

**Baseline Study on the Capacity and Organisational Structure
of Global Compact Local Networks
in Asia and the Pacific**

for

Investors for Development (I4D) Project

Implemented by

**Trade and Investment Division (TID) of the United Nations Economic and Social
Commission for Asia and the Pacific (UNESCAP)**

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July 2009

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1. INTRODUCTION

The project “**Increasing the contribution of business to sustainable development through more effective implementation of the principles of the Global Compact in Asia and the Pacific**”, hereafter called *Investors for Development* (I4D), was started in late 2007 and is expected to end by 31 December 2010. The project focuses on building the capacity of and providing tools, learning materials and joint communication platforms for Global Compact Local Networks (GCLNs) in Asia.

The main aim of the baseline study is to assess the present state of operation and governance of the UN Global Compact Local Networks as well as the level of support services these networks provide to their members in implementing the Global Compact (GC) principles and corporate social responsibility (CSR) practices in their respective countries. This baseline information will be used at the end of the project to measure how the networks have developed over the life of the project.

Research for the baseline study was carried out between October 2008 and April 2009 by an independent consultant (Stuart Black) in collaboration with the GCLN Focal Points located in each project country. This report sets out the international consultant’s synthesis of the background research completed by the project team at the ESCAP office in Bangkok and two surveys – one completed by the Focal Points in each country and another completed by Global Compact member organizations participating in local networks.

The baseline survey provides a broad assessment of the operational capacity and the governance structure of the local networks, as well as of the level of services that GCLNs provide to their members in implementing the GC principles and CSR practices in their respective countries. The survey questionnaires were designed to bring out the comparative similarities and differences in the capacity and operation of GCLNs in each country.

For a measurement tool, the international consultant adapted a conceptual framework that was developed for a similar project in Eastern Europe¹, modifying it to suit the needs of the I4D project in the Asia and Pacific region. This conceptual framework will enable the project team to compare and categorize the progress of local networks by measuring their governance structure, activities, awareness, administrative capacity and performance in providing support to their members in implementing the Global Compact principles.

1.1 Objective of the Study

The objective of the baseline study is to gather data for a benchmark assessment of the current capacity of GCLNs in each country in order to enable the end-of-project evaluation to measure progress from a particular starting point. The international consultant worked with the ESCAP project team based in Thailand to design two surveys

¹ Baseline Study on CSR Practices in the New EU Member States and Candidate Countries, Mark Line and Robert Braun, 2007 commissioned by UNDP

– one to be completed by GCLN network focal points and a second to be completed by their member organizations. The international consultant was responsible for developing the conceptual framework and designing the questionnaires. The ESCAP project team provided overall direction, quality assurance and contact details of the GCLN focal points of the selected project countries to participate in the study. The focal points were requested to complete the GCLN survey on the state of network development, and to distribute the member survey to their members and follow up accordingly.

The surveys had the following objectives:

- Assess the present state of network development of GCLNs, including administrative and operational capacity and governance structures
- Assess the level of support services the networks provide to their member organizations in implementing the Global Compact (GC) principles and corporate social responsibility (CSR) practices in their respective countries
(*Note: due to the low response rate of the member survey, it was not possible to draw conclusions based on it.)

1.2 The Methodological Approach

Creating an overview of the baseline situation of network development is a necessary first step in the I4D project in order to determine the overall capacity of the GCLNs at the start of the project. An evaluation matrix was constructed to guide the process of data collection and analysis at particular points during the life of the project: a) baseline, b) end of 2009, and c) end of project. The matrix includes key evaluation questions, indicators, targets, information sources, evaluation methods and dates for gathering particular information (see Evaluation Framework Report at Annex III).

In order to capture consistent information that can be used to measure progress at the end of the project, a conceptual framework was devised in an attempt to measure the level of network capacity and development (see Scorecard in Section 4.1). A survey questionnaire was designed to gather information from focal points on the operational capacity and governance structure of their networks, and the types of services they provide to their members in implementing the principles of the Global Compact (see Annex II).

This report represents the synthesis by the international consultant of the results of the surveys and application of the conceptual framework, together with a synopsis of the background research undertaken by the project team.

The conceptual framework and results of the surveys do not provide a completely accurate baseline situation. Nevertheless, it is presented as a “best estimate” and should provide an essential launching point for the work on the project ahead, which is aimed at strengthening the capacity of local GC networks.

1.3 Outline of the Study

Section 1 presents the introduction, objectives and methodological approach for the baseline study. Section 2 sets the context for the study. Section 3 provides a description of the GCLN networks in terms of capacity, operation and support to membership. In Section 4, the baseline situation of the networks is presented using a series of performance indicators that can be used as an on-going system of measurement. Finally, some conclusions and recommendations are offered in Section 5.

2. BASELINE CONTEXT

The main objective of the I4D project is to build the capacity of Global Compact Local Networks in Asia/Pacific to become more active in recruiting participants and providing support to companies and organizations in their implementation of the Global Compact principles. This is expected to be achieved by a series of activities aimed at promoting sustainability of the networks (through, for example, the drafting of strategies for the strengthening of networks) and by providing them with learning materials, tools and processes/platforms for cooperation and sharing of experiences.

2.1 Definitions

Global Compact: The UN Global Compact is the largest corporate citizenship and sustainability initiative in the world – with over 4700 corporate participants and stakeholders from over 130 countries. The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary agent driving globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies, environment and societies everywhere.

GCLNs: Local networks are clusters of participants who come together to advance the Global Compact and its principles within a particular geographic context. Their role is to facilitate the progress of companies (both local firms and subsidiaries of foreign corporations) engaged in the Compact with respect to implementation of the ten principles, while also creating opportunities for multi-stakeholder engagement and collective action.

2.2 Regional Context

The I4D project design used the findings of the 2005 Asia-Pacific Business Forum, which identified the need for increasing awareness of the business case for CSR in order to increase the implementation of CSR in the region. The Forum also identified the need to increase partnerships within and across sectors, to reduce the myriad of standards and codes of conduct, and reduce duplication in monitoring compliance. Furthermore, it highlighted the need to raise awareness among SMEs along the supply chain in order to avoid CSR being perceived of as or turning into an impediment to trade.

The project is being implemented at a strategic point in time – during the 2008-2009 global financial crisis and as concerns over global warming are beginning to generate greater interest toward corporate governance and environmental and social responsibility. This interest is being driven primarily by private companies, and the I4D project intends to address their needs through the strengthening of local Global Compact Local Networks.

