysis

The tragedy of the commons

Why is it so difficult for us to invest and manage our resources in a way that is sustainable and does no harm? The problem underlying all the sustainability challenges mentioned above is known as the "tragedy of the commons."[12] All common goods suffer from this tragedy. As common goods create the basis for everyone's professional and social environments, we ought to have a joint interest in maintaining them. However, each individual has an incentive to use as much of these resources as possible for personal advantage. The collective result of these individual actions is a depletion of the common goods. In economics, common goods are defined as those that are rivalrous but not excludable. In other words, they are contested-for goods that no one can be excluded from using. The fish bank offers a classic example: fish may become depleted, but no single fisherman may be kept from fishing on the bank. When goods are used collectively, "free riding" is always more attractive than contributing, at least in the absence of any other rewards or sanctions. Although economic terminology is more specific (see Feature 1), this study classifies all goods suffering from the "free rider" problem as "common goods."

For example, natural resources long considered to be inexhaustible are coming under increasing pressure. In 1992, there were 5 billion people on earth. Today, we have 7 billion and in 2050, there will be 9 billion.[13] With a growing global population and increased economic activity, global common goods like sources of fresh water, the climate, oceans or biodiversity are being "overgrazed." All resources are finite. Humanity must react to this urgent problem and find ways to ensure the sustainability of common goods.

From government to governance

Government was once the classic solution to the tragedy of the commons. In a nation state, government can compel its subjects to act collectively. This can be achieved through taxes, sanctions and investment in common goods, such as infrastructure, education or environmental protection. But government today is not as effective as it once was.

First, global challenges require action beyond national boundaries: Political liberalization, economic globalization and technical innovation have accelerated the free flow of resources around the globe. Companies can now shift their production sites and financial flows from one country to the next, depending on any nation's business environment. As a result, governments have lost much of their capacity for regulation, as companies react swiftly to increased costs by relocating their activities.

Second, problems have become too complex and interconnected to be solved by government alone. A wide range of actors must be taken into account when looking for adequate solutions to complex problems. Industries have become so intricate and globally interwoven that any new regulation, to reduce pollution, for example, has wide ramifications, both economically and socially. These effects are hard to monitor from a single perspective. Cooperative problem-solving arrangements involving all stakeholders are required to bring these different effects to light and to find ways to mitigate damage while ensuring the efficiency and effectiveness of regulation.[14] In this sense, laws are often no longer the most adequate instrument for achieving coordinated action. More flexible and aspirational instruments, such as self-commitments, principles and common goals in the form of "soft" regulation, "self-regulation" or "co-regulation," may be more adequate.[15]

Governance has emerged as a concept to react to these changes and to resolve the tragedy of the commons. James Rosenau described governance as "activities backed by shared goals" and as "a system of rule that works only if it is accepted by the majority."[16] Generally, the output of governance processes are rules, along with procedures to enforce these rules. Governance can be executed by governments, but also by other actors, including companies, associations, IOs, and, in particular, groups of

various stakeholders in cross-sector networks. Thus, governance processes can transcend sector and country boundaries. It is a modern concept for a modern world, and one that is still emerging.

Companies as part of global governance

The Brundtlandt report explicitly called on companies "from the one-person business to the great multinational company with a total economic turnover greater than that of many nations, and with possibilities for bringing about far-reaching changes and improvements" to contribute to sustainable development.[17] Whereas the power of governments to govern has been constrained by globalization, the power of companies has increased. Many multinational companies today have immense economic power to source from, employ, and serve millions of people in dozens of countries. Their policies can indeed have massive social, economic and environmental impact that is both negative and positive. However, small and medium-sized enterprises (SMEs) can also contribute to common goods.

Since companies rely on common goods for their existence and success, they are very much in need of global governance mechanisms like the UN Global Compact (see Feature 2). In general, companies have been exploring new avenues to ensure sustainability and contribute to the creation and maintenance of common goods, from the local to the global level. A multitude of partnerships, alliances, forums, initiatives, compacts, funds and similar formations have sprung up over the past decades with the aim of realizing common objectives by joint effort. Companies have increasingly collaborated with NGOs, IOs and governments to pursue objectives that are relevant for both business and society as a whole. Much has been learned through experimentation and trial-and-error over the past two decades of collaborative approaches. Although documentation, analysis and practical guidance on these new strategies are still inadequate, it is becoming increasingly clear that in addition to their core business strategy, companies also require a strategy for the commons.

Feature 2

The UN Global Compact

The UN Global Compact is a leadership platform for the development, implementation and disclosure of corporate policies and practices that are responsible and sustainable. Endorsed by chief executives, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption (see the Ten Principles at the end of this report). The focus in this report is on these four global challenges, although examples from other issue areas are also included. The Global Compact describes itself as follows: "The initiative seeks to combine the best properties of the UN, such as moral authority and convening power, with the private sector's solution-finding strengths, and the expertise and capacities of a range of key stakeholders. The Global Compact is global and local; private and public; voluntary yet accountable."[18]

The Global Compact was first announced by the then UN Secretary-General Kofi Annan in an address to the World Economic Forum in 1999 and was officially launched in 2000. The initiative is a platform for companies to support the UN goals of achieving a more peaceful, sustainable and fair world society. It collaborates with the UN system and its agencies while building on broadly ratified UN conventions. Today, the Global Compact has more than 10,000 participants from business and more than 3,000 from NGOs, universities, cities, etc. – spanning over 135 countries. In terms of membership, it has become the largest voluntary corporate responsibility initiative in the world.

Feature 3

Defining collective action and policy dialogue

Collective action is a coordinated and sustained process of collaboration among different parties (companies, governments, CSOs, media) that invest resources to achieve a common goal. Collective action can take multiple forms depending on the character of the common goal, the degree of formalization, and the time frame of the specific action. In general terms, collective action describes the group efforts of several parties to push forward an agenda agreed upon by all involved parties.

Policy dialogue is a way to approach regulatory, policy and community issues through dialogue between the public and private sectors (and other relevant stakeholders) with the aim of influencing policy development and implementation. Through policy dialogue, the public and private sectors can exchange information and find practical solutions to complex problems.

Remedy mechanisms: collective action and policy dialogue

Collective action and policy dialogue are two governance mechanisms that can respond to the tragedy of the commons. Both mechanisms enable multiple actors to address sustainability challenges (see Feature 3). Collective action is required when no single actor can effectively address relevant issues. Companies engage in collective action when a single company is unable to solve a problem that affects a wider group of business actors or even an entire sector.

Government plays a role whenever new policies are needed or existing policies must be revised. The outcome of policy dialogue is not always a new law. Companies often seek such dialogue with governments, and vice versa, to gain a shared view on an issue and to prepare the ground for action on both sides. Government is in a better position to promote sensible, workable reforms with the right degree of intervention. Companies can more easily support reforms if they understand what the government is trying to achieve and share its objectives.

Both collective action and policy dialogue can cope with increasing globalization and the complexity of social issues. They involve a variety of stakeholders, often from different sectors, which enables these mechanisms to take into account the ideas, interests and competencies of a wide range of actors. They are not necessarily limited by national borders. They are not bound by established frameworks, structures and processes. Thus, they can develop and implement solutions that effectively and efficiently respond to the challenge at hand.

All participants benefit

Collective action and policy dialogue build on the unique strengths of their participants, while each participant benefits from having the other actors involved.

Companies are effective in both innovation and private investment. They drive economic growth and provide ever better solutions to people's wants and needs. Yet, driven by the logic of the market, they only respond well to private interests and, in the absence of related competitive advantages, disregard collective interests, including their own externalities. Companies benefit from collaboration with other stakeholders in collective action and policy dialogue processes, since these governance mechanisms allow them to articulate their interests with regard to common goods and to overcome the tragedy of the commons. Governments, foundations and other actors oriented toward the public good often support these efforts in terms of both funding and infrastructure. Participation in such initiatives improves their reputation and increases public recognition, ultimately enhancing the

brand value of the firm. Most importantly, companies create the conditions for long-term value creation and growth.

Governments on the local, regional and national level are still the only democratically legitimized actors with the authority to make decisions for its citizens. They have the power to formulate binding rules and the funds and mandate to invest in the common good. Yet, bureaucratic and democratic decision-making processes preclude fast and innovative action. Governments can build on the expertise of stakeholders in identifying targeted solutions to complex problems. They can also involve stakeholders in the implementation of these solutions, thus freeing up public resources and leveraging the expertise of specialized organizations.

International organizations, such as the UN Agencies, often play an important role in facilitating collective action and policy dialogue initiatives. These organizations manage global discourse processes around social issues, thus developing the principles, codes, treaties, conventions and other formal agreements that dictate how to conceptualize and approach these issues. They provide a unique platform for discussion while lending legitimacy and credibility to activities carried out under their umbrella. As their own resources are often very limited, they benefit from those contributed by other actors. Moreover, because they have a limited mandate to execute activities on their own, they need partners to advance their goals.

Civil society organizations (CSOs) have emerged as another important actor on the global agenda. These civil interest groups advance the social goals of their constituents, such as protecting rainforests and eliminating child labor, often striving to do so on a global level. CSOs often have extensive expertise in their topic area and are creative in devising interventions. However, neither have they the legitimacy to rule nor the resources to invest on a large scale; thus, they benefit from working with governments and companies. While many CSOs are critical of both government

and company actions, they have also learned that it is advantageous to join forces and drive change collectively, rather than becoming mired in confrontations with one another.

Intermediaries, such as business associations, think tanks, academic institutions and foundations, are frequently key to coordinating collective action. They can leverage their wide networks into a broad range of sectors in order to engage the right parties in dialogue. Based on their expertise in specific topics, they can guide and inform this dialogue. Intermediaries have thus taken on new roles and gained in relevance, becoming more influential and enjoying greater opportunity to pursue their objectives.

Collective action and policy dialogue provide a space for these actors to come together and devise targeted solutions to specific problems, whether on the local, national or transnational level.

A broad spectrum of initiatives

Collective action and policy dialogue initiatives take different approaches in creating and maintaining common goods. These initiatives range from the completely voluntary to the completely compulsory, resulting in new obligatory rules for all those involved. They can be rather spontaneous and short-term, such as a collective donation for humanitarian aid, or long-term and structured, such as a multi-stakeholder dialogue for a national CSR strategy. They can be "quick-wins" or ambitious attempts for systemic change. They may involve just a few companies, or perhaps many participants across different sectors. Our research uncovered initiatives focusing on raising public awareness, partnerships for joint investment and ad-hoc help, soft law approaches and even initiatives leading to new mandatory rules.

Awareness

Companies are often aware of neither the role they can play in tackling sustainability challenges nor the benefits they can expect from doing so. Likewise, governments are often not aware of the contributions companies are already making, such as reductions in carbon emissions and the improvement of labor standards. A single company may communicate its own activities and views regarding a certain issue very well. But joint communication by several companies is considerably more credible for both the broader public and governments. Thus, companies often join forces with others companies and with government entities to raise awareness of an issue. Awareness raising can be achieved through joint publications as well as events such as workshops, discussion series or seminars.

The UN Global Compact Local Network in the Netherlands developed a guide to help companies integrate human rights principles into their procedures. The guide summarizes insights of a joint learning process participated in by ten companies. In Korea, the Local Network hosted a symposium to initiate a dialogue on the corporate response to climate change and the Korean Government's green growth policy. The event provided business leaders with up-to-date information on Korea's current strategies and future prospects, as well as on those of foreign and domestic companies. The policy dialogue "Business Embracing Labour Standards for Global Marketing" discussed the issue of labor standards in Pakistan.

Partnerships

Companies partner with other companies to implement joint projects. Partnerships fall under the domain of collective action when several companies are involved. For example, companies often react jointly to a humanitarian crisis, such as a severe earthquake or flood. Together, they are more effective and efficient at procuring and delivering supplies. Companies also invest jointly in the conditions for doing business. For example, they may develop a training program that can

ensure access to qualified staff for each company. They may also invest jointly in improving energy supplies.

In the aftermath of the devastating earthquake, tsunami and nuclear meltdown in Japan in 2011, Local Network companies joined forces with CSOs to provide aid to people in affected areas. In Peru, the Local Network geared members' resources to aid the victims of the 2007 earthquake in Pisco and participated in reconstruction efforts. In the aftermath, the Peruvian business association CONFIEP, which hosts the secretariat, teamed with signatories and other associations to develop a prompt emergency response system for coping with future natural disasters.

The Local Network in Indonesia organized a mass wedding for 4,541 couples who could not afford to be married and thus did not have a legal identity, which is required to access many public services. Signatories from the Dutch Local Network launched the "Partnership for Prosperity" initiative to invest in and enhance the sustainability of local food systems in developing countries.

Soft law

The term soft law refers to quasi-legal instruments with no or only limited legally binding force. Soft law is not only enacted by government and intergovernmental bodies such as the United Nations or the OECD, but can also be defined by companies themselves. Thus, soft law covers both 'official' frameworks signed off by governmental or international bodies, such as UN declarations or national guidelines, as well as self-commitments by companies in the form of principles, codes of conduct, standards or action plans. Soft law is easier to establish than "hard law," as it is non-binding and its application is voluntary. Especially in countries where legal enforcement is weak, voluntary action can be an effective complement to regulation, helping to create a level playing field for corporate action. In highly regulated countries, soft law initiatives have the potential to allow compa-

nies to utilize their capacities for innovation in search of the most appropriate solution, thus enabling them to be more effective than the law requires.

Local Networks have contributed to the establishment of national CSR policies in many countries, including Bulgaria, Germany, Macedonia, Serbia and Ukraine. In Argentina, the Local Network facilitated dialogue between the public and private sectors on the decent work framework and CR policies, while participating directly in drafting its agenda. Malawi established a Business Code of Conduct for Combating Corruption. The code had been negotiated by various stakeholders, including representatives from business and government (see Feature 4).

Regulation

Policy dialogue is also used to lobby for regulation aimed at establishing a level playing field among companies. Malpractices such as child labor, forced labor, corruption and pollution are sometimes so deeply embedded in a national economy or international industry that voluntary instruments will not prevent

companies from exploiting them. Companies enter into a dialogue with governments to lobby for better regulation and to inform governments about regulatory options and their likely effects on the industry. The impetus for dialogue can also come from governments, who may seek companies' input on the exact formulation of laws, their likely consequences as well as the requirements and expected challenges of effective implementation.[19]

The Anti Corruption Leadership Group of the Local Network in Australia held a dialogue with the Minister of Justice and Home Affairs in order to open a public consultation on changes to the law targeting corruption. The Namibian Network participated in the drafting of Namibia's first green economy policy. The Local Network in the UK was selected as one of the forums the government consulted regarding the implementation of its Anti-Bribery Act, which had far-reaching consequences for companies' interactions with suppliers and caused great insecurity in the business community.

The role of Global Compact Local Networks in facilitating national CSR policies

Over the last decade, governments around the world have become increasingly proactive in promoting Corporate Social Responsibility (CSR) by adopting a variety of policies to encourage responsible business conduct. They have begun to see CSR as politically relevant due to its ability to enhance sustainable development, increase national competitiveness and attract foreign investment.

As a consequence, many countries have begun to adopt national CSR strategies. These strategies are often the product of multi-stakeholder consultation processes and are implemented collectively by companies, CSOs and intermediary organizations. CSR policies can take a number of forms depending on a country's tradition and political culture. Their objectives are often similar: raising awareness and enhancing transparency of CSR practices, increasing knowledge and learning on CSR issues, and promoting stakeholder dialogue and public-private collaborations. In addition, many national strategies echo the principles outlined by international organizations such as the UN Global Compact, the OECD and the European Commission, which call on governments to create enabling conditions for a more sustainable and inclusive economy.