2.3 Country Context: Global Compact Development in the Region

A synopsis of the state of development of the Global Compact Local Networks in each of the project countries in the Asia and Pacific region is provided in Annex I. This synopsis was compiled using information available in the public domain at the start of the project (primarily, Global Compact websites) together with information collected through the survey of GCLNs.

3. PRIME ACTORS: GLOBAL COMPACT LOCAL NETWORKS (GCLNs)

The Global Compact Local Networks are the main vehicle for advancing the Global Compact and its principles at the country level. Their role is to facilitate the progress of companies (both local firms and subsidiaries of foreign corporations) engaged in the Compact with respect to implementation of the ten principles, while also creating opportunities for multi-stakeholder engagement and collective action in a specific geographic region.

The focus of the I4D project is on supporting existing GCLNs in the following developing countries (China, India, Indonesia, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand) as well as developing new networks in the following countries (Bangladesh, Malaysia and Vietnam). The project also has a regional component to facilitate cooperation and exchange of experiences between GCLNs in the region by promoting collaboration between these “existing” and “new” networks as well as networks in the more advanced countries (Japan, Korea, and Singapore).

For the purposes of the baseline study, the GCLNs have been arranged into the following three groups:

Category of Network	No.	Countries
Existing networks	9	China, India, Indonesia, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand
New networks	3	Bangladesh, Malaysia, Vietnam
Networks in advanced countries	3	Japan, Korea, Singapore

3.1 **Background**

A comprehensive desktop review of networks and their governance undertaken by the project team found a number of deficiencies in the organization and practice of the networks. The networks were much weaker and less well-structured than originally thought. In particular, the project team singled out the urgent need to address network governance. For example, of the 15 GCLNs six were found to operate under formal structures, two were semi-formal and five were informal (2 submitted incomplete information). Also, seven of the fifteen GCLNs had been submitting annual reports, holding annual network meetings, producing learning events or publications, organizing outreach programs, and planning future steps while eight GCLNs were relatively inactive.

Comparing these two factors, the desktop review found a positive correlation between the levels of activity of a network and its governance structure – because the seven active GCLNs were either formally or semi-formally structured. Analysis also showed that formal institutions were more likely to have independent funding sources, as five of the networks with funding sources were formal institutions. The review found that maintaining a stable funding base increased the likelihood that the networks would be able to graduate from UN support. Lack of adequate funding was identified as the main reason for the lack of permanent staff, which was considered vital for continuity in operations and sustainability, and hence poses a key challenge to the success of the I4D project.

The I4D project hopes to overcome this challenge by helping GCLNs improve their ability to conceptualize, develop and follow through on their strategic intentions. Hence, in order to realize the potential of GCLNs in Asia, the project team decided that careful attention should be paid to issues of governance, management, communications and evaluation of performance.

Mapping out the operational model of the GCLNs was intended to identify the factors that could lead to more successful networks. In an attempt to ensure the sustainability of the GCLNs, the I4D project formulated a “sustainability framework” that included a network development cycle and organisation structure designed to provide a viable and sustainable operational model for the GCLNs to work toward achieving. In order to realize the potential of GCLNs, the sustainability framework recommended 9 key operational principles and directed the attention of GCLNs to address issues of network governance, management, communications and evaluation of performance. The operational model was intended to enable local networks to effectively foster change in specific business practices and policies to support CSR and sustainable development through a more effective implementation of the principles of the Global Compact.

In June 2008, the project team produced the following summary of the main findings of the inception report in relation to network operation and capacity:

- Some GCLNs appear to be struggling to fulfill their mandate due to a number of deficiencies in the organization and practices of the networks

- It is clear that the organisation structure of GCLNs and capacity issues have a strong impact on network sustainability
- Each GCLN is responsible for addressing its own set of issues
- The governance structure of most networks is evolving
- Member company involvement, goals, and work plans are often vague
- Most networks do not have active company involvement and commitment
- Most networks rely on a single person who often has several competing tasks as focal point
- Some appear to be a network on paper but in reality are more of a focal point that may be in contact with a few signatory companies but with no real activities and no plans in the pipeline

This background research was invaluable for defining the parameters and priorities of the baseline study – which focuses on assessing the capacity of the networks and devising a system of on-going measurement.

3.2 Survey of Network Governance and Performance

In an attempt to gather information for the baseline assessment, a survey questionnaire was undertaken – yielding the indicators listed below. The network focal points were asked to provide a self-assessment of a number of areas surrounding their network governance, activities and support to members:

- Network governance, activity, funding, recruitment, etc.
- Network capacity and support to members, constraints in knowledge and awareness

A second survey was designed to solicit responses from members – which gathered information on their level of GC compliance:

- CoP reporting

Finally there were some project-level indicators that apply more to the project achievements than to individual GCLNs:

- GCLNs involvement in project design
- Suggestions by focal points on useful project activities
- Activity surrounding the establishment of new networks / revival of dormant ones

A. Focal Point Responses

Each of the fifteen networks was asked to complete a desktop survey assessing their operations, governance structure, delivery of services, etc. Eleven out of fifteen networks completed the survey. The responses have been tabulated according to the two main categories developed for measuring the capacity of networks, as defined in the Evaluation Framework: 1) Operational and Administrative Capacity of GCLNs, and 2) Capacity to Support Members in GC/CSR Implementation (see scorecard in Section 4.2 below).

1. Operational and Administrative Capacity of Networks

a) Existing organizational structure of GCLNs

All eleven networks that responded to the survey had a secretariat and out of these eleven networks, 7 had a governing board (ranging from 7 to 25 members made up of representatives from the major sectors of the economy, business associations, NGOs, unions, academic institutions and government departments) as shown in the table below.

For those networks that have not registered as a legal entity, their host organizations play a key role in the operations of the networks: The Office for Sustainable Development for Business in Vietnam’s Chamber of Commerce and Industry (VCCI); Bangladesh Enterprise Institute (BEI), a non-profit research centre on private sector development in Bangladesh; a voluntary steering committee made up of 6 sectoral champion companies in Sri Lanka; and the UNDP office provides technical and advisory support to the Global Compact Working Group (GCWG) in the Philippines.

Country	Secretariat	Governing Board
Existing Networks		
China	n/a	
India	Global Compact Society (GCS) Secretariat has 2 full time persons responsible for the day to day activities under the supervision of an Administration Committee	Governing Council made up of 11 leading sectors elected by GCS members, for a 2-year term
Indonesia	Secretariat is based at the current President’s office, i.e. Indonesia Marketing Association	Formal board with 14 members
Mongolia	n/a	
Nepal	n/a	
Pakistan	Employers’ Federation serves as the Secretariat; a Steering Committee governs the operation of the Network	Board has 25 members with 17 representatives from business, and one from business associations NGOs, unions, women.
Philippines	A Global Compact Working Group (GCWG) serves as the Secretariat	Inactive
Sri Lanka	Voluntary steering committee from 6 sectorial champion companies	None
Thailand	n/a	
New Networks		
Bangladesh	Hosted by BEI in collaboration with CSR Centre	None
Malaysia	A flat 7-member General Committee is elected by local network, decides on President, Treasurer, other portfolios and Focal Point, who serves as the Executive Director and Secretary in the General Committee	General Committee is currently acting as a governing Board
Vietnam	The focal point is the Office for Sustainable Development for Business in the VCCI. The organizational structure is being identified	None

Networks in Advanced Countries		
Japan	Permanent secretariat, GC-Board, steering committee, management committee	Board made up of 10 major MNCs
Korea	Board of Directors, Steering Committee, Advisory Committee and secretariat	Board of Directors consists of 10 to 20 members (currently 16) representing companies, NGOs, unions, associations, retail, media.
Singapore	Singapore Compact is the local focal point of the GC. It is headed by a full-time Executive Director, Admin and Finance, research and membership and partnership	Board has 13 members

n/a – figures not available, did not report

b) HR capacity, management and leadership

Most networks indicated that they are dealing with a number of constraints that limit their capacity to provide the level of support services needed to assist their members in implementing the GC principles. These include the following:

- Lack of financial, administrative and human resources
- Lack of experience managing/operating GC networks
- Lack of understanding about the difficulties and challenges faced by businesses in certain industries
- Lack of comprehensive understanding about the reality of CSR implementation among businesses
- The current global economic downturn
- Lack of government support
- Low awareness (GC is not known)
- Lack of funding for operation and collaborative projects
- Staffing (no full time management)
- Lack of tools/facilities

In spite of these shortcomings in organisational structure, inefficient operations, shortage of business savvy network managers and lack of commitment from member companies, some networks were looking ahead to solving the challenges of emerging networks and increasing awareness of GC principles. In Malaysia, for example, the focal point felt their network was in a better position to address these challenges now that a committed focal point is in place, a General Committee has been formally appointed, more resources will be available, and a number of willing signatories/members. The focal point recognized, however, that this will require the network to create “value for members” by providing activities of interest to members as well as the larger community. It will also require the creation of a “lean and mean” secretariat operating with minimal financial requirements.

Staffing constraints are of paramount concern to most networks, as most indicate they are understaffed. For example, referring to the potential benefits that the ESCAP project could provide, one focal point indicated, “unless a full time person is hired to do all of these (project activities), then everything goes to waste”.

Although tools and learning materials are readily available, the smaller networks are hampered by poor knowledge management, accessibility to the right information and availability of sectoral-specific materials that demonstrate the business case in

implementing the GC principles in Asia. Constraints among the larger networks (eg. India) include having to deal with a proliferation of companies participating in GC initiatives involving vastly different geographical regions and sectors. Given the vast geographical spread of larger countries (like India), it is a challenge to operationalize an effective decentralized membership base for the Local Network. As a result, it is difficult to contextualize the universal GC principles within the local context so as to have more rooted interventions for respecting and furthering the GC principles.

The survey responses show that some networks possess greater capacity and number of staff and are able to provide more services and awareness-raising activities to their members than other networks. However, there is not always a direct correlation between network size/age and their level of activities. For example, established networks in advanced countries may have relatively more resources, yet they don't necessarily produce more meaningful activities compared with networks in developing countries. And the GCLN in Vietnam, although a new network, has a strong team comprised of 5 staff dedicated to working for the network full-time. (See “e” below for details on program delivery).

c) Financial resources

Most developing networks rely heavily on donor-funded projects for funding or in-kind support from members in the form of staff or office space. Networks that are supported by membership dues (eg. Japan) rely on support from a few large companies.

Country	2009
Existing Networks	
China	n/a
India	Membership Fees
Indonesia	In-kind
Mongolia	n/a
Nepal	n/a
Pakistan	Membership Fees
Philippines	None
Sri Lanka	In-kind
Thailand	n/a
New Networks	
Bangladesh	UNDP
Malaysia	Membership Fees
Vietnam	In-kind
Networks in Advanced Countries	
Japan	Membership Fees
Korea	Membership Fees
Singapore	Membership Fees

n/a – figures not available, did not report

d) Strategy and knowledge

Nine of the networks indicated that they published a strategic plan, but only Singapore and India provided any elaboration on the process of performance evaluation and reporting against a documented road map. Most networks seem to rely on discussion and approval of the strategic plan at annual committee meetings.

All eleven focal points indicated a “good” or “very good” level of knowledge on the types of activities they can undertake to increase awareness and support implementation of the GC principles (6 indicating “good” and 5 “very good”). Six networks backed this up with details on media activities, publishing articles, quarterly newsletters and CDs on GC/CSR, and surveying businesses on CSR implementation. Korea and Singapore were very active involving publishing toolkits and handbooks on sustainability reporting and implementing CSR for business, newsletters through email and hard copy, mainstream media (broadcasters and daily newspaper) and joint conferences. Bangladesh was active in publishing a quarterly newsletter, focusing on the core UNGC issues and highlighting member best practices.

e) Program delivery

This ranges from highly functioning networks in Japan, Korea and India providing a full array of services, including regular monthly network meetings, special national forums and events, COP workshops and training, and CSR publications. Some existing networks (Indonesia, Pakistan) offered fewer services that were limited to activities on increasing membership and raising awareness, regular monthly meetings on CSR and workshops on GC and COP. Others (Philippines) as well as new networks (e.g. Bangladesh) indicated they were not currently offering any services or offered some unspecified national forums and GC/CSR related activities. To determine the quality of program delivery provided by GCLNs, it would be necessary to assess the quality of services provided to its members. However, such a qualitative assessment is beyond the scope of the current project.

The level of recruitment of GC signatories varies with the capacity of the network, the level of pressure on internalizing CSR among different business sectors and the existing corporate culture on CSR in the country. The table below shows the number of signatories, demonstrating that some networks (India, Indonesia, Japan, Pakistan, Korea and Singapore) have been successful in recruiting more than 50 members.