In many countries, including Serbia, Macedonia, Ukraine and Germany, Global Compact Local Networks have contributed in driving national CSR strategies. They have set up policy dialogues or multi-stakeholder processes on national CSR policies, they have formulated recommendations for a detailed CSR action plan and they have implemented actions aimed at promoting CSR in the country.

To raise awareness of the CSR concept, the Local Network in Macedonia received UNDP support to initiate a multi-stakeholder forum for developing a national CSR strategy. To this end, member companies, ministries, chambers of commerce, trade unions, employers and consumer organizations were brought together to provide recommendations in drafting the National CSR Agenda. All members were invited to raise awareness of the draft and to discuss its agenda before its adoption by the government. After its adoption in 2008, the network promoted the agenda among companies and the wider public. The government subsequently introduced a requirement for social reporting, which has already led to an increasing number of companies reporting on CSR in Macedonia.

In Ukraine, the Local Network approached the national government in 2009 to create a National CSR Strategy. A Council was formed that included various stakeholders such as the local network, companies, NGOs and employers organizations and was chaired by the Head of the Parliamentary Committee on Entrepreneurship and Industrial Policy. Since then, the council has carried out several consultations with professionals from the business community, civil society, academia and other Local Network organizations, creating a document that was circulated among key Ukrainian ministries and state agencies in March 2012. A month later, the Local Network teamed with other national partners to conduct a special CSR strategy event targeting primarily representatives of government institutions. The creation of an inter-governmental working group tasked with developing a national implementation plan for the CSR strategy is now underway.

The German government established a National CSR Forum in 2009 aimed at shaping the concept of CSR and promoting CSR practices, particularly among small and medium-sized companies. Forty-four experts from various fields, including the Local Global Compact Network, were invited to the Forum to create in Germany a common understanding of CSR and draft a CSR action plan. The Local Network was also tasked to lead the Forum's working group on "Promoting CSR in international and development contexts," which entails organizing regular working group discussions and feeding the group's recommendations into the action plan. In 2010, the action plan was adopted by the German government. The CSR Forum now acts as a supervisory board while supporting the government in implementing the action plan.

Enablers for collective action and policy dialogue

Collective action and policy dialogue are mechanisms to counter sustainability challenges. By joining forces, various stakeholders can address sustainability challenges and contribute to the creation of common goods. In order to give life to these mechanisms, a number of enablers must be in place to make collective action and policy dialogues more successful. Specifically, these mechanisms require a common ground among participants, legitimacy, implementation capacity, resources and glocality (see Figure 5). These enablers are not often present among a group of companies coming together to address sustainability challenges. Their absence poses obstacles to the implementation of collective action and policy dialogue initiatives.

All five enablers are not equally important in every collective action or policy dialogue initiative. Some issues are purely local, in which case the global level is not so relevant. Other initiatives are straightforward, easy to implement and require very few basic resources. Legitimacy is a larger issue in mandating procedures than in purely voluntary awareness-raising activities. The goals of an initiative determine what drives its success.

Common ground

Joint action and the cohesive presentation of ideas require that companies see a given issue, as well as their interests and objectives, through the same lens. Companies typically have both common and conflicting interests; while they like the idea of joint action, they still seek to gain more than their competitors. Successful collective action and policy dialogue require maximizing the win-win potential of an initiative and minimizing the points of conflict. However, this demands open dialogue, where agendas are transparent and long-held beliefs can be suspended – often a challenging feat for companies. The logic of competition dictates that companies keep secrets and stick to their guns. Finding common
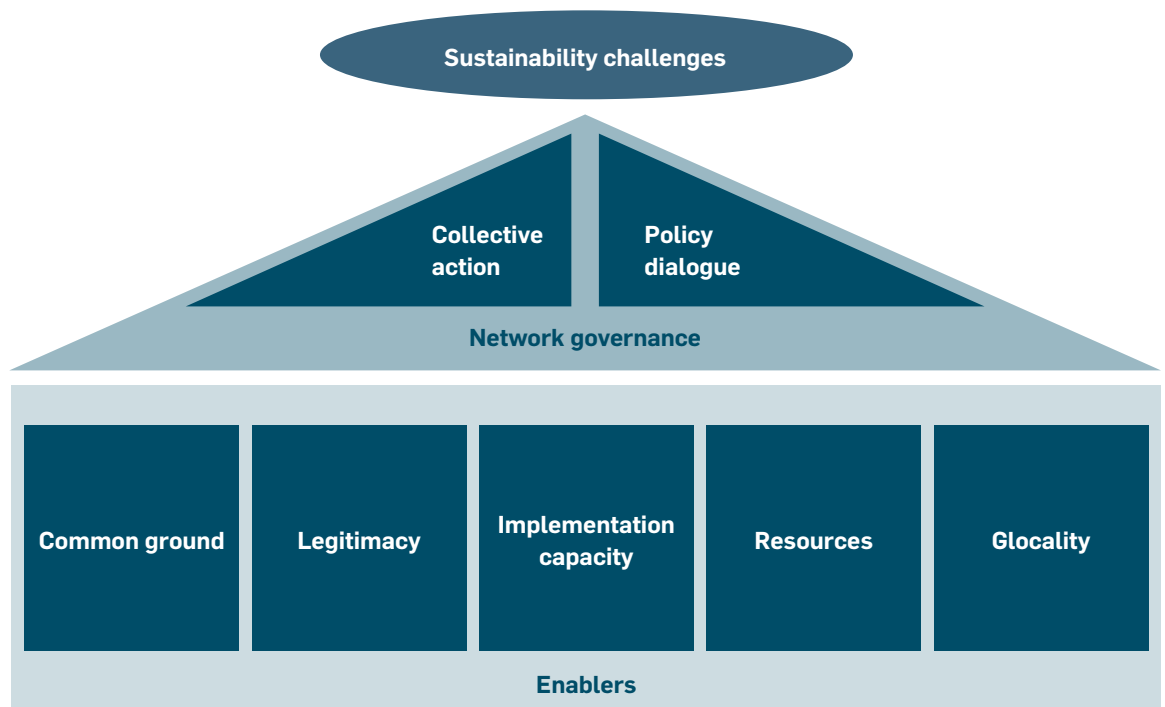

Figure 5: The five enablers of collective action and policy dialogue in addressing sustainability challenges
Source: Endeva

ground, particularly with competitors, is not an instinctive task.

Legitimacy

There are many reasons why companies do not typically act jointly to influence government. To foster competition, antitrust laws often prohibit companies from sharing information and engaging in joint action. "Collective pricing," for instance, can harm consumers. Lobbying creates opportunities for rent seeking, where companies influence legislation in a way that gives them an unfair advantage, for example, by giving them greater access to subsidies or exempting them from certain taxes. It is only fair that critical observers question the legitimacy of efforts at collective action and policy dialogue, even if they are well-intentioned. Companies must build trust by setting precedents that prove that their endeavors will indeed benefit society as a whole.

Implementation capacity

Planning and implementing collective action and policy dialogue, particularly complex initiatives involving many stakeholders, often require formalized and well-structured management procedures to identify the right partners, to define measures and to coordinate activities and communication. In addition, clear management processes are required to ensure that the contributions of each partner are transparent and that all partners meet their commitments. However, it can be challenging to strike the right balance between consultations involving all those in the decision-making process on the one side and efficiency and effectiveness on the other.

Resources

Above all, collective action and policy dialogue require financial and human resources. Once the joint initiative is established, these resources can be funded through the joint commitment. For example, a standard-setting initiative can include the commitment to finance a secretariat that manages all relevant

processes. But what happens before these structures are in place? Initiatives also require resources to get started, at which point companies cannot rely on established processes to overcome the "free rider" dilemma. Assembling all relevant actors, developing the idea for a joint initiative, agreeing on a common approach and setting up the structures to implement an initiative take time and money. In more ambitious undertakings, the preparatory phase can last several months, as it may require numerous face-to-face meetings and much travel. Conducting collective action and policy dialogue demands that resources be available for this phase as well as during implementation.

Glocality

Global challenges are difficult to address purely on the national or local level. Issues such as labor standards and climate change cannot be tackled by one country alone. At the same time, local and national action is required to face global challenges and to force concrete changes where possible. Collective action and policy dialogue must therefore be carried out simultaneously at the global and local levels. Glocal planning is conducted in the public sector, where governments coordinate their actions via intergovernmental bodies. It also occurs in the private sector, where multinational companies can coordinate a wide range of national offices through a central headquarters. But in most cases, glocal planning for public-private issues has yet to be established, precluding both collaboration between countries as well as systematic feedback loops that help determine the global direction.

Collective action and policy dialogue are two governance mechanisms that can remedy the tragedy of the commons. They enable companies and other stakeholders to invest jointly in common goods. Organizing these mechanisms relies on five enablers, whose relevance depends on the goals of the initiatives.

Forums for collective action and policy dialogue

Collective action and policy dialogue do not emerge spontaneously without coordination; these governance mechanisms must be carefully organized. Good organization requires a forum where parties can meet and initiatives can be planned and implemented. An effective forum provides the enablers for collective action and policy dialogue. In other words, an ideal forum is able to create a common ground among participants, ensure legitimacy, build or contribute implementation capacity, provide basic resources and make the link between global and local levels. Business-driven networks for sustainability are company-led structures that bring together various actors to address sustainability challenges and facilitate long-term economic success.

As forums for collective action and policy dialogue, business-driven networks for sustainability are widely used in fostering joint efforts among companies and other stakeholders in providing and protecting common goods.

Introducing business-driven networks for sustainability

Networks can bring together actors from the public, private and civil society sectors to address a common goal. Reinicke and Deng, early scholars of network governance and global public policy networks, find that a typical network "combines the voluntary energy and legitimacy of the civil society sector with the financial muscle and interest of the business and the enforcement and the rule-making power and coordination and capacity-building skills of states and international organizations"[20] These networks respond to the challenges of globalization and liberalization while turning them into strengths by uniting powers across borders and sectors.

This publication focuses on business-driven networks for sustainability or networks where companies take the lead in driving change and creating common goods. Companies must survive on the competitive market and satisfy the profit expectations of owners. Therefore, making the business case for investing in common goods is not often straightforward. Organizing collective action and policy dialogue through networks is the most promising strategy in this regard.

A league of their own

Business-driven networks for sustainability differ from other networks for sustainable development as well as from other business-driven networks, such as the classic business associations and chambers of commerce, in the following respects:

- They address issues and pursue objectives that have both a social and a business case. While almost any issue has consequences relevant both for business and for society as a whole, business-driven networks for sustainability must conceptualize topics with both perspectives simultaneously, looking for a way out of the trade-off and towards win-win solutions.

- They must be able to bring all relevant stakeholders together. In order to identify solutions that address the concerns of all relevant stakeholders, these stakeholders must have a voice. Quasi-consultations, where stakeholders are asked to speak but are not heard, do not suffice. Open and respectful dialogue is the basis for any successful business-driven network for sustainability.

- Business is not just a partner or ally, but a driver of the network and its initiatives.

Other similar but distinct concepts include Global Action Networks, Global Public Policy Networks and public-private collaborations. Global Action Networks are issue-driven. They start from a global challenge, such as overfishing or corruption, and from there they develop their activities, membership and governance structures.[21] Global Public Policy Networks are usually driven by international organizations, such as UN bodies.[22] Public-private collaborations involve just a small set of actors, often just two organizations – one company and one public institution – which reduces the complexity of governance, but also limits their ability to create common goods.

It should be noted that Corporate Social Responsibility (CSR) and sustainable development are often used interchangeably within business-driven networks for sustainability. This is because in these networks all sustainability issues are addressed by companies and thus with a corporate perspective.

Acting on all levels

Business-driven networks for sustainability exist at all levels: local, national, regional and global. There are dynamics in all directions, with local networks evolving to the national level as well as global networks developing to the regional and national levels. Networks tend to establish relationships among one another, thus creating networks of networks. Business-driven networks for sustainability unite members from different worlds, from the public and the private sectors, from civil society and IOs. MNCs often take the lead in organizing such networks, while SMEs are also involved.

On the global level, besides the UN Global Compact, the World Business Council for Sustainable Development (WBCSD) and the International Business Leaders Forum (IBLF) are two leading business-driven networks for sustainability. The WBCSD defines itself as a "CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment." The WBCSD has 190 corporate members and maintains a regional network of nearly 60 business organizations "united by a shared commitment to providing business leadership for sustainable development" in their respective countries or regions.[23] The IBLF is an independent, global membership organization of over 150 leading multinational companies dedicated to "redefining growth for long-term sustainability." Besides its headquarters in London, it maintains regional offices in Moscow, Mumbai, Hong Kong, New York and Beijing.[24] CSR Europe is an example of a business-driven network at the regional level.

On the national level, business-driven networks for sustainability, often called "Responsible Business Forums," now exist in most countries. Well-known examples include Business in the Community (BITC) in the UK, the National Business Initiative (NBI) in South Africa and Instituto Ethos in Brazil. These national forums often represent global initiatives. For example, the NBI in South Africa provides the secretariat for the Global Compact and the WBCSD. On the local level, there are countless initiatives to jointly promote sustainable development in a community or county (see Feature 5). The CSR 360 Global Partner Network brings together 100 national networks under a common umbrella.[25]

The potential of the UN Global Compact and its Local Networks

The UN Global Compact, together with its Local Networks, is particularly well suited to provide a platform for collective action and policy dialogue. Designed as learning platforms, Local Networks translate the objectives of the UN Global Compact and its signatories to the national level. They assist individual companies in improving their sustainable practices and responsible action. They also advise companies on how to report on these measures, with particular regard to the Communication on Progress (CoP) required by the UN Global Compact.

Local Networks are already active as forums for collective action and policy dialogue. In a survey among 35 Local Networks, 70 percent reported that they already had experience in collective action initiatives, and 65 percent had experience with policy dialogue.[26] Initiatives have addressed all four issue areas described by the Ten Principles: human rights, labor, environment and anti-corruption. Local Networks also see potential in these mechanisms to address these issues, while the greatest potential is seen in addressing environmental issues through collective action and corruption through policy dialogue (see Figure 6).

Local Networks are promising forums for initiatives aimed at the creation of common goods. Indeed, they offer a solid basis for providing all five enablers identified above.