GC Signatories in Asia/Pacific

Country	2006	2007	2008	2009
<i>Existing Networks</i>				
China	n/a			
India	45	50	53	61
Indonesia	3	40	164	194
Mongolia	n/a			
Nepal	n/a			
Pakistan	51			63
Philippines				10
Sri Lanka		20	24	29
Thailand	n/a			
<i>New Networks</i>				
Bangladesh	6	23	33	42
Malaysia	1	1	2	16
Vietnam				16
<i>Networks in Advanced Countries</i>				
Japan	38	51	59	76
Korea	3	17	114	149
Singapore	14	44	72	72

n/a – figures not available, did not report

2. Capacity to Support Members

a) Business driven and funding

Only the networks in advanced countries (e.g. Japan) and India scored high in this category. On the other hand, the main driving force behind the new networks appeared to be the promise of donor funding or in-kind contributions from members in the form of staff or office space. Bangladesh, for example, expects to receive funding from UNDP for network development in 2009, Vietnam is currently relying on a UNDP project for the largest portion of its budget and activities, and the Philippines, although existing since 2002, appears to have lost momentum following the ending of a UNDP-funded project.

b) Level of engagement with members

Most networks have a diverse membership that reflects their members' different levels of understanding, expertise and capacity in GC/CSR, ranging from very rudimentary awareness to more advanced GC implementation. Some networks reported that awareness about the GC initiative is not widely pervasive within most member organizations participating in the GC initiative. In many cases awareness is limited to just one or two persons in the organization, which results in companies failing to continue to engage in the initiative once these persons are transferred or if they retire. Also, CSR is often seen as a stand-alone activity and very often not integrated with the core business areas of an organization (in extreme cases it is seen as a philanthropic activity). This often results in CSR being thought of as an area of low priority by the company's leadership. Also, there is a lack of understanding regarding the direct financial benefits of joining the GC by network members and the private sector. Hence, there is a lack of commitment towards CSR and GC principles from top management of member organizations and a lack of funding for implementation.

Constraints affecting members as reported by networks include the following:

- Low awareness and lack of knowledge and experience with CSR
- Lack of knowledge of measurability
- Lack of knowledge on sustainability reporting
- Lack of interest
- Lack of resources in deploying CSR practices/solutions for small and medium enterprises
- Lack of transparency, integrity and sanctions in the regulatory environment
- Weak business management capacity, without vision, and lacks strategy
- Difficulties in engaging top management
- Complicated Supply chain management
- Difficulties in maintain a good balance between GC network activities and members' own business
- Low leadership priority, especially in wake of current economic crisis
- Lack of internal engagement and awareness about GC in member organizations.
- Lack of clear visioning as to how the GC/CSR principles can be translated into interventions within the local context in which an organization is operating
- Sensitivity toward labor issues
- Lack of uniform level of commitment at all layers of organization.
- High turnover of CSR/GC focus persons
- Lack of sector specific pan-Asia business cases in implementing GC/CSR

c) Partnerships and support networks

Nine of the eleven networks surveyed indicated that they had established some form of partnership with training institutes or other specialized organizations offering programs or courses on GC/CSR or expert services in social, environmental and ethical issues. Some of these can be considered “strategic” partnerships involving host or donor organizations like the CSR centre in Bangladesh or UNDP, UNEP and ILO. Vietnam, Singapore, Sri Lanka and Malaysia were very active in establishing partnerships with universities, business schools, labour institutes, chambers of commerce, business federations, employers federations, environmental institutes and government ministries. Some networks had also established partnerships on a case by case basis with various consultants to write case studies of CSR companies, but they indicated that they are working towards establishing longer term partnerships.

Some of the larger and more established networks like India and Japan indicated that they were not pursuing a partnership strategy. This is surprising because partnerships are one of the key ways of providing more services and greater benefit to the members in the following areas, as indicated by the networks themselves:

- CoP reporting
- Building capacity in COP and GRI
- Expanding the limited pool of national GC/CSR experts in hosting events and speakers
- Learning from and exchanging information with other companies
- In-house training of middle and senior managers
- Knowledge about the difficulties and challenges faced by businesses in certain industries
- Comprehensive understanding about reality of CSR implementation among national businesses
- Exchanging experiences about operation of GC networks

d) Knowledge (dissemination of information)

While most networks were active in gathering and publishing articles, CDs and quarterly newsletters focusing on core GC issues and CSR, only a few reported that they worked in conjunction with national media outlets. Korea and Singapore were very active in publishing toolkits and handbooks on sustainability reporting and implementing CSR for business, newsletters, and working with mainstream media (broadcasters and daily newspaper). Indonesia’s activities involved talk shows on national TV (MetroTV) and Radio. But generally, the involvement of national mainstream media in promoting GC/CSR is not well developed among networks in the region

e) Level of multi-stakeholder engagement

In general, the level of multi-stakeholder engagement is quite low. Most networks rely on monthly membership meetings and round table discussions on the GC to fulfill their obligations to the multi-stakeholder community – indicating that these events are open to member companies, NGOs and other potential members. Some indicate that their projects related to human rights, labour, environment and anti-corruption issues qualify as national collaborative gestures. However, these interactions do not appear to be in the

form of an on-going dialogue or two-way communication designed to solicit information about the social, environmental and ethical concerns of stakeholders involving business, government and civil society.

Only Korea and Vietnam mentioned the importance of participation of government officials in providing briefings on economic and environment policies and promoting multi-stakeholder dialogue by encouraging partnerships between relevant stakeholders to promote CSR. In Korea, for example, representatives of companies, labor sector and NGOs meet quarterly at Board of Directors Committee meetings to discuss the direction of the Korea Network’s management. Also, high ranking government officials participate in the annual Advisory Committee meetings, providing information on the government’s economic and environment policies and receiving advice on the network’s GC strategies.

Several networks (India, Indonesia, Pakistan) have the potential to step-up the multi-stakeholder dialogue as they have been successful in recruiting a healthy balance of corporations, SMEs, business associations, NGOs, academic institutions and government departments. In Pakistan, for example, of the 57 company members, 49 are SMEs, and they have recruited 2 business associations, 3 NGOs, and an academic institution. India has signed up 46 companies, 2 business associations, 6 NGOs, 4 academic institutions and 3 government departments. Indonesia is the star performer with 158 companies (of which 143 are SMEs), 6 business associations, 12 NGOs, 18 academics. Although Vietnam only has 16 members, it has recruited 11 corporations, 2 business associations, 2 NGOs and 1 academic institution. Korea is another star recruiter with 149 members, 112 corporations (of which 24 are SMEs), 3 business associations, 18 NGOs, 12 academic institutions, 3 government departments.

B. Company Responses

The survey response rate from members was very low. Questionnaires were completed by only 19 members – 7 from Bangladesh, 7 from Malaysia, 2 from Pakistan, and one each from Thailand, Indonesia and Korea. This sample is too small and concentrated on too few countries to be able to provide an accurate profile of the networks. Nevertheless, the information can be used to verify some responses provided by some focal points on the network self-assessment regarding the types of activities they provide their members.

The COPs submitted and the capture rate by country has been tallied for the years 2007 and 2008 in the table below.

COPs Submitted and Capture Rates 2007 and 2008

Country	2007	Capture Rate*	2008	Capture Rate*
<i>Existing Networks</i>				
China	18	n/a	14	n/a
India	38	53 %	42	n/a
Indonesia	3	n/a	13	n/a
Mongolia	0	n/a	0	0 %
Nepal	5	56 %	6	82 %
Pakistan	4	n/a	12	26 %

Philippines	7	7 %	5	67 % ²
Sri Lanka	11	41 %	16	84 %
Thailand	3	24 %	4	75 %
<i>New Networks</i>				
Bangladesh	3	n/a	4	52 %
Malaysia	1	50 %	1	n/a
Vietnam			1	n/a
<i>Networks in Advanced Countries</i>				
Japan	42	98 %	49	95 %
Korea	9	n/a	24	n/a
Singapore	3	n/a	8	n/a

* n/a: no capture rate calculated because majority of companies have been in the GC for less than 2 years

From the survey responses, it was evident that several companies had very good CSR knowledge and awareness. For example, a large Bangladesh holding company demonstrated a good awareness of the business case for CSR (respond to social expectations, enhance employee belongingness, Improve relationship with local communities, enhance corporate image), as well as the current difficulties in managing higher expectations from stakeholders.

Major challenges and constraints reported include COP documentation and data compilation, getting stakeholders to move beyond charity and philanthropy to embed CSR values and principles within the organization and reporting on progress for COP. However, the real challenge is not on the act of compiling or reporting COP but finding examples of concrete actions of implementation of the GC principles. In this respect, the networks may be able to assist in improving understanding of GC/CSR concepts that are still perceived differently by a lot of people.

C. Suggestions for the Project

A consultation meeting was organised by ESCAP in the design phase of the project where most of the then existing focal points provided inputs. The focal points reflected on this input in the survey responses and the consensus appears to be that I4D project activities should be integrated with the on-going projects of the local networks. Many networks have on-going projects and initiatives, and the feeling is that the I4D project can bring greater value to the networks by providing support for these projects in order to make greater use of scarce resources, transfer knowledge and experiences, and help them to establish strategic partnerships and manage their activities with a diverse array of members.

Suggestions for useful project activities included:

- Production of training materials

² The high capture rate for the Philippines in 2008 (compared to 2007) is due to the fact that the number of signatories dropped dramatically. According to GC website, the Philippines had at least 150 GC signatories in May 2002, whereas in May 2009 that number dropped to 41. 95 participants were de-listed in January 2008. Of the 41 signatories listed in May 2009, only 10 are businesses, the rest are as follows: 4 academic institutions, 18 business associations, 1 city, 2 foundations, 1 labour organisation, 5 NGOs.

- Media Strategy
- Development of Asia Network Website would be a useful tool for GCLN to cooperate with other GC networks
- Training of trainers
- Benchmarking of best practices
- The “Theory of Change” model was useful in CSR meetings
- In-house training of middle and senior managers
- Sharing of experiences and learnings
- Everything is useful but unless a full time person is hired, then everything goes to waste

Furthermore, as many signatories are non-English speakers, there will be a need to provide non-English trainers/support. It was felt that this is where other local networks can be of assistance in providing a platform to train network staff and/or signatories/members as part of an exchange programme or consultancy.

Activity surrounding the establishment of new networks / revival of dormant ones:

The focal points for China, Mongolia, Nepal and Thailand did not complete the survey questionnaire. We do not know the reason why these focal points were non-communicative.

It appears that the Philippines has lost considerable ground as the focal point indicated that they used to be at “Stage 2” whereas now they are at “Stage 0”. Judging from the response, the network appears to be severely understaffed.

4. NETWORK MEASUREMENT INDICATORS

The core objective of this assignment was to describe the baseline status of GCLN network capacity, operation and support to membership. The descriptive part of this task has been completed in Section 3.

A much more challenging task involves estimating the existing capacity of GCLNs at the start of the project – which is necessary to be able to evaluate the capacity strengthening activities of the I4D project at the end of the project.

To accomplish this task, it was necessary to devise a simple framework to measure the core capacities and operational features of the networks – features such as institutional strength, governance capabilities, leadership, knowledge, accountability, human and financial resources, communication tools, and the level of service delivery. For this, we selected a framework that would mirror the key operational and administrative principles identified in the sustainability framework – key “components of success” based on the features of network governance, management, communications and performance. These key administrative and operational features have been incorporated into the capacity assessment framework and a scorecard was used in an attempt to provide a method of measuring the achievements of the project’s capacity development activities on the

administrative capacity of GCLNs as well as their operational ability to provide support to their member companies in GC/CSR implementation.

The sections below describe the scorecard, the criteria for the different stages of development and an experimental application of the framework to measure network capacity.

4.1 Baseline Scorecard

In an attempt to devise a system for ongoing measurement of network development, a number of performance indicators were used to analyse the information collected for the baseline study. The information collected from the baseline survey was tabulated using the following performance indicator score sheet, which was developed for the evaluation framework. This scorecard represents our best effort to capture the baseline capacity of the networks and the baseline values for the project as a whole – according to the categories provided in the evaluation matrix.

A scorecard was developed from the conceptual framework to tabulate scores in each of the relevant categories, cumulating in an overall score for each network (see below).

The baseline research suggests that the two main areas of measurement (GCLN administrative/operational capacity and the capacity to support the membership) will yield a system of measurement that can tabulate a network's stage of development. That is, based on the level of administrative/operational capacity and performance in supporting Global Compact principles, networks can be categorized according to the following five stages of network development. These stages correspond to the sustainability framework's 5 phases in the network development cycle – which can be used to categorize a network's level of development according to the different stages of network governance, management, activities and ability to provide support to members in implementing the principles of the GC.