Number of Local Networks that have addressed issues through:

Collective action

Human rights	12
Labor	7
Environment	16
Anti-corruption	11

Policy dialogue

Human rights	8
Labor	8
Environment	10
Anti-corruption	10
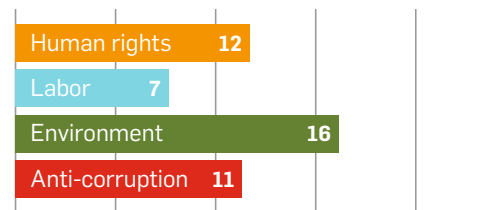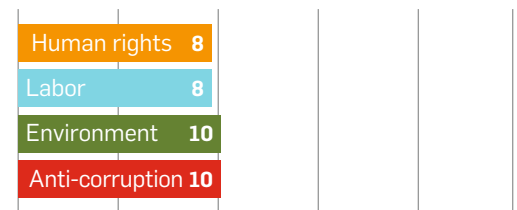
Number of Local Networks that see potential in addressing issues through:

Collective action

Human rights	11
Labor	9
Environment	25
Anti-corruption	17

Policy dialogue

Human rights	12
Labor	14
Environment	16
Anti-corruption	20
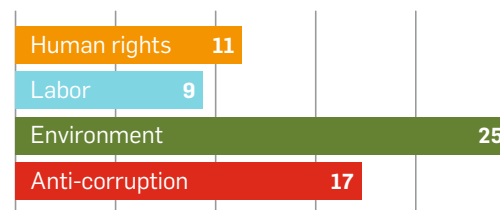
Figure 6: Local Network activity in collective action and policy dialogue initiatives by topic, and where they see potential

Source: Survey among 35 Local networks conducted by Endeva, January 2012

Partners in Responsibility
Working together for a strong region

Partners in Responsibility (PiR) was launched by the Bertelsmann Stiftung in order to enhance regional cross-sector cooperation. The idea is that companies, mostly SMEs, pool their resources and collaborate with local governments, CSOs and local community groups in developing innovative and effective solutions for structural problems that affect their immediate environment. Each PiR network bundles various projects on a key issue in a long-term local development strategy. The program began with seven pilot regions in Germany in 2007. Throughout 2012, the model will be rolled out across the country.

PiR draws upon a structured facilitation process developed by the Bertelsmann Stiftung. The "bottom-up" approach networks regional companies that address a complex problem of relevance to the region (i.e., demographic change). In a next step, cross-sector teams work on concrete projects related to the initially defined problem. The results benefit the local community as well as the companies involved, the latter by achieving long-term commercial success through investments in their environment.

The case of PiR Saarland: Shaping structural change

The small German state of Saarland is undergoing a structural transformation process from heavy industry to engineering industry and IT. However, the lack of skilled labor is further exacerbated by demographic change. The local PiR network decided to tackle this problem at an early stage: companies collaborate with kindergartens, schools and other institutions in order to interest young people in mathematical and natural sciences. Since 2008, more than 90 companies, together with partners from the state administration and non-profit organizations, have formed six project teams and engaged in more than 25 projects, ranging from kindergarten to university.

Providing the five enablers

Business-driven networks for sustainability are poised to provide the five enablers required for collective action and policy dialogue. The five enablers are illustrated below using the example of the UN Global Compact and its Local Networks.
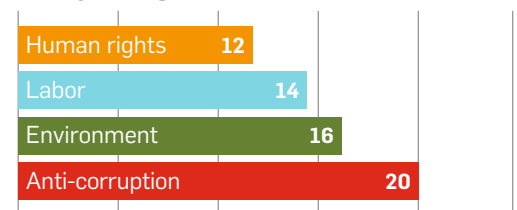
Establish common ground

As member-based initiatives, business-driven networks for sustainability provide a safe environment to establish common ground for their members. Members meet on equal footing, to a certain degree laying aside their established roles of the regulator, the regulated, a competitor, or an adversary or adherent to certain a idea. Because they can convene members and other stakeholders outside established forums such as government hearings or business fairs, members can speak openly and off the record. If participants feel safe, they may even step down from their official position and engage in joint problem solving. Networks are typically based on common principles or pursue an overarching idea, ensuring that those who join are more or less like-minded.

The Ten Principles

Companies that join the UN Global Compact sign on to its ten principles to catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs). Thus, the Compact attracts companies that are committed to sustainability and share a common ground in this regard. The principles create an overarching ethical framework that all members of Local Networks are familiar with and commit to. This facilitates communication, provides direction and allows members to identify areas for joint action.

Increase legitimacy

Business-driven networks for sustainability increase the legitimacy of corporate claims by bringing together the voices of several companies. To some degree, those claims must represent a common interest, if only of the represented members. In addition, business-driven networks typically integrate the views of non-corporate stakeholders, such as governments, IOs or CSOs. These actors represent the interests of other actor groups, such as citizens or special interest groups. The results of such a consultative process are more likely to represent a widely shared common interest, which means they enjoy broader acceptance.

UN mandate and multi-stakeholder
The UN Global Compact acts under the UN umbrella and with UN support. Its principles are derived from broadly ratified UN declarations. This setting already enhances legitimacy, as activities of the Global Compact and its Local Networks are embedded in a framework that is already widely accepted.

Whereas the Global Compact focuses on companies, it is open to other stakeholders. In addition to companies of all sizes, CSR organizations, labor and business organizations, CSOs, academic institutions and government entities form parts of these networks. The setup varies from country to country, although networks typically find that discussing issues of common concern is much more productive when other stakeholder views are voiced.

Ensure implementation capacity

Business-driven networks for sustainability are often based on jointly agreed-upon organizational structures and processes. Organizational structures can include a secretariat, steering committees, advisory boards and working groups. Regular meetings and events, planning and implementation procedures as well as updating and reporting are some of the processes typically organized by networks.

Structures and procedures are often defined in such a way as to integrate the views and interests of all members while not wasting time and resources on lengthy coordination procedures.

Membership and participation in business-driven networks are voluntary. Membership usually requires companies to make certain commitments, such as adhering to certain principles, furthering common goals, taking over tasks and responsibilities, and contributing resources and capabilities. To ensure compliance, networks also require some enforcement mechanisms. These can result in exclusion from the network, but transparency for individual contributions will often suffice.

Established processes and structures
Local Networks operate as a platform for signatories and other stakeholders. To create a reliable and transparent environment for collaboration, networks have already established the required structures and processes. Members meet regularly to discuss current issues. Decisions about strategic direction and concrete initiatives are typically prepared and prioritized by a steering committee and then agreed upon by all members. Working groups provide opportunities to delve deeper into certain topics. A designated facilitator organizes these processes. One-third of established networks have already been set up as independent legal entities.

Organize basic resources

Business-driven networks for sustainability can provide resources to help start up collective action and policy dialogue initiatives. Networks typically rely on member fees. In addition, they often benefit from funding or in-kind contributions from public actors, such as governments, international organizations or foundations. Many already have a secretariat and both processes and structures in place to organize project-oriented funding. In addition, the network management team and

members are already familiar with sustainability topics and have the means to access further information.

Existing funding and shared resources
Some resources are already in place to keep Local Networks going. Some Local Networks are self-funded through membership fees, others are supported by donors and governments, but most function with a hybrid model, subsisting on contributions from various partners. These resources can be employed to initiate new activities, which can involve the organization of meetings, the exploration of topics through background studies, or preparatory work, including interviews by the Global Compact facilitator.

Local Networks also benefit from shared resources of the Global Compact. The Global Compact Office continuously produces practical guides and systems that network managers can use to keep their networks running smoothly and to advance topical issues with tried and tested approaches.

Connect the local and global levels

Business-driven networks for sustainability provide a structure that can link the local and global levels. Global initiatives, like the WBCSD, the IBLF and the UN Global Compact, are plugged into ongoing discussions on global issues, such as child labor and climate change, and provide direction on how to conceptualize and address them. National networks link up with these global networks and translate the global direction into national action plans and policy recommendations. Local networks are informed by global and national agendas and apply them to their immediate context, taking concrete action.

The process also works the other way round: issues may be identified at the local level and are then aggregated on the higher level if many actors become involved, evolving into a topic of national or even global concern. In addition, there are many non-hierarchical and intra-organizational connections, for example between national business-driven networks for sustainability in different countries. These connections are established pragmatically as the need and opportunity arise, and can change quickly. They are often not formalized, while relying instead on personal relationships. At other times, there is indeed an official partnership or membership. The network structure lends itself well to multi-level collaboration.

Connect the local and global levels
As a global network of networks, Global Compact Local Networks form a glocal system. The UN Global Compact Office in New York coordinates activities of all networks and provides direction. For example, global issue platforms, such as the CEO Water Mandate, Caring for Climate or the Principles for Responsible Investment, formulate ambitions and outline potential actions to further global common goods. Local Networks translate global objectives into local action. Local Networks can share experiences through online knowledge sharing systems. Local Networks also articulate their concerns and objectives towards the Office, which continuously integrates this feedback into its own decisions. In addition to direct contacts between networks and the Office, there are also regular forums on the global and regional levels that bring Local Networks together.

Feature 6

Serbia - Steering committee and working groups for policy implementation

The Local Network in Serbia is a good example of how business-driven networks can act as forums for collective action and policy dialogue. With the help of the UNDP, nine signatories of the UN Global Compact established this Local Network in December 2007. By 2011 it had 80 participants. The secretariat was hosted by the National Bank of Serbia until 2011, when the Chamber of Commerce and Industry of Serbia took it over. The network has no legal status of its own and does not charge membership fees.

Two large conferences are yearly highlights for the network. The annual meeting provides an opportunity for members to review achievements and challenges, oversee coordination processes and plan upcoming activities. A second conference focuses on one of the UN Global Compact Principles. In 2010, members learned about labor rights while sharing experiences on the topic. In 2011, environment and energy efficiency were the guiding themes, as that year was declared the Year of Energy Efficiency in Serbia by the country's Energy Efficiency Agency. The declaration was signed by several relevant ministries, including the WWF, the UNDP, the GCLN Serbia, the CCIS and the University of Belgrade.

The steering committee takes care of the high-level decision-making and planning processes. It has five members, comprising three companies, one business/employers association and one NGO. Members of the steering committee are elected among the GCLN signatories, have a two-year mandate and convene once every two months. The main roles of the steering committee include providing strategic guidance in the development of the GCLN, advising during the planning of joint projects and initiatives by network members and partners, and working to enhance the network's image.

To advance specific issues, members can initiate or join working groups. At the proposal of a network member, the steering committee determines the formation of the new working group, which must be dedicated to individual themes of interest that adhere to the network's mission and principles. The working group comprises at least five GCLN members that volunteer to contribute their expertise in facilitating an effective response to the issues at hand. The working group members select one of their own as chairperson, who fulfills a one-year term and is responsible for the functioning of the working group. In 2011, seven working groups discussed and organized activities around issues ranging from education and environment to corruption and the media. Each group has 15 to 20 members. Members have recently proposed to set up a new group on labor rights.

Working groups meet every two or three months to discuss current topics and exchange experiences from their own individual projects. In the process, they often identify needs for joint action in creating common goods. For example, the group focusing on the environmental issues organized the conference in 2011. They convened the UNDP, various ministries, the National Agency for Energy Efficiency, CSOs, companies and other stakeholders to make progress towards a joint outlook on how to enhance energy efficiency in Serbia. The group also joined an initiative of the Ministry of Ecology. Members teamed up to collect waste on the national "Clean-up Day."

Working groups also take on new issues once a common goal has been achieved. After the government adopted the national CSR strategy in July 2010, the group that led the process of establishing the policy then turned to education as the next logical step. If companies are to improve sustainable business practices, they need personnel who could execute the relevant projects. Four universities have joined the group with the aim of introducing CSR into the curricula for management studies.

By offering a platform with clear, simple and efficient processes and structures, the Local Network in Serbia has catalyzed a multitude of collective action and policy dialogue initiatives. Six of them are featured in the annex.

Defining a strategy for the commons

Companies can make use of collective action and policy dialogue initiatives tackle sustainability challenges and coordinate the provision of common goods. But as we have seen, successfully creating and conducting such initiatives is demanding work. Business-driven networks for sustainability have the appropriate structure to act as forums for collective action and policy dialogue. Yet in order to be effective, each initiative should be planned carefully. The "Strategy for the Commons" provides concrete advice on what needs to be considered when setting up a collective action and policy dialogue initiative.

Facilitators and network members should approach initiatives strategically and define clearly common goals from the outset. Appropriate structures and processes are then needed to achieve stated objectives.[27]

The goals, structures and processes should unite to create the five enablers for successful collective action and policy dialogue. The goals are the joint objectives set by a group, the task to be accomplished jointly. Structures include the organizational bodies created to achieve these goals, along with their members and principles. Structures also focus on the relationship between these bodies. Processes relate to the coordination of joint and individual activities that are carried out to achieve these goals over time.

The matrix below illustrates what each enabler implies for the design of the goals, structures and processes of an initiative. Each element is explained below in more depth, including examples from Local Networks. As mentioned above, not all enablers are equally important for each initiative. With this consideration, the following passages can be interpreted as a toolbox for networks to use as they see fit.

	Common ground	Legitimacy	Implementation Capacity	Resources	Glocality
Goals should be:	relevant	social	attainable and measureable	beneficial	adaptive
Structures should be:	inclusive	transparent	efficient	financed	interlinked
Processes should be:	safe	open	professionally facilitated	cost-efficient and long term	connected

Figure 7: Critical elements of a strategy for the commons
Source: Endeva

Suitable goals

Every collective action and policy dialogue initiative starts with a specified goal or set of goals. Proponents identify a deficit in the enabling environment and determine to remedy it. Goals are also the end point of every initiative: Goals should be defined compellingly in order to bring all relevant stakeholders on

	Description
Common ground	**Relevant** Common ground to act collectively can only be achieved when the objective is relevant to all stakeholders involved. Business-driven networks can identify such relevant issues by analyzing the needs and wants of their members. To systematize this search and better understand the implications of the issue, it may be useful to carry out problem-, conflict- and stakeholder analyses.[29] Stakeholder workshops can be used to assess a problem, evaluate the benefits of engagement, and develop a vision and strategy for collective action and/or policy dialogue.
Legitimacy	**Social** To gain legitimacy for collective action and policy dialogue, initiatives should address issues of broad social concern. Initiatives should thus be designed to improve or create common goods that are of interest to a wide range of stakeholders. A better-qualified staff is in the interest of companies, while education in general, in the form of a vocational training system, for example, interests society as a whole, which benefits all companies - not just network members.
Implementation capacity	**Attainable and measurable** Goals should be set realistically and attainable within a few months or a year with the available tools and resources. In order to facilitate manageable progress, members should agree on how to measure success. This could involve the use of tools such as action plans, a set of indicators or milestones. Measuring performance allows stakeholders to hold each other accountable as they learn from each other's successes and failures. In addition, incorporating external review mechanisms can enhance credibility, and documenting outcomes helps sustain long-term support from participants and advocates alike.
Resources	**Beneficial** Companies invest resources in collective action and policy dialogue when they can expect individual benefits at the company level. In addition to gains from the creation or improvement of a common good, companies can also realize other private returns like improving their reputation and trust within society, establishing relationships with important stakeholders, and acquiring new skills in collaborating with them. Companies can also benefit from improved market insights, access to new markets and reduced costs for resources like energy or water. Initiatives should be designed to maximize business incentives for participants.
Glocality	**Adaptive** Issues of global concern should be transferable to the local level. Goals should be adapted to local or national contexts in order for collective action and policy dialogue initiatives to act upon them. As contexts differ, so will the concrete goals of initiatives. In a similar fashion, local initiatives promote objectives that are of global concern. Explicitly linking activities with the global agenda can provide direction and motivate stakeholders to sustain their commitments. In addition, this glocal connection can help networks share knowledge and benefit from each other's experiences.

board and ensure ongoing commitment. This requires that goals be relevant, social in that they improve a common good, measurable and attainable, beneficial in that they have an individual business case, and adaptive to various contexts.[28]

Example

Germany: identifying priority themes
The German Local Network identifies two focus topics a year. The decision is guided by recent and significant developments on the international sustainability agenda as well as by specific demands of network participants. The steering committee identifies and presents selected priority issues and goals to the whole network. The group then selects the two themes for the year while discussing related issues and steps for addressing the themes. The focus topics for 2012 are sustainable finance and diversity as it relates to business and human rights.