Sample Scorecard

Area of Measurement	Performance Indicators	Scoring					
		0	1	2	3	4	5
Administrative/Operational Capacity of GCLNs							
a) Institutional stock	a) Legal framework, governance, policies, rules, procedures and network membership criteria; facilities and equipment; logistical and communications needs (vehicles, telephone, fax, internet) – Q 1, 4, 6, 7						
b) HR capacity, management and leadership	b) Adequate staff, adequate and equitable compensation, professional development, accountability and performance standards, effective management, clear vision – Q 2, 11						
c) Financial resources	c) Access to resources in line with budgetary needs, control over its own budget, awareness of future resource needs, effective financial management and accounting procedures – Q 12						
d) Strategy, knowledge	d) Creation, absorption or diffusion of information and expertise towards needs of targeted clients - Q8, 10, 21						
e) Program delivery	e) The degree of client satisfaction and structure of accountability to clients, scope of program activities is appropriately matched to financial and management capabilities, program outcomes are measured and documented, recruitment of GC signatories – Q 1, 2, 3, 5, 9, 10						
Capacity to Support Members in GC/CSR Implementation							
a) Business driven and funded	a) Degree to which networks are business driven and funded and are not largely or wholly reliant on direct state or donor financial support – Q 9, 12						
b) Level of engagement with members	b) Degree to which networks are engaged in providing information and services to members in CSR/GC and focusing on best practice – Q 2, 3, 9						
c) Partnerships, collaboration and support networks	c) Degree to which networks have established partnerships with training institutes and other specialized organizations offering specific programs/courses on CSR/GC or expert services in social, environmental and ethical issues – Q 13, 18, 22						
d) Dissemination of information	d) Degree to which networks are active in gathering and publishing relevant articles on CSR/GC in conjunction with mainstream national media – Q 14, 17, 21						
e) Level of multi-stakeholder engagement	e) Degree to which networks have an established multi-stakeholder dialogue between companies, government and civil society organizations aimed at developing member GC/CSR – Q 15						
Self-assessed Stage of Development – Q 23							
Baseline Assessment							

4.2 **The Scoring: Stages of Network Development**

Drawing on the research undertaken for the sustainability framework by the I4D team (and guided by the experience of a similar project in Eastern Europe), a conceptual framework was designed to categorize the development phases of Global Compact networks. Applying the conceptual framework to the assessments and performance measurements undertaken for the baseline survey, we attempted to categorize the operational capacity of networks according to a number of pre-defined criteria of network development – criteria derived from the components of the network development cycle.

Using the criteria below, we allocated descriptive and numerical tags to each stage (ranging from inactive networks (Stage 0) to well-managed networks – Stage 5), and attempted to categorize the different stages of evolution that networks can go through in their development.

Stage 0: Aspiring network – a focal point for the network has been nominated, and a few activities have been planned or taken place. However, there is not yet any agreement or clear definition of who is part of the network; the network does not have its own work plan; and the direction for how the network will be developing has not been outlined and agreed upon yet.

Stage 1: Developing network – these networks are in the first stages of “developing” relationships between partners, developing commitments between organizations and staff members, developing common interests that will hold the network together and the expectations required to respond to correspondence, keep to a workplan and promote the network within their own organization. Other features of this stage include:

- Conducting research and identifying market niches for the network
- Allocating time to build relationships and recruiting appropriate partners
- Conducting stakeholder dialogues with potential strategic partners, potential network members and other stakeholders.
- Design value-proposition of the network

Stage 2: Aware but challenged – these networks are aware of the need to form relationships with suitable partners and have started to build a pool of experts and partners with expertise in CSR, research, marketing, communications and event management. However they are challenged by significant obstacles: there is a lack of capacity and experience and they have not yet identified individuals who can play a leading role in CSR knowledge dissemination, communications and the overall engagement process. Nevertheless, members have begun to exhibit the following features:

- Display a shared commitment to the promotion of corporate citizenship through the effective implementation of the Global Compact
- Possess expertise in the areas of CSR, Human Rights, Labour Rights, the Environment and Anti-Corruption.
- Provide access to decision makers and have capacity for effective communication.

Stage 3: Attentive & emerging – these networks have come to an agreement on goals,

objectives, terms of reference and network principles. The network structure is emerging in the form of an organizational chart. Other emerging elements include a vision statement, objectives of the network, the mechanics of decision-making, chairmanship, the role of the members, the strategic partners, the role of the secretariat, the various committees, task forces, working groups and advisory groups. Decision-making parameters are being established identifying how the network is to be coordinated and managed, which issues require consensus, a simple majority or only the input of the membership or the secretariat. Critical to this phase is obtaining funding to cover the cost of network management functions and coordination, which may cover staff, communications, public relations, ongoing activities and events. Various options for financial income are being explored, including:

- Membership fees (joining fee and/or annual contribution)
- Service fees
- Private sector contributions
- Funding from grant-giving institutions and foundations
- Events and activities

Stage 4: Active & aware – these networks are active, have been formally institutionalized and have secured a group of companies and members with a sufficient level of commitment to ensure the effective, inclusive and accountable governance system of the GC initiative in a country. The network is active in its constituency and aware of its roles and responsibilities. It provides a public space for business leaders to commit to the GC initiative in collaboration with civil society organizations, government, and in the presence of media. The network is active in reinforcing commitment of companies and attracting new businesses to join. Other features include:

- It has a core group of champions, which includes a cross section of representatives from the private sector, NGOs, media, government, academia, etc. who are willing to support the network by providing financial and non-financial contributions.
- It has a critical mass of companies committed to the initiative. Indicators may include the number of domestic companies that have signed up and the number of ‘champions’ or companies that demonstrate a high-level of commitment to and interest in leading the process.
- It has identified a main theme for the network to address. This theme may be agreed upon following the outcome of exploratory meetings and discussions with local partners, and from surveys.

Stage 5: Integrated & well-managed – these networks have been running for some time, are accountable to the membership and are looking for ways to improve in terms of the following qualities:

- Effectiveness: the network’s objectives and goals are clear and are being met; the network is producing outputs suited to the needs of members and key individuals; and the network is taking full advantages of the opportunities created by working together.
- Structure and Governance: the network is organized effectively and its decision making process is functioning correctly; there are few governance or organizational issues affecting the network’s operations and effectiveness.

- Efficiency: the network’s internal communications and interaction among members is functioning well; there is a high level of attendance and participation at network meetings; there is a mix of tools (telephone, workshop, internet, etc.) being adequately employed to help engage members in collaboration and discussion; and the network is getting adequate institutional support.
- Growth: there is a positive continuum of growth of the network; and new members and partners being added on a regular basis.

4.3 Application of the Conceptual Framework for Measuring Network Capacity

The measurement framework developed for the baseline study is a new proposition that has not been applied to GCLNs before. The application of this framework is experimental in nature. It was devised specifically for the I4D project – and represents a way of quantifying the different stages of development that a network goes through as it begins to function more effectively. Because the I4D project is concerned with strengthening the capacity of local networks, we felt that a network capacity measurement tool was needed to support the objectives of the project. The system of measurement that we have proposed is based on the 5 phases of the GCLN development cycle and the “components for success” that was prepared for the network sustainability framework together with the 5 stages of development that was devised for the baseline study of CSR practices in Eastern Europe.

Based on an assessment of GCLNs and companies, the capacity of local networks can be determined. Working with the conceptual framework and performance measures suggested above, we have prepared a baseline fingerprint of the capacity of each network including their capacity to provide support to their members in GC implementation and CSR. Combined with the baseline measurement of the indicators, this then provides the appropriate baseline situation, and will allow for comparison and evaluation of project effectiveness at the end of the project.

The following table illustrates the stage of development of each network according to the criteria developed for the self-assessment process, assessment by members and a final baseline assessment derived from the scorecards

Stage of Development of GCLNs

Country	Self-Assessment	Member Assessment *	Baseline Assessment
<i>Existing Networks</i>			
China	n/a		n/a
India	Stage 5		Stage 3
Indonesia	Stage 2	Stage 2	Stage 2
Mongolia	n/a		n/a
Nepal	n/a		n/a
Pakistan	Stage 1	Stage 3	Stage 2
Philippines	Stage 0 (used to be Stage 2)		Stage 0
Sri Lanka	Stage 2		Stage 2
Thailand	n/a	Stage 1	n/a
<i>New Networks</i>			
Bangladesh	Stage 1	Stage 0 to Stage 1	Stage 1
Malaysia	Stage 1	Stage 1	Stage 1
Vietnam	Stage 1		Stage 1
<i>Networks in Advanced Countries</i>			
Japan	Stage 3		Stage 3
Korea	Stage 3		Stage 3
Singapore	Stage 3		Stage 3

* There were not a sufficient number of replies to make an accurate assessment by members or to verify the self-assessment provided by the focal points.

n/a – Information was not available as surveys were not completed

5. CONCLUSIONS AND RECOMMENDATIONS

The baseline study focused on two tasks: a) describing the baseline status of GCLN network capacity, operation and support to membership; and b) devising a system of on-going measurement. The first represents the baseline situation and the second provides a way of quantifying the different stages of development that a network goes through as it begins to function more effectively. Together these tasks were designed to facilitate an evaluation of the capacity strengthening activities of the I4D project at the end of the project.

The task of estimating the existing capacity of GCLNs was challenging because of the limitations associated with attempting to assess capacity without the benefit of site visits or face-to-face interviews. As a result, we relied on background information gleaned by the ESCAP project team, self-assessments from information provided in survey questionnaires completed by Network Focal Points and Global Compact websites.

The second task involved designing a simple system of measurement to tabulate a network's administrative/operational capacity and performance in supporting Global Compact principles. Using variables in network governance, management, knowledge, human and financial resources, communication tools, and the level of service delivery (ie. ability to provide support to members), networks were categorized according to one of six stages of network development. The resulting framework yielded a baseline

fingerprint of the capacity of each network including their capacity to provide support to their members in GC implementation and CSR. This information will enable the project team to compare and categorize the progress of local networks to enable the end-of-project evaluation to measure progress from a particular starting point.

The results of the survey confirm that there is a great variety in the operation and management of the GCLNs in the region. The survey responses revealed some comparative similarities and differences in the capacity and operation of GCLNs in each country. Differences occur among the governance structures, activities, awareness, administrative capacity and performance in providing support to their members in implementing the Global Compact principles. Because of these differences in the structure and service delivery among the networks, it is difficult to identify trends that apply to the entire region. Nevertheless, we have tried to identify some conclusions:

Conclusions
<ul style="list-style-type: none"> ▪ Networks appear to need more guidance in forming effective governance structures and providing valuable services to members
<ul style="list-style-type: none"> ▪ Funding and staffing constraints are of paramount concern to most networks
<ul style="list-style-type: none"> ▪ Most networks are hampered by poor knowledge management, accessibility to the right information and availability of sector-specific materials that demonstrate the business case in implementing the GC principles in Asia
<ul style="list-style-type: none"> ▪ Awareness about the GC initiative is not widely pervasive, and is often limited to just one or two persons in most member organizations, which results in lack of commitment towards CSR and GC principles from top management and a lack of funding for implementation
<ul style="list-style-type: none"> ▪ The level of multi-stakeholder dialogue and engagement is quite low. Some indicate that their projects related to human rights, labour, environment and anti-corruption issues qualify as national collaborative gestures. However, these interactions do not appear to be in the form of an on-going dialogue or two-way communication designed to solicit information about the social, environmental and ethical concerns of stakeholders involving business, government and civil society.
<ul style="list-style-type: none"> ▪ CSR is often seen as a stand-alone activity and very often not integrated with the core business areas of an organization, and is seen as a philanthropic activity. This often results in CSR being thought of as an area of low priority by the company's leadership.
<ul style="list-style-type: none"> ▪ There is a lack of understanding regarding the direct financial benefits of joining the GC by network members and the private sector

In spite of shortcomings in organisational structure, inefficient operations, shortage of business savvy network managers and lack of commitment from member companies, some networks are looking ahead to solving the challenges in network development and increasing awareness of GC principles.

Finally, some limitations in the study should be pointed out. The information gathered for the baseline study was largely based on desktop research completed by the ESCAP project team and self-assessment surveys completed by GCLNs themselves, compiled by

an independent consultant. Therefore, the ratings on GCLNs from the system of measurement and scorecards developed are not entirely accurate. Nevertheless, the study does provide the basis for on-going measurement, and represents our best effort to capture the baseline capacity of the networks and the baseline values for the project as a whole.

The proposed system of measurement is not an exact science. For example, a network may score high on HR but low on institutional arrangements. So some subjective judgment is required. More detailed research on the capacities of the networks and their members would turn the scorecard into a more accurate and readily useable "tool" to assess and rate the networks. However, at this point, our research is based on self-assessments by focal points.

A second survey was designed to solicit responses from GCLN members. Apart from gathering valuable information on the members' level of GC compliance, this would have provided a means of verifying the self-assessment exercise. However, the response rate of the member survey was very low and it was not possible to draw any conclusions from it.

Further research in this area could involve measuring the quality of services offered by GCLNs, as a way of determining the value-added benefit for companies. However, such a qualitative assessment is beyond the scope of the current project, as it would involve undertaking an assessment of the quality of services provided to the members, which has been difficult to determine as demonstrated by the poor results of the second survey.