Bulgaria: creating a CSR master class
The Local Network in Bulgaria helped to set up the university program for earning a Master's degree in CSR, designed in full by companies and academia. It covers sustainable development theory, triple-bottom-line approaches in management, non-financial reporting, ecological accounting, international activities, organizations and movements as well as the measuring and auditing of CSR. Companies conduct guest lectures, open visiting days, traineeship programs and case studies. The program is officially approved by the Bulgarian educational system.

Bangladesh and Nordic Network: "quick-win" initiatives
More ambitious goals can be broken down into milestones to clarify the path of progress for companies. Many of the initiatives documented for this report are quick-wins. The Local Network in Bangladesh commissioned a study on the "Living Wage in the Garment Industry in Bangladesh." The Nordic Local Network assembled case studies on members' contributions to mitigating climate change.

China: knowledge sharing for better business practices
A new labor law came into effect in January 2008. The new regulations were not well known among SME and businesses risked breaking labor laws. Therefore, the Local Network organized numerous free or low-cost training courses for managers of SMEs. Participants were informed of their obligations to respect and protect employees' rights. The Local Network also set up telephone hotlines that provided advisory services and support in labor-related disputes. Over 10,000 SMEs participated and the rate of written contracts increased by more than 90 percent.

Serbia, Colombia and Egypt: taking local action for the environment
The Global Compact's Ten Principles set the overall objectives for the Local Networks. Principle eight calls for the promotion of greater environmental responsibility. In Serbia, a working group organized a volunteer team to clean up coastal areas during the national "Clean-up Day." In Colombia, the Local Network worked with the government on a public-private sector joint position for the Rio+20 conference. Egypt's Local Network has targeted CO_2 emissions through round table debates and case studies showcasing how the private sector could mitigate climate change.

Enabling structures

Goals provide the motivating force behind joint initiatives. Achieving them requires clear structures: organizational bodies, members and principles. Structures should be designed for or adjusted to the stated goals. Enabling structures for

	Description
Common ground	**Inclusive** Collective action and policy dialogue initiatives should include all relevant actors from the different sectors. The initiative can otherwise lose credibility and trust among non-participating stakeholders. Networks can begin by convening a group of enthusiastic stakeholders to set up the initiative and motivate others to participate. The network management team can also directly approach relevant stakeholders to win their participation.
Legitimacy	**Transparent** Clear and transparent rules should guide collective action and policy dialogue initiatives. These rules are best developed in a joint process. Action plans, sets of principles and codes of conduct can provide direction for a group. Rules should include effective enforcement mechanisms in cases of non-compliance. In quick-win initiatives such as joint humanitarian donations, rules can be very simple. For more ambitious initiatives, particularly those with a higher degree of compulsion, such as soft-law approaches involving self-commitments or even mandating initiatives, a more elaborate set of rules is required.
Implementation capacity	**Efficient** Steering and working groups are the organizational backbone of collective action and policy dialogue initiatives. Leadership is usually formalized in a steering board or committee charting the course for the initiative and should come at least partly from companies. Top-level commitment is as important as the enthusiasm of committed change-makers in a company. The steering group, which meets regularly to define the strategy and review progress, should be elected in a transparent process and report at regular intervals. It should incorporate feedback while working groups design and implement certain tasks.
Resources	**Financed** Collective action and policy dialogue initiatives can use different funding models, including member contributions, outside funding or a combination of both models. Activities aiming to provide common goods, especially in developing and emerging economies, may be eligible for funding by foundations or donors. To receive financing, initiatives can be set up as a project on the network platform or as a separate entity, such as a fund or foundation. In any case, it is important that transparent and reliable accounting and auditing procedures be in place to administer the funds.
Glocality	**Interlinked** Structures linking activities on the global and the local levels can be built from scratch or established through links with existing institutions. When an initiative creates its own structures on the local level, a bottom-up approach involving local stakeholders in the creation and design of the initiative ensures local ownership and contextualization. Establishing alliances with other initiatives with similar objectives holds enormous potential to scale up and maximize impact. Links can be formalized in different ways, ranging from an ad hoc collaboration to an official partnership or a contractual relationship.

collective action and policy dialogue include all relevant actors, are transparent, rely on skilled leaders, build on a secure financing model and are interlinked both globally and locally.

Example

Ukraine: initiating broad-based dialogue
The Ukrainian Local Network addressed the parliament's industrial policy committee, requesting that a dialogue on CSR issues in Ukraine be initiated. This resulted in the creation of a multi-stakeholder council on national CSR strategy that engaged 40 representatives from all parts of society, including companies, trade unions, academia and CSOs. After two years, the CSR strategy draft was presented and discussed publicly in February 2011. The document was handed over to the executive branch and seven ministries were asked to comment on the document.

Nordic Network and Brazil: establishing rules for collective action
As a quick-win, the Nordic Local Network collected case studies on climate change from its members. It provided a template as well as a process for submission, with selection criteria, deadlines and review procedures. More ambitiously, the Business Pact for Integrity and Against Corruption, an initiative by the Brazilian Local Network, requires signatories to respond to 70 questions on a specially designed monitoring platform. The initiative already has 276 companies as subscribers.

South Africa: setting up the committee for energy efficiency
The Energy Efficiency Strategy of South Africa was approved by the government in March 2005. In order to meet the 2015 target of 12 percent for improved energy efficiency in South Africa, an Energy Efficiency Technical Committee (EETC) was formed. The Local Network of South Africa and the NBI took on management and secretariat roles. The committee met regularly to share best practices on the promotion of energy efficiency within their respective companies and to exchange ideas of common interest with regard to energy efficiency.

Spain: raising in-kind resources
The Local Network published a two-part practical guide on anti-corruption, outlining practical tools on how to assess, prevent and manage corruption-related risks and to create transparency. Numerous stakeholders were involved. Companies provided funding, case studies and expertise. Public representatives, anti-corruption NGOs and experts gave input, while a business school compiled the guide. The development of the guide took 10 months and only cost $40 in cash, with all other contributions being made in kind.

Serbia and Macedonia: replicating a successful initiative
The facilitator of the Serbian Local Network learned about the financial education and financial literacy initiative by the National Bank of Serbia (NBS) and commercial banks during a regional network meeting. She shared the information with the network members, who liked the approach and began to replicate the initiative in Serbia. As part of the initiative, banks invite students to open-house days at their offices and teach financial education in schools. The Local Network in Macedonia plans to adopt a similar approach.

Productive processes

The goals and structures of collective action and policy dialogue initiatives should be instilled with processes that facilitate fruitful and prudential decision making as well as effective and efficient implementation. This can be challenging. Collective processes involving many stakeholders can be tedious, yet it is

Common ground	**Safe** To develop a common agenda among a diversity of stakeholders, collective action and policy dialogue initiatives require a neutral space to convene. International organizations, business associations, foundations, think tanks and other intermediaries can often provide such a space. The Chatham House Rule, which requires confidentiality among participants, is helpful in creating a trustful atmosphere.
Legitimacy	**Open** To be perceived as legitimate, collective action and policy dialogue initiatives should be open and transparent. Particularly when an initiative directly affects those not involved in carrying it out, these stakeholders should be given an opportunity for input in the decision-making process. Regular reporting and communication on current topics enable stakeholders to remain informed of initiative activities and request involvement. Public events are also a good way to uncover and integrate different perspectives while generating publicity for network activities.
Implementation capacity	**Professionally facilitated** Professional facilitation is critical in organizing collective action and policy dialogue initiatives due to the heterogeneity of backgrounds and interests among the stakeholders involved. The facilitator should have strong leadership and mediation skills. Not only does the facilitator manage the day-to-day processes of the initiative, this person or team also acts as a broker, mediator and moderator by bringing stakeholders together, resolving adverse interests and mediating conflict among stakeholders.
Resources	**Cost-efficient and long-term** Collective action and policy dialogue initiatives take time, often more than expected. Resources should be used efficiently and include buffers for unforeseen contingencies to make sure they last until the end of the initiative. Initiatives should leverage existing resources wherever possible. For example, companies can contribute in-kind resources, such as communications personnel for awareness-raising campaigns or rooms and catering for workshops and events. IOs or intermediaries can provide facilitation and secretariat services. In a common secretariat, synergies may arise on both the process and content levels.
Glocality	**Connected** Initiatives should provide opportunities for participants and stakeholders to connect on all levels, from local through to global. Meetings on the global level can help set the broader international strategy. Local gatherings can identify concrete activities, attract local partners and create a critical mass of local champions. Since company representatives are typically involved in various initiatives, minimizing the time required for meetings is important. Convening participants on occasions when a critical mass is already present helps to increase attendance.

important that all relevant voices are heard. Productive processes offer a safe environment to develop a common agenda. They are open, resource-efficient and long-term processes that are facilitated professionally and ensure that members and initiatives are connected.

UK: facilitating consultation off the records
The UK Local Network hosts regular events on topical issues for and with its members. All discussions are held under the Chatham House Rule. The UK government used the forum for its consultations on the Anti-Bribery Act. A panel featured a government representative, a representative from a company in the mining sector as well as a representative from Transparency International. In the discussion, participants shared concerns openly. The feedback was integrated into a guideline to assist companies in implementing the act.

Korea: hosting a public dialogue on climate change
The Local Network in Korea hosted a stakeholder symposium with government, business, academia and NGO representatives to initiate a dialogue on the corporate response to climate change and the Korean Government's green growth policy. The event provided business leaders with up-to-date information on Korean and other governments' green policies as well as on foreign and domestic companies' current strategies and future prospects.

The Netherlands: recruiting an expert facilitator on Human Rights
The UNHRC's "Protect Respect and Remedy" 2008 framework stated that businesses have a "responsibility to respect human rights." The Local Networks coordinator engaged a business and a human rights expert to lead a structured initiative that attracted ten Dutch MNCs. Companies received a confidential assessment of how their policies, procedures and practices compared to the new UN framework and deepened their understanding of issues through workshops and peer learning activities, which were then consolidated in a practical guidance tool.

Egypt: sharing a national hub for sustainability
The Local Network is hosted by the national Egyptian Corporate Responsibility Center (ECRC), a hub for sustainability issues including the UNDP, the OECD and various national ministries. Its anti-corruption initiative was funded by the Siemens Integrity Initiative, which launched a $100 million fund in 2009 supporting organizations and projects battling corruption and fraud. The Local Network also conducted a discussion series with the Egyptian Junior Business Association addressing how companies can implement management systems to fight corruption.

Indonesia: taking the Global Water Mandate local
Inspired by the UNGC's CEO Water Mandate launched in 2007, the Local Network in Indonesia created the Indonesia Water Mandate Working Group. This multi-stakeholder working group aims to raise awareness of the urgency of Global Water Conservation. It involves investments at the community level to increase access to safe water. The group meets regularly to review progress and discuss next steps. Results are reported to the manager of the CEO Water Mandate at the UN Global Compact Office.

Realizing the strategy

The strategy for the commons is a promising way to jointly address sustainability challenges and create common goods. Collective action and policy dialogue are two governance mechanisms that can give life to the strategy for the commons: they bring together diverse societal actors to find and execute solutions that are at once good for business and good for society as a whole. Business-driven networks for sustainability have great potential as forums for collective action and policy dialogue. These networks are led by companies, but seek other stakeholders affected by the issues at hand to contribute their unique competencies to a shared goal. For example, governments have the power to set the right framework conditions for companies to meet sustainability challenges, and civil society organizations have the expertise to find adequate solutions to social problems. Both as participants of collective action and policy dialogue initiatives and as affected players, companies, governments, Civil Society Organizations (CSOs), International Organizations (IOs) and intermediaries can do their share to support business-driven networks in realizing the strategy for the commons.

Companies

Companies are the main contributors to business-led collective action and policy dialogue initiatives. They are also at the center of the intended changes. They are expected to comply with the soft law and regulation effected by such initiatives, to bundle their know-how and economic power to address social needs, and to respond to awareness-raising campaigns. Companies can support business-driven networks in implementing collective action and policy dialogue in the following ways:

- The prerequisite for identifying common ground is that companies are **open to dialogue** with other stakeholders. This can be challenging: CSOs may be critical of company activities and question the legitimacy of corporate interests. Governments may advocate for policies that appear detrimental to corporate success. To reach a solution that meets the interests of all relevant societal actors involved in collective action and policy dialogue, companies should make their own goals transparent and communicate their business case for investment in sustainability issues. Pure "feel good" talk will leave others skeptical of the true intentions and hidden agenda of a company. Moreover, company interests must be known if stakeholders are to incorporate them into the search for joint solutions.

- To increase legitimacy and avoid mistrust regarding a collective action and policy dialogue initiative, a company's communication should **be transparent** about its involvement. A company should report about its engagement in and the process and outcomes of initiatives on its website and other communication channels. A company should be open to questions regarding the initiative, including those about its own involvement and objectives, and welcome dialogue with stakeholders.

- Implementation of collective action and policy dialogue requires **top-level commitment** from companies. CEOs should explicitly endorse their company's involvement in such initiatives, for example by mentioning them in the sustainability report or contributing official statements to the communication of the initiative. While most of the day-to-day implementation of the initiative can be supported by staff, executives must decide upon the strategic direction of the initiative

at critical inflection points, perhaps as a member of the initiative's steering committee or advisory board.

- Companies should **contribute financially** to the implementation of collective action and policy dialogue initiatives. After all, implementation is in their own best interest. To justify member fees or other contributions to owners or shareholders, companies must articulate the business case for the investment. In addition to the creation of a common good, this includes benefits that accrue directly to the individual company, such as enhanced reputation and brand value, increased access to decision makers in the political domain, employee loyalty, innovation, capacity development, market access etc. Ideally, this extended business case is supported by concrete figures on the savings and revenues expected from participating in the initiative.

- Companies have a natural tendency to support initiatives at the local and national levels. Contributions to sustainability on these levels are easily visible and directly benefit companies' employees, customers and other direct stakeholders. However, many sustainability challenges have their roots at the global, systemic level. Therefore, it is important that companies also engage in collective action and policy dialogue initiatives begun **at the global level**. Companies' contributions to these initiatives can include sharing experiences, feeding in their locally applied solutions and thus enabling others to learn from them.

Governments

Governments are the addressees of policy dialogue. As such, they are the most important counterpart or partner for companies when it comes to implementing and scaling up enabling conditions for responsible business conduct. As governments are tasked to serve society as a whole, they oversee relevant societal issues and common goods in general. For this reason, they are typically involved as

partners or authorities in collective action and policy dialogue initiatives. Governments can undertake the following measures to help make collective action and policy dialogue more successful:

- Governments should clearly articulate which issues are politically relevant and where and how private involvement is welcome. Besides being transparent about their own goals, governments also must enter into a **true dialogue with stakeholders** to understand their interests and find common ground. To achieve open dialogue, governments should be willing to meet in or even offer a safe space for exchange or policy consultation, where stakeholders can meet eye-to-eye and different views and interests are accepted. Governments can also initiate such dialogue by engaging business-driven networks in national policy consultation processes, in particular on sustainability issues such as the development of national CSR strategies.

- Governments can increase the perceived legitimacy of collective action and policy dialogue initiatives by **officially endorsing and supporting** them. They can also strengthen the ability of business-driven networks for sustainability to facilitate and conduct such initiatives through active participation and support and by motivating companies to participate. To demonstrate political support and commitment, governments can take part in collective action, host events or co-author publications in collaboration with the network.

- By **participating in management bodies** such as steering committees, advisory boards or working groups, governments can strengthen the implementation capacities of collective action and policy dialogue initiatives. Besides signaling support and feeding in political objectives, representatives also directly contribute to the resources available for designing and steering initiatives. As with companies, high-level attendance at critical inflection points is desirable.

- Governments can **provide funding** to business-driven networks or to individual collective action and policy dialogue initiatives. This can include staff, secretariat and operational costs. In addition, in-kind contributions such as know-how, training and technical advice on issues related to sustainability challenges can increase the ability of the initiative's facilitator to steer and implement the activities successfully. As donors, governments can also provide resources to networks and initiatives in developing countries.

- At the global level, governments are involved in policy processes via **multilateral institutions**. Governments can consult business-driven networks for sustainability to inform their official position towards these institutions regarding specific sustainability issues and to feed local solutions and experiences into global discussions. They can also advocate for the integration of such networks into consultation processes of multilateral institutions at the global level.

International organizations

International organizations (IOs) such as the UN are the key actors in tackling global sustainability challenges. As such, they play an important role for the implementation of collective action and policy dialogue at the global level: they coordinate political action between national governments, facilitate the definition of global goals, collect and share knowledge and information, and trigger collaboration between different actors in the space. IOs can help business-driven networks to facilitate collective action and policy dialogue in the following ways:

- IOs facilitate the **definition of broadly shared objectives** regarding sustainability challenges. The Millennium Development Goals (MDGs) are just one example. These broadly shared and widely ratified objectives provide direction to stakeholders upon setting up collective action and policy dialogue initiatives. IOs should always articulate how companies can contribute to the achievement of such goals, not just individually but also collectively. IOs should also open up platforms for multi-stakeholder dialogue on global issues.

- By **hosting platforms on global challenges** and supporting relevant initiatives, IOs increase the legitimacy of collective action and policy dialogue. They extend the authority and reputation of their "brand" to the initiative and make sure that processes and outcomes are in line with societal concerns.

- In addition to defining goals, IOs can also **specify the metrics and indicators to measure progress** towards these goals. Broadly accepted measures facilitate performance management and reporting both for collective action and policy dialogue initiatives and for the individual stakeholders involved. The MDGs, for example, specify concrete and clear indicators to measure high-level goals such as those concerning poverty, equality or education.

- As focal points for global issues, IOs collect a wealth of information and interface with a multitude of actors. They can contribute this know-how and engage in networking to enable the efficient and effective design and execution of policy dialogue and collective action initiatives. They can also **be a member of or host the secretariat of global collective action** initiatives, thereby contributing directly to the resources for such initiatives.

- IOs also create a platform where those involved in collective action and policy dialogue initiatives from all levels can meet and exchange experiences. They are a natural point of contact for individual initiatives and can utilize their breadth to **establish connections between initiatives** and encourage greater collaboration.

Civil society organizations

Civil society organizations (CSOs) include a diverse set of actors – from local community-based organizations to global watchdogs, from member-interest based initiatives to issue-driven organizations. What all of them have in common is that they are not oriented towards making profits, but to achieving a common goal of their members. As such, they are rather independent and focused, often possessing a high degree of expertise. CSOs can take the following steps to drive collective action and policy dialogue:

- Most CSOs have long realized that companies are important actors when it comes to sustainability challenges, since they are based on processes of consumption and production. In order to motivate companies to take on sustainability challenges via collective action and policy dialogue initiatives and to influence their design, CSOs should learn to speak the language of companies. This includes seeing the challenge from the company point of view and **making the business case for sustainability**. Based on both their deep understanding of the challenge at hand and their intellectual freedom, CSOs can develop innovative proposals that also meet the needs and logic of the business sector.

- As **watchdogs**, CSOs can critically assess the social performance of collective action and policy dialogue initiatives. After all, not everything that sounds good originally actually achieves good results. Self-reporting is naturally positive about achievements and tends to underplay difficulties and failures. The critical, independent eye of CSOs can review self-reported results, reveal problems and request improvements. In this way, CSOs contribute to the continuous improvement of initiatives.

- At the same time, CSOs should **accept and support initiatives around so-called quick-wins**, even though they may not seem ambitious enough from their perspective. Criticizing an initiative for blue- or greenwashing as soon as it arises only creates disincentive for companies to act at all. Collective action and policy dialogue are processes that companies are often not well acquainted with. They require practice. Quick-wins are important in gaining and maintaining support for such initiatives within companies and to help pave the way to more ambitious and long-term endeavors over time.

- CSOs can **contribute their insight and expertise** to the design and implementation of collective action and policy dialogue initiatives. These initiatives typically focus on a specific sustainability challenge. CSOs specialized in the domain can share best practices, highlight pitfalls and recommend a promising course of action. This input contributes to the efficient and effective design of an initiative.

- Issue-driven CSOs are typically involved in relevant discussions at all levels, from the local to the global. They can inform local activities regarding the global dimension of issues being addressed, or report local successes to global issue platforms. In this way, they can **facilitate the information flow** and align activities between the various issue platforms at different levels.

Intermediary organizations

Intermediaries include business associations, foundations and think tanks as well as academic and other research institutions. They all have the power to bring actors from different sectors together around certain issues and offer a neutral space for collaboration. They are thus well placed to act as the secretariat of business-driven networks for sustainability and collective action and policy dialogue initiatives. However, these institutions are characterized by very different general objectives, ownership and capacities, which affect the roles they can best play in such networks and initiatives. Intermediaries can assume the following roles to most effectively advance collective action and policy dialogue:

- Intermediaries are often hubs for existing networks of actors, which allows them to play an important role in **establishing common ground among a diversity of actors and coordinating dialogue processes**. Since they aggregate the positions of multiple actors, they can lead a structured and pre-informed dialogue between different parties, such as companies and policy makers. When intermediaries coalesce around an issue, they can quickly create the critical mass required to push policy making or act collectively. Through these intermediaries, smaller organizations, such as SMEs or community-based organizations, can participate in dialogue concerning sustainability challenges without spending too much time in meetings.

- Intermediaries with a research background, such as think tanks and academic institutions, are particularly well placed to **conduct independent evaluations** of collective action and policy dialogue initiatives. They can also support these initiatives in developing the metrics and processes for self-evaluation and performance management. In this way, they create the conditions and skills within these initiatives to continuously improve their effectiveness.

- Intermediaries often host the secretariat of business-driven networks and their initiatives. In simultaneously coordinating several networks and initiatives, they can realize synergies and enhance efficiency. By supporting and reviewing a diversity of initiatives, intermediaries can also **build and share knowledge on success factors and best practices**. Research institutions in particular can document successful cases of collective action and policy dialogue and extract generalizable insights. On this basis, they can provide guidance and technical support to networks on implementing such initiatives, including guidelines, training courses and coaching.

- Intermediaries can act as the nodes within networks of networks, connecting initiatives at different levels. By representing or liaising with a diversity of networks and initiatives, intermediaries have a rationale to **participate in a broader discourse around sustainability challenges** and feed insights into different processes at the local and national levels.

Twenty years have passed since Rio, when in 1992 the "Our Common Future!" report called on all stakeholders to ensure sustainable development, and the idea of governance as a new approach to managing global sustainability issues began to evolve. Much experimentation has happened since, much has been learned, and much has been achieved. At the global and local levels, however, the challenges remain daunting. Business-driven networks for sustainability are still a relatively young phenomenon borne by these challenges, as are the network governance mechanisms of collective action and policy dialogue.

In the next 20 years, we must be more effective in addressing sustainability challenges. To this end, we need more strategic approaches. Experiments and learning are still necessary. Yet the time has come for targeted, dedicated action that can achieve large-scale impact.

Let's get ready to realize the strategy for the commons!

Annex

Overview of case studies

Title	Country	Mechanism		Issue						Page
		Collective action	Policy dialogue	Environ-ment	Labor	Human rights	Corruption	Other		
Encouraging formal employment along value chains	Argentina		✔		✔					46
Multi-stakeholder dialogues on labor standards	Bangladesh	✔			✔					46
Promoting the fight against corruption through transparent monitoring	Brazil	✔					✔			47
Partnering for a national CSR strategy	Bulgaria		✔					✔		47
MA in CSR (financial management)	Bulgaria	✔						✔		48
Improved labor law compliance through partnering	China	✔			✔					48
Creating a neutral space for multi-stakeholder dialogues	Colombia		✔	✔						49
Achieving greater commitment to the abolition of child labor	Colombia	✔	✔		✔					49
Encouraging energy efficiency	Egypt	✔		✔						50
Curbing corruption through partnering	Egypt		✔				✔			50
Facilitating human rights in business operations	Germany	✔				✔				51
Integrating CSR into domestic and international policy	Germany		✔					✔		51
Addressing water scarcity issues on the national and local levels	Indonesia	✔		✔		✔				52
Enabling children to become agents of change	Indonesia	✔						✔		52
Wedding certificates for access to employment and government services	Indonesia	✔				✔				53
Partnering for humanitarian assistance	Japan	✔						✔		53
Fighting corruption by promoting a national anti-corruption plan	Kenya		✔				✔			54
Green growth policy for sustainable economic development	Korea		✔	✔						54

Title	Country	Mechanism		Issue					Page
		Collective action	Policy dialogue	Environ-ment	Labor	Human rights	Corruption	Other	
Developing a national CSR strategy	Macedonia		✔					✔	55
Preparing a green economy policy	Namibia		✔	✔					55
Embedding human rights principles in business	The Netherlands	✔				✔			56
Partnering for prosperity	The Netherlands	✔						✔	56
Showcasing climate protection	Nordic Network	✔		✔					57
Driving the caring for climate initiative locally	Pakistan	✔		✔					57
Facilitating labor rights through policy dialogues	Pakistan		✔		✔				58
Helping the victims of the Pisco earth-quake	Peru	✔						✔	58
Improved waste management for cleaner cities	Serbia	✔		✔					59
Towards a national anti-corruption strategy	Serbia	✔					✔		59
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Promoting human rights and social inclusion	Serbia		✔		✔	✔			61
Improving financial education and financial literacy	Serbia	✔						✔	61
Improving energy efficiency standards	South Africa	✔	✔	✔					62
A guide to fighting corruption	Spain	✔	✔				✔		62
Consultation on anti-bribery act	UK		✔				✔		63
Developing a national CSR strategy	Ukraine		✔					✔	63

Case studies from Local Networks

Argentina: Encouraging formal employment along value chains

Network host: UNDP Argentina

Duration: 2008 - 2010

Issue: Labor

Approach: Policy Dialogue

Partners: GCLN Argentina, Ministry of Labor, Employment and Social Security, Corporate Social Responsibility and Decent Work Network, International Labour Organisation (ILO)

Further information: Ministerio de Trabajo, Empleo y Seguridad Social (2010), "The CSR and Decent Work Network: The Case of Public-private Contribution to Development" (in Spanish and English)

GCLN Argentina, 2009

Challenge
Informal labor, mostly performed by women and youths in low-skilled jobs, accounts for nearly 24% of Argentina's employed. Private sector awareness of the remedy – providing more formal employment – must be increased.

Solution
The partners created an alliance among leading enterprises from a wide range of sectors to facilitate formal employment. 60% of the companies were members of the GCLN Argentina. To encourage quality employment along value chains, a "Guide for Decent Outsourcing," highlighting best practices in Argentinean companies, was developed during a participatory process with the network and partners. The Guide was then disseminated among GCLN members and participating companies.

Outcomes
Participating enterprises increased formal employment opportunities along their value chains. Some 1,500 youths, 40% of whom were women, participated in a qualification program. 67% of the participants were hired after completing the program. A total of 63 best practices were identified and 61 companies took part in the program.

Bangladesh: Multi-stakeholder dialogues on labor standards

Network host: CSR Centre

Duration: July 2010

Issue: Labor

Approach: Collective action

Partners: GCLN Bangladesh, 25 GCLN members, 35 non-GCLN members, Bangladesh Enterprise Institute (BEI), UNDP Bangladesh

Further information:
Website of CSR Centre Bangladesh

Obaidul Arif Rana, 2010

Challenge
Child labor, forced labor, discrimination and the violation of workers' rights in collective bargaining hinder equitable and sustainable human and economic development. Female workers in Bangladesh's ready-made garment sector earn an average of 34% less per month than their male colleagues.

Solution
The Local Network, along with BEI and the UNDP Bangladesh, held in July 2010 a seminar on upholding Global Compact labor standards. The 60 participants included the Minister of Labor and Employment and stakeholders from NGOs, academia, INGOs, donor agencies, government bodies, law associations and UNDP Bangladesh. The minister assured that the government has been working on a comprehensive employment guideline targeting poverty reduction and unemployment. The reevaluation of the National Labor Policy was discussed.

Outcomes
The CSR Centre developed a labor standards toolkit for the private sector and commissioned a "Living Wage in the Garment Industry in Bangladesh" study which considers how existing labor laws can be improved to meet global ILO standards. A National Labor Policy incorporating the suggestions was then formalized.

Brazil: Promoting the fight against corruption through transparent monitoring

Network host: UNDP Brazil

Duration: 2006 - present

Issue: Corruption

Approach: Collective action

Partners: GCLN Brazil, Ethos Institute for Business and Social Responsibility, UNDP, UNODC, WEF, TI

Further information:
Website of Empresa Limpa
(in Portuguese)

Instituto Ethos/Ademir Rodrigues, 2011

Challenge
A 2010 study calculated corruption costs in Brazil at 1.38% to 2.3% of GDP per year. The money lost through corruption could fund a 47% increase in the number of students in elementary schools or a 74% increase in public housing spending.
Solution
The "Business Pact for Integrity and against Corruption" represents principle-based, multi-sector collective action. Released in 2006, the pact consists of

7 core commitments with procedures for preventing corruption and implementing the principles along value chains. It promotes learning through the exchange of experience on how to apply compliance practices, improving the regulatory framework. Signatories must communicate their efforts and commitments to integrity through the "Monitoring Platform."
Outcomes
Today, the initiative has 276 signatories from multiple sectors. Through the Ethos Institute, companies and organizations engaged in the pact consulted the government in developing the Brazilian anti-corruption law on administrative and civil liability for graft. The draft bill is currently under consideration by the Special Commission (CESP) of the House of Deputies.

Bulgaria: Partnering for a national CSR strategy

Network host: Member-funded secretariat

Duration: 2007 - present

Issue: CSR policy

Approach: Policy Dialogue

Partners: GCLN Bulgaria, Consultative Body to the Ministry of Labor, ministries, businesses, NGOs, academia

Further information:
Website of GCLN Bulgaria

UNDP archive, 2009

Challenge
In 2007, a baseline survey on Corporate Social Responsibility (CSR) in Bulgaria showed that CSR was commonly seen as an informal, one-dimensional process. Respondents were mostly informed about the social aspects of CSR. Awareness about the importance of multi-stakeholder dialogues in CSR needed to be increased.

Solution
The Local Network disseminated information from the study to multiple stakeholders. It stressed the importance of a clearly defined CSR management concept, universal indicators and institutional changes. As a result, the Local Network initiated a multi-stakeholder process towards a national CSR strategy and consulted the Ministry of Labor on CSR issues.
Outcomes
In late 2009, the Council of Ministers adopted the national CSR strategy. In 2011, a formalized 2-year action plan for 2011 - 2013 was drafted. It calls on all stakeholders to conduct concrete initiatives in order to fulfill the objectives of the strategy.

Bulgaria: Master's degree in CSR (Financial Management)

Network host: Member-funded secretariat

Duration: 2011 - 2012

Issue: CSR education

Approach: Collective action

Partners: GCLN Bulgaria, Higher School of Insurance and Finance, Ministry of Labour, Moody Intertek Academy, NGO CSR Bulgaria

Further information: Website of GCLN Bulgaria (in Bulgarian)

Nikoleta Asenova, 2012

Challenge
Universities in Bulgaria neither offer comprehensive Corporate Social Responsibility (CSR) education programs nor integrate aspects of CSR into economic studies. Available programs are either very expensive or based on very short modules that do not allow for the adequate acquisition of knowledge and skills. As a result, companies lack CSR professionals able to develop and implement state-of-the-art CSR strategies.

Solution
The Local Network set up a multi-stakeholder process targeting the design of a CSR Master's program. Designed by GCLN member companies and academic scholars, the program has already been approved by the government. Enterprises are directly involved in the educational process through guest lecturing, "open house" days at company sites, traineeship programs and simulations of case studies.

Outcomes
The first Master's class of 12 students is scheduled to be launched in September 2012. Upon graduation, the students will be awarded a Master's in CSR (Financial Management).

China: Improved labor law compliance through partnering

Network host: China Enterprise Confederation (CEC)

Duration: 2008 - 2011

Issue: Labor

Approach: Collective action

Partners: GCLN China, Ministry of Human Resource and Social Security of the People's Republic of China, All China Federation of Trade Unions, Local branches of the China Enterprise confederation, Ministry of Industry and Information Technology

Further information: Website of China Enterprise Confederation and China Entrepreneurs Association (in Chinese)

GCLN China, 2008

Challenge
On January 1st, 2008, the Labor Contract Law came into effect in the People's Republic of China. It sets standards for writing labor contracts and altering or terminating employment. Small and medium-sized enterprises (SMEs) often lack knowledge about the new law and risk illegality in labor relations and human resources.

Solution
The partners organized numerous free or low-priced training courses for SME managers, especially managers in human resources or legal issues, to improve compliance with the new labor law. A special focus was on obligations to respect and protect the employees' legal rights and interests. Advisory hotlines were set up to answer questions by SMEs regarding the labor laws and to assist in solving relevant problems and disputes. Specific guidelines were printed and distributed to the SMEs.

Outcomes
Over 10,000 SMEs participated in the training courses or received consultations and guidelines. As a result, the rate of signed, written contracts increased from less than 50% to more than 90%. Both the staff turnover rate and labor dispute rate decreased significantly.

Colombia: Creating a neutral space for multi-stakeholder dialogues

Network host: Grupo de Energía de Bogotá

Duration: 2007 - 2013

Issue: Environment

Approach: Policy Dialogue

Partners: GCLN Colombia, Colombian government

Further information: Ministry of Foreign Affairs Republic of Colombia (2011), "Inputs of the Government of Colombia to Draft Zero of the Outcome Document"

GCLN Colombia, 2012

Challenge
In Colombia, there was no neutral space for multi-stakeholder dialogues on environmental policy. Mutual trust among the actors, including government, private companies, UN agencies and NGOs, is lacking and the positions of various stakeholders are not taken into account.

Solution
The Local Network acts as a platform for dialogue between companies and the Colombian government. Meetings and working groups enable members to actively participate in dialogue with the Colombian government. The issues discussed include themes such as public policies, sustainable construction, energy, transportation, biodiversity and agriculture.

Outcomes
On May 23rd and 24th, 2012, the GCLN Colombia in association with the Ministry of Environment and the Ministry of Foreign Affairs hosted the Green Economy Congress: Colombia towards Río+20. On the agenda were the government's proposals and the private sector's role in sustainable development as well as the drafting of a joint position for Rio+20.

Colombia: Achieving greater commitment to the abolition of child labor

Network host: Grupo de Energía de Bogotá

Duration: 2007 - 2013

Issue: Labor

Approach: Collective action, policy dialogue

Partners: GCLN Colombia, 19 GCLN members, 10 non-GCLN members

Further information:
Website of Red Pacto Global Colombia (in Spanish)

GCLN Colombia, 2011

Challenge
Labor performed by children at the age of compulsory education under hazardous conditions remains a problem. The private sector has the power to scale up the fight against this serious violation of children's rights. Child labor is illegal in Colombia. Yet, there was no discussion platform for learning and sharing best practices concerning the Global Compact Principle No. 5 and the abolition of child labor along value chains.

Solution
The GCLN facilitated dialogues among multiple stakeholders, including government and civil society organizations. Workshops in partnership with the Telefónica Foundation raised awareness of how to ensure the absence of child labor in supply chains through knowledge management and best practices. Members of the GCLN Colombia, government, UN agencies and civil society participated.

Outcomes
Four workshops took place between August 2011 and January 2012. One of the meetings was chaired by the Deputy Minister of Labor, who assured government support and mobilized commitments from the private sector towards a coordinated national policy on the abolition of child labor.

Egypt: Encouraging energy efficiency

Network host: Egyptian Corporate Responsibility Center (ECRC)

Duration: September 2010

Issue: Environment

Approach: Collective action

Partners: GCLN Egypt, member companies, foreign MNCs (non-members), government representatives

Global Compact Network Egypt

Challenge
There have been no incentives for companies in Egypt to reduce carbon emissions. Political frameworks that reward energy saving or increase the cost of carbon emissions do not exist.

Solution
In 2010, the ECRC raised private sector awareness by organizing the third round table for the GCLN Egypt: "Energy Challenges: Egypt's Next Battle." During this round table a representative from the Egyptian Electric Utility and Consumer

Protection Regulatory Agency introduced the Guarantee of Origin certificate (GoO), which certifies the use of energy from renewable energy sources and the agency aims to implement in Egypt.

Outcomes
In 2011, case studies highlighting GCLN Egypt members' efforts in reducing emissions were published to further promote environmental awareness in the private sector. That same year, the GoO certificate was introduced in Egypt.

## Egypt: Curbing corruption through partnering

Network host: Egyptian Corporate Responsibility Center (ECRC)

Duration: 2011 - 2014

Issue: Corruption

Approach: Policy Dialogue

Partners: GCLN Egypt, Foundation of the Global Compact, member companies, Egyptian Junior Business Association, SMEs, foreign MNCs (Siemens), Ministry of Trade and Industry, Ministry of Administrative Development, Ministry of Foreign Affairs, Transparency and Integrity Committee, regulatory and control authorities

Further information:
Website of Egyptian Junior Business Association

Global Compact Network Egypt
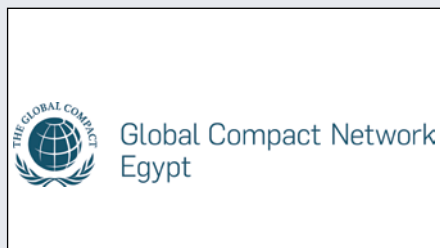
Challenge
From 2000 to 2008, corruption cost Egypt nearly $6 bn. A neutral anti-corruption forum does not exist. A facilitator who understands the cultural and political context is needed for roundtable discussions.

Solution
The Local Network acted as a platform for dialogue on anti-corruption between the public and private sectors, especially SMEs and foreign MNCs. As part of the Siemens Integrity Initiative in 5 countries,

the Foundation for the Global Compact financed several forums for collective action focusing on best practices and management systems able to fight corruption.

Outcomes
In 2012, the Egyptian Junior Association, together with the Foundation for the Global Compact, the Local Network and Siemens organized 9 roundtable dialogues between government and the private sector. Recommendations were made to the government on how to reduce corruption and make changes in laws, processes and legislation. Facilitating ongoing dialogue between the private and public sectors, the project enables a wide range of stakeholders to explore how collective action creates incentives for ethical business conduct.

Germany: Facilitating human rights in business operations

Network host: GIZ (Gesellschaft für Internationale Zusammenarbeit) on behalf of BMZ (German Federal Ministry for Economic Cooperation and Development)

Duration: 2011 - present

Issue: Human rights

Approach: Collective action

Partners: GCLN Germany, TwentyFifty Ltd

Further information:
Global Compact Network Germany, "Organisational Capacity Assessment Instrument (OCAI)"

GCLN Germany, 2011

Challenge
Protecting human rights in business operations and along the supply chain is an ongoing issue. Highly integrated into the global economy, German companies often have far-reaching global supply and value chains. A solid human rights record is key to reputational risk management, improving team motivation and increasing productivity.

Solution
Highly engaged in the relevant discussions, the network works closely with the German Institute for Human Rights, political foundations, the national CSR Forum and the national contact point for the OECD guidelines. It published "How to Develop a Human Rights Policy" (in German), organized workshops on human rights RIAs, and created effective grievance mechanisms. A web portal hosting online discussions was also launched.

Outcomes
The network makes the human rights business case for companies and facilitates exchange among peers. Together with the consultancy TwentyFifty and the network's Human Rights Learning Group, the OCAI was launched in June 2011 to help organizations assess and improve their capacity to manage impact on human rights. More than 100 users (primarily private companies), downloaded the tool in 2011.

Germany: Integrating CSR into domestic and international policy

Network host: GIZ on behalf of BMZ

Duration: 2010

Issue: CSR policy

Approach: Policy dialogue

Partners: GCLN Germany, government ministries, private companies, OECD, foundations, business associations, civil society organizations, trade unions

Further information:
Working group recommendations for action area 4 (2010) (in German)

GCLN Germany, 2010

Challenge
CSR must be better integrated into development policy at home and abroad. The regulatory framework for sustainable economic activity can be strengthened.

Solution
In the context of the German CSR Forum, the Local Network chaired a working group on "Strengthening CSR in the International Context" that included representatives from companies, business associations, ministries, foundations and civil society. Its recommendations are included in the German government's CSR action plan.

Outcomes
The recommendations were implemented in mid-2011. Fields of activities include strengthening existing international initiatives (e.g., Global Compact, OECD guidelines and UN guidelines on business and human rights), supporting the development of CSR and CSR structures in partner countries, as well as promoting and fostering business engagement in international development through development partnerships, public-private collaboration and strategic alliances. Sustainable and responsible business conduct as stipulated in its CSR policy will frame the German government's partnership projects with companies in the context of development.

Indonesia: Addressing water scarcity issues on the national and local levels

Network host: Rajawali Foundation

Duration: 2011 - 2013

Issue: Human rights, environment

Approach: Collective action

Partners: GCLN Network Indonesia, 11 GCLN members, government agencies, corporations, foundations

Further information:
Rainforest Realities (2012), "Sustainable water initiatives reach local, national and international levels"

GCLN Indonesia, 2011

Challenge
Water scarcity is a serious issue in Indonesia, where nearly half the population lacks access to safe water. More than 70% of the nation's 220 million inhabitants rely on potentially contaminated water sources. Rapid urbanization and economic growth have not been matched by adequate expansion of water infrastructure and institutional capacity.

Solution
The Local Network facilitated the Indonesia Water Mandate Working Group, which aims to raise awareness about the urgency of global water conservation actions by sharing and reporting industrial scale measures taken by core businesses to save water. A national campaign was also launched to raise awareness through publications, conferences and awards for best practices. A joint program addresses water scarcity issues on the community level and helps provide continuous and self-sustained access to clean water.

Outcomes
Five members report best practices. Seminars promote dialogue on water issues and policy in partnership with the Ministry of Public Works and UNESCO. The multi-stakeholder initiative "Water Installation for Mount Merapi Eruption Survivors" provides 50,000 liters of safe water for nearly 1,800 people daily.

Indonesia: Enabling children to become agents of change

Network host: Rajawali Foundatio

Duration: 2009 - 2012

Issue: Education

Approach: Collective action

Partners: GCLN Indonesia, 18 GCLN members

Further information:
Global Compact Network Indonesia (2009), "Tjahaya Project: A Collaborative Action for Children"

GCLN Indonesia, 2011

Challenge
In Indonesia, more than 30m people live in poverty on less than $1 a day. The social disparity is exacerbated for poor families by inadequate access to public education and childcare facilities. While 9 years of education are compulsory and the net enrolment rate is 95.23%, high quality and equitable access to basic education for the poor remains a challenge.

Solution
The Local Network implemented the Tjahaya Project, enabling children to become agents of change in their families and communities. Children create photo-essays to assist in the development of their personal character. Children are given cameras and encouraged to express opinions about their themes. A trained facilitator leads discussions groups of 5 to 10 children. The aim is to reach 3,000 children between 10-15 years old.

Outcomes
The Local Network facilitated 3 sessions of "Training of Trainer" to scale up the project. As of March 2012, more than 500 children joined the program and more than 500 photos and stories were produced. 1,250 copies of the Wall Calendar 2012 have been printed, which include the children's themes and comments.

Indonesia: Wedding certificates for access to employment and government services

Network host: Rajawali Foundation

Duration: 2009 - 2011

Issue: Human rights

Approach: Collective action

Partners: GCLN Indonesia,
1 GCLN member, government agencies,
corporations, foundations

Further information: BBC Indonesia
Picture Gallery of the Mass Wedding
(in Bahasa Indonesia)

Yayasan Pondok Kasih, 2011

Challenge
Around 2m Indonesians lack national identity papers. Government-sanctioned marriage gives families access to official certificates and thus to national health care, public education, the legal system, formal employment, micro-credits and the "home for the poor" initiative. Many couples cannot afford a wedding and hence lack the paperwork to access these services.

Solution
A mass interfaith wedding was held for underprivileged couples. With government support, the partners funded and organized mass wedding ceremonies in 44 counties near the capital in line with government regulations and the couples' religious beliefs. Identity cards, wedding certificates and birth certificates for the couples' children were issued. On July 19th, 2011, the project culminated with the world's largest mass wedding reception.

Outcomes
A total of 4,541 couples comprising 3,112 Muslims, 1,248 Christians, 96 Catholics and 85 Buddhist/Hindu/Confucians from underprivileged backgrounds received free marriage certificates and birth certificates for their children, giving them access to public services, job employment and the educational system.

Japan: Partnering for humanitarian assistance

Network host: Global Compact Japan Network (GCJN)

Duration: 2011 - present

Issue: Humanitarian

Approach: Collective action

Partners: GCLN Japan, 10 GCLN members, NGOs, local communities

Further information:
Global Compact Japan Network,
"GCJN Collective Action for Recovery from the Great East Japan Earthquake Disaster" (in Japanese)

GCLN Japan, 2011

Challenge
The earthquake and tsunami that hit Japan in March 2011 have led to 15,854 deaths, 6,025 injured, 3,155 missing and more than 340,000 internally displaced persons (IDPs), of which 102,000 can be attributed to nuclear accidents at Fukushima. Those affected have faced serious humanitarian crises since the disaster.

Solution
The Local Network initiated the program "GCJN Collective Action for Recovery from the Great East Japan Earthquake Disaster" to support reconstruction and economic independence in affected areas. In August 2011, the Local Network collected ideas for collective action and chose two projects in the Miyagi prefecture, the Kesennuma Oshima and Watari-cho projects, through which volunteers from member organizations focus on debris removal, fishery recovery and the regeneration of coastal forests in collaboration with NGOs and local communities.

Outcomes
A total of 409 volunteers from 10 GCLN member companies participated in 17 dispatches. Collective action was effective in bringing together various stakeholders. The network commits to providing various types of continuing support, mainly volunteer dispatches, in responding to the needs of affected people.

Kenya: Fighting corruption by promoting a national anti-corruption plan

Network host: Kenya Association of Manufacturers (KAM)

Duration: 2011 - 2013

Issue: Corruption

Approach: Policy dialogue

Partners: GCLN Kenya, Kenya Private Sector Alliance (KEPSA), Ethics and Anti-Corruption Commission (EACC), private sector, GIZ Kenya

Further information: GIZ (2011), "Good Governance – Kenya. National Corruption Prevention Pact"

David Gitonga, 2011

Challenge

In Kenya, corruption costs the private sector approximately 4% of annual sales and extracts $1b from the economy per year. Poverty levels and the widening wealth gap have been partly attributed to high level corruption in public services. If this trend continues, it will increase the cost of doing business and make the country unattractive to investors, resulting in capital flight and less foreign direct investment (FDI).

Solution

The Local Network helped to facilitate the National Anti-Corruption Plan with the EACC, a public body with some level of autonomy. The Plan is part of a multi-sector initiative fighting corruption and comprises 14 public and private sectors. In 2011, the private sector began implementing the Plan.

Outcomes

On August 29th and 30th, 2011, KAM organized a 2-day workshop on Fair Trade Practice and the Code of Ethics to fight corruption. Participants from the private and public sectors discussed issues of corruption in the edible oil sector and developed a business code of conduct. The project ultimately aims to establish an integrity pact adopted by regulators.

Korea: Green growth policy for sustainable economic development

Network host: Global Compact Korea Network Office

Duration: 2009

Issue: Environment

Approach: Policy Dialogue

Partners: GCLN Korea, Ministry of Knowledge Economy

Further information: Global Compact Network Korea (2009), "Corporate Response to the Challenge of Climate Change & the Strategy of Green Growth"

GCLN Korea, 2009

Challenge

Extreme climate events in Korea have been on the rise. In 2002, tropical storm Rusa resulted in 210 deaths and more than $4b in property damage. Korea's economic performance depends on a healthy climate. Economic development is only sustainable if Korea adopts a green growth policy.

Solution

In 2009, the Local Network held a symposium for stakeholders from government, business, academia and NGOs to initiate dialogue on corporate response to climate change. The symposium served to consult the drafting of the Korean government's green growth policy. The event also provided business leaders with up-to-date information on Korean and other governments' green policies as well as foreign and domestic companies' current strategies and future prospects. A learning platform for companies was created with best practices and specific actions and collaborative efforts by government, private sector and NGOs.

Outcomes

The insights from the symposium were distributed to government as well as other companies not attending the symposium. The symposium created momentum for adopting a green growth policy by the State Agency for Environment.

Macedonia: Developing a national CSR strategy

Network host: KONEKT

Duration: 2008 - 2012

Issue: CSR policy

Approach: Policy Dialogue

Partners: GCLN Macedonia, Macedonian government, business associations, organizations of employers, labor unions, academia and experts, media

Further information:
Project Corporate Social Responsibility in Macedonia (2010), "Macedonian CSR Project"

UNDP, 2008

Challenge
The concept of CSR was not prevalent in much of Macedonia's public and private sectors. Adopting EU norms and practices, such as CSR principles, is important in light of EU integration.

Solution
With UNDP support, the Local Network initiated a multi-stakeholder forum with representatives from the private and public sectors to develop a National CSR Agenda. A Working Group of 2 Local Network representatives and members from the Coordinating CSR Body, ministries, chambers, trade unions, employers and consumer organizations was set up to provide recommendations for the drafting of a National CSR Agenda. The Local Network also organized public debates for the whole Local Network to discuss the draft agenda before its adoption. Upon its adoption, the Local Network proactively promoted the Agenda.

Outcomes
In 2008, Macedonia became the 3rd EU country after Denmark and Lithuania to adopt a National CSR Agenda. As a result of the Agenda, the Securities and Exchange Commission is introducing a requirement for Social Reporting. The number of companies reporting on CSR has been on the rise.

Namibia: Preparing a green economy policy

Network host: Namibian Employers Federation

Duration: November 2011 - June 2012

Issue: Environment

Approach: Policy Dialogue

Partners: GCLN Namibia, government, public and private sectors

Further information: GIZ, Global Compact Network Namibia (2011), "Services that add value"

Desert Research Foundation Namibia, 2011

Challenge
Namibia has recognized sustainable development as the cornerstone of becoming a prosperous and industrialized nation by 2030. The government is engaging with all stakeholders to develop a draft policy for greening the economy, which will be presented at the Rio+20 conference in June 2012.

Solution
The Local Network participated in a government workshop on Namibia's green economy framework in November 2011. It provided input on green economy drivers and the draft policy. In March 2012, the network participated in a follow-up workshop to finalize Namibia's official Rio+20 contribution. The network has proposed facilitating the private sector's adaptation process concerning the green economy policy.

Outcomes
The process led to a green economy draft policy that recognizes the network as a private sector partner that is providing useful international best practice guidelines and methods for sustainable development. In 2011 and 2012, the network hosted 3 stakeholder meetings with members from the private and public sector, focusing on sustainable development through environmentally sustainable public-private collaborations.

Netherlands: Embedding human rights principles in business

Network host: VNO-NCW, Confederation of Netherlands Industry and Employers

Duration: 2010 - 2011

Issue: Human rights

Approach: Collective action

Partners: GCLN Netherlands, MNCs and independent advisors (NGOs, businesses, financial institutions, academia)

Further information:
Business & Human Rights Initiative (2010), "How to Do Business with Respect for Human Rights: A Guidance Tool for Companies"

GCLN Netherlands, 2011

Challenge
After the UNHRC adopted the "Protect Respect and Remedy" framework in 2008, members of the Dutch Local Network sought to understand its implications and test the due diligence provisions.

Solution
Attracting 10 Dutch MNCs, the initiative evolved in 3 phases: First, companies received a confidential assessment of how their policies, procedures and practices compared to the UN framework. Second, workshops and seminars were organized to deepen understanding of issues and facilitate peer learning. Finally, the results were consolidated into a practical guidance tool that was presented at the Global Compact Leaders Summit in New York (2010). A business and human rights expert led the process with input from many other experts and interested stakeholders.

Outcomes
The UN cited the publication as an inspiration for its "Guiding Principles on Business and Human Rights," which operationalizes the UN Framework and was adopted in 2011 by the UNHRC. Companies used individual assessment reports to update their human rights policies and risk assessments and to embed the Global Compact's human rights principles into their operations.

Netherlands: Partnering for prosperity (P4P)

Network host: VNO-NCW, Confederation of Netherlands Industry and Employers

Duration: 2009 - present

Issue: Poverty reduction

Approach: Collective action

Partners: GCLN Netherlands, BoP Innovation Center, Dutch Ministry of Foreign Affairs, CEOs of leading companies, international NGOs

Further information:
BoP Innovation Center (2011), "Partnering for Prosperity" (P4P)

Rutger Bults, 2011

Challenge
Although 189 countries in 2000 accepted the UN Millennium Declaration, and despite the sufficiency of measures to realize MDG 1, the number of people suffering from chronic hunger surpassed a record 1 billion in 2009.

Solution
P4P was founded by 3 CEOs who invited the private sector, state institutions and NGOs to join. P4P draws on the belief that creating opportunities for people to take care of their own needs is most effective in combating poverty. P4P focuses on capacity building, innovation and promoting entrepreneurship. Conducted by the Local Network and the BoP Innovation Center Netherlands, it aims to improve the sustainability of local food systems, increase access to local food, and improve the availability of quality food.

Outcomes
Some 40% of fresh food production in developing countries is lost due to poor post-harvest practices and inappropriate distribution systems. In 2011, the network developed a 5-year strategy to organize farmers and entrepreneurs in food clusters. The goal is to develop a portfolio of 700 viable agri-food business clusters and value chains in 15 sub-Saharan African countries that supply food to local, regional and national markets and low-income consumers.

Nordic Network: Showcasing climate protection

Network host: Confederation of Danish Industry (DI)

Duration: 2009 - present

Issue: Environment

Approach: Collective action

Partners: GCLN Nordic, Danish Minister for Development Cooperation, UNDP Nordic Office

Further information:
Global Compact Network Nordic Countries (2009), "Caring for Climate: Nordic Best Practice"

Hans Søndergård, 2009

Challenge
Climate change requires extensive and urgent action. More companies need to commit to reducing their carbon footprint by setting new standards for energy efficiency and reducing the carbon burden of products, services and processes.
Solution
In 2007, the UNEP, the UNGC and WBCSD launched the Caring for Climate Initiative (C4C) to engage the private sector in fighting climate change.

In anticipation of COP15 in Copenhagen, the Nordic Network set up a meeting with the UN Secretary-General to showcase the Nordic Caring for Climate Initiative (C4C). It also organized a meeting with C4C signatories of the Nordic Network, which was attended by chief executives from signatory companies, including the UN Secretary-General and the Danish Minister for Development Cooperation.
Outcomes
After the meeting, the C4C Initiative and the private sector were recognized as part of the solution to the challenges of climate change. A best practice collection was published with 22 case studies about CSR activities in the field of climate change. Funded by the Ministry of Foreign Affairs of Denmark, it contains case studies and insights from the dialogue among corporate participants

Pakistan: Driving the caring for climate initiative locally

Network host: Employers' Federation of Pakistan (EFP)

Duration: August - October 2008

Issue: Environment

Approach: Collective action

Partners: GCLN Pakistan, 14 GCLN members

GCLN Pakistan, 2008

Challenge
In Pakistan, which has seen 18 floods in 4 years, climate change is intensifying weather patterns. Accounting for the majority of CO_2 emissions, the private sector needs to reduce its carbon footprint.
Solution
In July 2008, 206 companies (none of which Pakistani) from 48 countries endorsed the C4C, more than 40% based in developing or emerging economies. In August 2008, Pakistan's Local Network introduced the C4C, urging members

dedicated to environmental initiatives to sign the C4C's leadership statement. The network also mobilized business experts to draft a national policy statement in a multi-stakeholder dialogue.
Outcomes
By October 2008, 14 network members had signed the statement and Pakistan was acknowledged as having the most signatories. The Provincial Minister for Environment Government of Sindh assured full government support, drawing attention to joint public-private initiatives that raise public awareness of climate change. The National Policy Statement on Caring for Climate was adopted by Pakistani businesses in October 2008.

Pakistan: Facilitating labor rights through policy dialogues

Network host: Employers' Federation of Pakistan (EFP

Duration: 2008 - 2009

Issue: Labor

Approach: Policy Dialogue

Partners: GCLN Pakistan, government, NGOs, private sector, Workers Employers Bilateral Council of Pakistan (WEBCOP), International Labour Organization (ILO)

Further information: International Labour Office, Employers' Federation of Pakistan (2009), "Core Labour Standards: Legislation and Initiatives in Pakistan"

GCLN Pakistan, 2009

Challenge
Pakistan is one of the few Asian countries to ratify all 8 core labor standards by the International Labour Organization. Yet, these standards have not been fully integrated into labor legislation. The gap between national legislation and implementation of core labor standards must be closed.

Solution
The Local Network organized meetings on the elimination of bonded labor and raised private-sector awareness on implementing labor rights. The network was also helped in assisting stakeholders to draft legislation and initiatives for implementing the core labor standards. Guided by the network, a team of specialists from member companies held a series of meetings with workers' and employers' representatives from member organizations and officials of WEBCOP.

Outcomes
In December 2008, the expert team published the study "The Core Labor Standards - Legislation and Initiatives in Pakistan." On February 24th, 2009, the network hosted the 15th Business Talk CSR meeting on labor standards. The study is widely acclaimed as a pioneering act for sensitizing stakeholders to core labor standards in Pakistan.

Peru: Helping the victims of the Pisco earthquake

Network host: Business Association CONFIEP

Duration: 2007

Issue: Humanitarian

Approach: Collective action

Partners: GCLN Peru, 7 GCLN member companies, 36 non-GCLN companies

Further information: Red Pacto Mundial Peru (2007), "Campaña para atender a damnificados del terremoto en Pisco" (in Spanish)

GCLN Peru, 2007

Challenge
On 15 December 2007, an 8.0-magnitude earthquake hit the central coast of Peru. More than 1,500 were wounded and 519 killed. 192,492 households were damaged in 7 districts located in the regions of Huancavelica, Ica and Lima – equaling 78.1% of all homes. 368 km of roads, 213 m of bridges and 73 schools were destroyed.

Solution
The Local Network gathered corporate resources to aid the victims and helped in reconstruction efforts. To coordinate business support and streamline efforts, the network activated a hotline to address the concerns of different localities. The teams of volunteers organized deliveries of supplies and materials. Business networks collected donations to start a fund to support the construction of health and educational infrastructure.

Outcomes
CONFIEP launched the "Solidarity Campaign," funded and supported by business chambers, business associations and network signatories. In coordination with local authorities, over 10,000 affected people received food, water, tents, warm clothes and blankets worth over $200,000. A prompt emergency response system was developed to cope with future natural disasters.

Serbia: Improved waste management for cleaner cities

Network host: Chamber of Commerce and Industry of Serbia

Duration: June 2010

Issue: Environment

Approach: Collective action

Partners: GCLN Serbia, 12 GCLN members, non- GCLN member the Serbian government's unit on Social Inclusion and Poverty Reduction

Further information:
Website of Global Compact Network Serbia (in Serbian)

GCLN Serbia, 2010

Challenge
Environmental concerns cannot be tackled by government regulations alone. One of the most serious ecological problems Serbia is facing today is waste management. Private enterprises can contribute to improved waste management by acting collectively and exploring new solutions to cope with the problem.

Solution
The Local Network established a Working Group for the Environment that focuses on outreach and learning. It provided support to events focusing on environmental concerns, such as "Earth Hour," "Day of Planet Earth – Supernatural festival," "Our Belgrade." It also joined the nation-wide initiative "The Great Cleaning Up of Serbia" with a team of 30 volunteers. On "Clean-up Day," Serbians ventured out in teams to clean up their surroundings. The group then exchanged experiences with other stakeholders from public and private companies, NGOs and school representatives.

Outcomes
Group members collected over 20 bags of waste. With motivation, enthusiasm and diligence, the volunteers have made a significant contribution to a cleaner and more beautiful Belgrade.

Serbia: Towards a national anti-corruption strategy

Network host: Chamber of Commerce and Industry of Serbia

Duration: 2009 - present

Issue: Corruption

Approach: Collective action

Partners: GCLN Serbia, UNDP, Anti-corruption Agency

Further information:
Website of Global Compact Network Serbia (in Serbian)

GCLN Serbia, 2011

Challenge
Corruption is endemic in Serbia, which received a 3.3 rating in Transparency International's Corruption Perception Index. The UNDP Corruption Survey finds that 50% of Serbians see the private sector as highly corrupt.

Solution
The Local Network formed the Fight Against Corruption Working Group, comprised of leading businesses, CSOs and other authorities. The WG developed principles to combat corruption in the business sector and drafted an Anti-corruption Declaration, which is now being actively promoted. It proposed several initiatives, such as the introduction of integrity pacts, while cooperating with the Anti-Corruption Agency, an autonomous and independent state body, in its rollout of activities.

Outcomes
The working group has been recognized by the authorities as a sustainable network that allows easy outreach to the private sector regarding issues of corruption. It has also become a stakeholder in consulting for various government initiatives, such as the drafting of a new National Anti-corruption Strategy.

Serbia: Implementing a national CSR action plan

Network host: Chamber of Commerce and Industry of Serbia

Duration: 2010 - present

Issue: CSR policy

Approach: Policy Dialogue

Partners: GCLN Serbia, Ministry of Labor and Social Policy, Ministry of Environment, Mining and Spatial Planning, Ministry of Economy and Regional Development, NGOs, trade unions

Further information:
Website of Global Compact Network Serbia (in Serbian)

GCLN Serbia, 2010

Challenge
As a country aspiring to join the EU, Serbia should adopt EU standards and practices, such as recognizing and promoting Corporate Social Responsibility (CSR). While promotional activities have created some awareness of CSR, the general public remains unclear about the concept.

Solution
In 2009, the Ministry of Labor and Social Policy formed a Working Group to draft a national CSR strategy. It consisted of 1 Local Network member, representatives of relevant ministries (labor, environment, economy) and representatives from the National Bank of Serbia, the Chamber of Commerce, NGOs and trade unions. All GCLN members could have input on the drafting of the strategy. After the adoption of the strategy, members of the network became part of the Ministry of Labor's strategy implementation team.

Outcomes
In July 2010, the Serbian government adopted the National Strategy for Development and Promotion of Corporate Social Responsibility 2010 - 2015. In accordance with the Action Plan for Implementation of the Strategy, the network is in charge of measures related to the promotion, reporting, education and cooperation on CSR topics.

Serbia: Collective action after natural disaster

Network host: Chamber of Commerce and Industry of Serbia

Duration: April - May 2011

Issue: Humanitarian

Approach: Collective action

Partners: GCLN Serbia, 12 GCLN members, non- GCLN member the Serbian government's unit on Social Inclusion and Poverty Reduction

Further information:
Website of Global Compact Network Serbia (in Serbian)

GCLN Serbia, 2011

Challenge
On November 3rd, 2010, a strong earthquake hit central Serbia. 2 people were killed and hundreds injured. Educational and cultural buildings suffered major damage and were in dire need of reconstruction.

Solution
The Local Network facilitated collective action among companies to collect books and computers for delivery to the local library in affected zones. The entire project was organized by the Working Group for Support in Emergency Situations. 12 GCLN members participated. The Working Group also organized 2 charity theater performances for children featuring famous actors in 2 elementary schools in the city of Kraljevo.

Outcomes
GCLN members collected 3,000 books and 11 computers in 2 months. In June 2011, the participating members agreed to run a yearly book collection program, held every May to benefit educational and cultural institutions.

Serbia: Promoting human rights and social inclusion

Network host: Chamber of Commerce and Industry of Serbia

Duration: 2008 - present

Issue: Human rights, labor

Approach: Policy Dialogue

Partners: GCLN Serbia, Social Inclusion and Poverty Reduction Unit of Government of Serbia

Further information:
Website of Global Compact Network Serbia (in Serbian)

GCLN Serbia, 2012

Challenge
Respect for human rights secures social license and facilitates access to new markets, consumers and investors. In Serbia, 10% of the population is disabled. There is a strong need to raise awareness of issues such as social inclusion and equitable employment for disadvantaged groups.

Solution
The Local Network created a Working Group to promote equal treatment, human rights and fundamental freedoms for disabled persons. In 2011, the WG expanded its focus to other vulnerable groups such as women and the Roma population. It also organized educational activities, presentations of current programs run by Serbian NGOs and events on the International Day of Persons with Disabilities. In 2011, Local Network members participated in the national consultation of UNICEF for drafting the "International Business Principles and Children Rights."

Outcomes
The efforts of the WG on social inclusion helped to influence the Employment and Professional Rehabilitation Law passed in 2009. To further promote this agenda, numerous partnerships were established between the private sector and Civil Society Organizations (CSO).

Serbia: Improving financial education and financial literacy

Network host: Chamber of Commerce and Industry of Serbia

Duration: 2008 - present

Issue: Education

Approach: Collective action

Partners: GCLN Serbia, Academy for Banking and Finance

Further information:
Website of Global Compact Network Serbia (in Serbian)

GCLN Serbia, 2011

Challenge
Financial education and financial literacy is handled in individual projects by the National Bank of Serbia (NBS) and by commercial banks. The Working Group for CSR in Banking and Finance wants to provide additional education and bring together commercial banks as partners.

Solution
The Local Network ran two projects. In the first, network members worked with 7 High Schools of Economics to organize 1- and 2-week courses for teenagers in branch offices of banks, to lecture teachers and students on requested topics and to plan visits to the NBS. Teachers joined workshops at the Academy for Banking and Finance. In the 2nd project, member banks organized free Personal Finance Management workshops for citizens, helping them to efficiently manage household budgets through training and counseling.

Outcomes
Every year, more than 200 students and 30 teachers receive additional education and training. As of February 2010, there had been more than 32 Personal Finance Management workshops with more than 400 participants, who reported receiving a better overview of expenses and incomes in their personal and household budgets.

South Africa: Improving energy efficiency standards

Network host: National Business Initiative (NBI)

Duration: 2006 - 2011

Issue: Environment

Approach: Collective action and policy dialogue

Partners: GCLN South Africa, 21 GCLN members, government

Further information:
Website of Global Compact Network South Africa

Energy Efficiency Leadership Network, 2011

Challenge
The South African government passed the National Energy Efficiency Strategy (NEES) in March 2005 but the strategy lacked supporting policy and regulation to guide its implementation.

Solution
The Local Network convened the private sector and the government to formulate an accord for implementing NEES. Managed by an Energy Efficiency Technical Committee (EETC), the accord included energy managers from GCLN member companies and representatives from 8 private sector associations. The accord asks signatories to meet requirements, including the development of sector-specific strategies, reporting of progress, estimation on future energy consumption, and independent audits. The government developed strategies and fiscal incentives by involving NEES signatories, promoting networking and best practices exchanges.

Outcomes
In 2008, 18 of the accord's signatories had invested 9 billion rand in projects collectively reducing electricity consumption by 2.4 GWh (equal to the average energy consumption of 700,000 households). The accord was key to investment in energy efficiency projects, sharing best practices and defining baselines.

Spain: A guide to fighting corruption

Network host: Its own secretariat (member-financed)

Duration: 2010 - 2011

Issue: Corruption

Approach: Collective action and policy dialogue

Partners: GCLN Spain, 11 GCLN , 2 non-members

Further information: Red Española del Pacto Mundial de Naciones Unidas (2011), "Lucha contra la Corrupcion y promoción de la transparencia" (in Spanish)

GCLN Spain, 2011

Challenge
The risks and consequences of corruption remain underacknowledged in several areas. Anti-corruption training and safeguarding tools are needed.

Solution
The Local Network developed a guidebook with expert input outlining tools for assessing, preventing and managing corruption risks. This involved companies from the financial sector (Grupo Santander, BBVA, Caja Ahorros del Mediterraneo), large companies (Siemens, Acciona, Iberdrola, Abertis), SMEs (Javierre, Cofides); public representatives (Ministry of Industry, Tourism and Commerce), anti-corruption NGOs (Transparency International, Fundación Carolina) and the IE Business School.

Outcomes
Published in 2011, the guide details definitions of corruption, national and international legislation and provides concrete examples from members of the Spanish Working Group. It also offers anti-corruption risk management and implementation tools tailored to company characteristics and the corresponding implementation model. All implementation models offer several tools for 4 phases (risk assessment, policy, concrete actions and measurement and impact assessment).

United Kingdom: Consultation on anti-bribery act

Network host: International Business Leaders Forum (IBLF)

Duration: 2010

Issue: Corruption

Approach: Policy Dialogue

Partners: GCLN United Kingdom, Transparency International, UK Ministry of Justice, Anglo American

Further information:
Global Compact Network United Kingdom (2010), "Anti-Corruption and the UK Bribery Bill"

GCLN UK, 2011

Challenge
The UK government enacted its Anti-Bribery Act in 2010, imposing liability where a commercial organization has failed to put in place adequate procedures to prevent bribery. Companies were concerned that the act would criminalize behavior otherwise acceptable in foreign jurisdictions and thereby place British business at a competitive disadvantage.

Solution
The government held extensive consultations with businesses, including the UK Local Network, which provided an open discussion forum by bringing together public, private and civil society actors under the Chatham House Rule. The UK Network also has a wide reach to both large and medium-sized companies. A representative from the UK Ministry of Justice led off the discussion, an expert from Transparency International provided a civil society perspective, and representatives from Anglo American took the business seat.

Outcomes
The discussion informed the official guidelines to implement the Act. Companies were advised to look at both the consultation paper from the Ministry of Justice and TI's own guidance on good practice procedures. Anglo American presented its anti-corruption compliance as a best practice example.

Ukraine: Developing a national CSR strategy

Network host: UNDP

Duration: 2009 - present

Issue: CSR policy

Approach: Policy Dialogue

Partners: GCLN Ukraine, Parliamentary Committee on Entrepreneurship and Industrial Policy, businesses, NGOs, trade unions

Further information:
Global Compact Network Ukraine (2011), "Public Discussion of the Concept of the National CSR Strategy is now launched"

Svitlana Yakovleva, 2010

Challenge
A National Strategy on Corporate Social Responsibility (CSR) can help guide the larger economy onto a sustainable development path. The Ukraine did not have a national strategy for CSR in place and was lacking dialogue on CSR between companies and government.

Solution
In 2009, the Local Network approached the Parliamentary Committee on Entrepreneurship and Industrial Policy. In response, a National CSR consultation process engaging various stakeholders including companies, academia and NGOs was started. The goal of the national CSR strategy was to provide a general framework for Ukraine's CSR policy and to formalize the dialogue and cooperation between business, government and society as well as the definition of responsible business practices and their promotion in the country.

Outcomes
Since 2009, the business community, civil society, academia and other GCLN Ukraine organizations participated in consultations. The key ministries and state agencies received the document in March 2012. In April 2012, the Local Network and other national partners conducted a special event on the strategy leading to the formation of an inter-governmental working group for the implementation of the CSR strategy.

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Acronyms

BBC	British Broadcasting Corporation
BBVA	Banco Bilbao Vizcaya Argentaria
BEI	Bangladesh Enterprise Institute
BitC	Business in the Community
BMZ	German Federal Ministry for Economic Cooperation and Development
C4C	Caring for Climate Initiative
CCIS	Chamber of Commerce and Industry of Serbia
CEO	Chief Executive Officer
CESP	Special Commission of House of Deputies Brazil
CONFIEP	Confederación Nacional de Instituciones Empresariales Privadas Peru
COP	Communication on Progress
CR	Corporate Responsibility
CRI	Corporate Responsibility Index
CSO	Civil Society Organisations
CSR	Corporate social responsibility
DANIDA	Danish International Development Agency
DESA	United Nations Department of Economic and Social Affairs
DFID	Department For International Development United Kingdom
EACC	Ethics and Anti-Corruption Commission
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECRC	Egyptian Corporate Responsibility Center
EETC	Energy Efficiency Technical Committee South Africa
EFP	Employers' Federation of Pakistan
EU	European Union
FDI	Foreign direct investment
GCJN	Global Compact Japan Network
GCLN	Global Compact Local Network
GDP	Gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IBLF	International Business Leaders Forum
ICBF	Colombian Institute of Family Welfare
IEA	International Energy Agency
ILO	International Labour Organization
IO	International Organization

IPCC	Intergovernmental Panel on Climate Change
IT	Information Technology
KAM	Kenya Association of Manufacturers
KEPSA	Kenya Private Sector Alliance
MNC	Multi-National Company
MTEySS	Ministry of Labor and Social Security Argentina
NBI	National Business Initiative
NBS	National Bank of Serbia
NEES	National Energy Efficiency Strategy South Africa
NGO	Non-governmental organization
OCAI	Organisational Capacity Assessment Instrument
OECD	Organisation for Economic Co-operation and Development
RIAs	Risk and Impact Assessments
SC	Steering Committee
SME	Small and medium enterprises
TI	Transparency International
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNHRC	United Nations Human Rights Council
UNICEF	United Nations Children's Fund
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
USD	United States Dollar
UNGC	United Nations Global Compact
VNO-NCW	Confederation of Netherlands Industry and Employers
WBCSD	World Business Council for Sustainable Development
WCED	United Nations World Commission on Environment and Development
WEBCOP	Workers' Employers' Bilateral Council of Pakistan
WEF	World Economic Forum
WG	Working Group
WWF	World Wildlife Fund

About the authors

Christina Gradl is a founder and managing director of Endeva, an independent think tank working towards business solutions for development. She is also a strategic advisor to the UNDP Growing Inclusive Markets Initiative and a Research Fellow at the CSR Initiative of the Harvard Kennedy School. Since 2006, Christina has worked on building, sharing and applying knowledge around inclusive business and sustainable development with diverse partners from the public and private sectors, including the Bertelsmann Stiftung, UNDP, UNEP, BMZ, GIZ and Allianz. Christina is currently completing her Ph.D. in Strategy and Economics. She holds an M.Sc. in Philosophy of Public Policy from the London School of Economics and a Master's degree in International Business and Regional Studies from the University of Passau (Germany).

Claudia Knobloch is a director at Endeva with a special passion for applying her knowledge of inclusive business models in collaboration with companies. After completing her studies in International Business and Regional Studies in Passau (Germany), Granada (Spain) and London (UK), she worked as a foreign trade consultant developing and implementing international market entry strategies. Since 2007, corporate responsibility and market-based poverty reduction have been the focus of her work. She has managed numerous projects on topics such as micro-energy and micro-insurance, held training workshops and talks in countries such as India, Madagascar, Kenya and South Africa, and has co-authored several publications, including the "Inclusive Business Guide" and "Energize the BoP."

Anna Peters is an associate expert at Endeva, with a special focus on CSR policies. Before joining Endeva, Anna was a project manager for corporate responsibility at the Bertelsmann Stiftung in Germany, where she oversaw the foundation's international CSR activities, especially with regard to the role of German companies in foreign markets, and public policies promoting CSR and private sector engagement. Anna has co-authored several publications in this field, including "The CSR Navigator – Public Policies in Africa, Asia, the Americas and Europe" (2007) and "Partners in Development – How Donors Can Better Engage the Private Sector for Development in LDCs" (2011). Anna studied in Bonn, Passau (Germany) and Santiago de Chile, and holds a Master's degree in International Business and Regional Studies from the University of Passau (Germany).

Endnotes

1   GC member companies are required to issue an annual Communication on Progress (COP), a public disclosure to stakeholders (e.g., investors, consumers, civil society, governments, etc.) on progress made in implementing the ten principles of the UN Global Compact, and in supporting broad UN development goals.

2   See list of interviewees in acknowledgments.

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11 BBC (2002): Corruption Costs Africa Billions

12 The name goes back to an article by Garrett Hardin first published in Science in 1968. The article discusses the example of medieval herders using a common piece of land which ultimately leads to overgrazing.

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26 The online survey of all Local Networks was conducted in January 2012 by Endeva.

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Imprint

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

Principle 1   Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2   make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3   Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4   the elimination of all forms of forced and compulsory labour;

Principle 5   the effective abolition of child labour; and

Principle 6   the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7   Businesses should support a precautionary approach to environmental challenges;

Principle 8   undertake initiatives to promote greater environmental responsibility; and

Principle 9   encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10   Businesses should work against corruption in all its forms, including extortion and bribery.

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