Annex I

Synopsis of UN Global Compact Development in the Asia and Pacific Region

Countries in the Asia-Pacific region display vast differences of language, geography, business, culture, etc. It is not surprising that local networks in the region display differences in operational capabilities, governance structure and capacity for delivery of services to members of GCLNs.

The following section provides a synopsis of the main groupings of networks according to ESCAP's groupings: existing networks, new networks and networks in advanced countries.

1. Existing Networks

China

The Global Compact was formally introduced to China through a high level meeting in Beijing held in December 2001 hosted by the China Enterprise Confederation (CEC). The CEC established the Global Compact Promotion Bureau which acts as the focal point for the Global Compact and provides support for the member companies of the Confederation. In addition, the All China Federation of Industry and Commerce is implementing an approach to guide and support the member companies of the Federation and the CSPGP with regard to all aspects of the engagement in the Global Compact.

India

Background: India's Global Compact Society (GCS) was formed in November 2003 and registered as a non-profit Society to function as the Indian Local Network of the Global Compact Programme. It was the first Local Network in the world to be established with full legal recognition. The India network has been established and sustained under the aegis of Global Compact members in the country and is completely self sufficient in terms of resources.

Structure: The highest decision-making body of the network is the Governing Council that is elected by the General Body of GCS members. A Governing Council gets elected for a 2 year term. There is also a provision to nominate relevant eminent individuals and organisation representatives to the Council as members or special invitees.

- The Administration Committee supervises the day to day running of the network.
- The GCS Secretariat has two full time persons who are responsible for implementing the day to day activities of the Network.
- The Focal Point is nominated by the Governing Council.

The Governing Board is made up of representatives from 11 of India's leading companies (representing oil and gas, power, construction and other sectors), and business associations.

Membership: Companies, institutions, NGOs and SMEs in India who are committed to the UNGC Principles are encouraged to become members of the Global Compact Society. The Society charges a nominal membership fee which varies according to the

category of membership, namely corporate, SME, Civil Society Organisations and Institutions. Membership in India's GC network shows a healthy balance between corporations (46), NGOs (6), business associations (2), academic institutions (4) and government (3).

Capacity: The Secretariat has 2 full-time staff, 2 part-time contractors who do ad-hoc jobs like website design, and receives occasional consultations from members and external individuals (for example, providing pro-bono advisory services on the functioning of the Secretariat and consultation in CSR and the preparation of the GCS Strategic Plan). Considering how many members they plan to recruit and the activities outlined, their development plan is quite ambitious for the staffing contingent. The network is financially supported from a variety of sources including membership fees (which accounts for 70% of total resources), special events (30%), and in-kind support from member companies in the form of office space, facilities and support staff for the Secretariat, venue for monthly meetings and costs of refreshments and food at some of the events (provided by Oil and Natural Gas Corporation amounting to 45% of cash income).

Activities: The network is very active in holding regular network meetings: The Governing Council of GCS meets every quarter, the Administrative Committee meets monthly, and the General Body meets once a year. A National Convention is organized annually in Nov/Dec, with 250 delegates attended in 2008. Monthly meetings provide a platform for members to come together to highlight their individual best practices in responsible business and sustainable initiatives, and various special events provide a forum for senior representatives to promote greater awareness and strengthening of CSR activities and GC.

Other activities undertaken by GCS are as follows:

- Maintaining and updating a database of all GC member organisations in India containing all contact details of the head of the organisations and the nodal persons in the companies responsible for GC
- Outreach to all UNGC and GCS Members about engagement opportunities
- Follow up with every UNGC Member in India about COP Submission
- Conducting COP Training workshops
- Providing basic support to UNGC members for their COP submission. Facilitated in some form or the other in the submission of 15 of the 37 COPs submitted in the current year
- Outreach for new Global Compact membership. (Example: PVR and YES Bank)

Global Compact Society publishes a quarterly newsletter, focusing on the core UNGC issues and highlighting member best practices. It also carries information regarding GCS events and meetings and other engagement opportunities. GCS has also published a primer on Business and Human Rights.

The GSC promotes a healthy multi-stakeholder dialogue between companies, NGOs, government and other potential members through the monthly meetings. At these

meetings presentations are given by GC members, focusing on key CSR activities and good practices as well as relevant thematic issues.

Indonesia

Background: A Global Compact local network was launched in Jakarta, Indonesia in February 2004. The UN Global Compact network in Indonesia was re-launched in April 2006 and the new network will be supported by UNDP

Structure: Formal board with 14 members including president, treasurer, legal advisor, vice presidents of membership, communication program, development and learning. The Secretariat is currently hosted at the current President's office. The governance structure is adopting a foundation structure, where there are Board of Patrons, Board of Trustee, Board of Supervisors, and Board of Management. The proposed governance period is 2 years and can be extended to maximum 2 periods in a row.

Membership: 194 members, with 158 companies (of which 143 are SMEs), 6 business associations, 12 NGOs, 18 academics

Capacity: Staff is limited to 1 full-time and 1 part time (30%). Currently the network receives US 13,000 of in-kind support. The possibility of supporting the network through membership fees and donor funding is being proposed

Activities: Activities involve promoting Global Compact Initiatives to wider audiences; facilitating dialogue on issues and progress of members (both local firms and subsidiaries of foreign corporations) with respect to implementation of the ten principles; deepen the learning experience of all participants through sharing experience on member activities and guidance from GC Office; creating opportunities for multi-stakeholder engagement and Collective actions; and ensuring the submissions of COPs by members.

- Monthly Meeting
- Special national forums IBL 2nd International Conference on CSR; MetroTV MDGs Conference; Growing Inclusive Market Report Launch
- GC/CSR related activities Business Ethics Campaign
- MetroTV MDGs Awards 2008
- Special focus events (UNDP) Growing Inclusive Market Report Launch
- Training, seminars Promoting Code of Conduct (Business Ethics)
- Publicity or media Talkshow on TV & Radio on Global Compact, MDGs & CSR
- Regional or international events MDG Conference, CSR Conference, Asia Marketing Federation Board Meeting

Mongolia: n/a

Nepal

A Global Compact Network in Nepal is currently being developed under the stewardship of UNDP Nepal. UNDP Nepal plans to have series of meetings with a variety of different business associations to create the awareness about the GC in Nepal. Once the number of GC participants in Nepal reaches 20, they are planning to re-launch the GC in Nepal.

Pakistan

Background: Efforts are underway both by the Employer’s Federation of Pakistan (EFP) and by UNDP Pakistan to foster the growth of the Global Compact and increase awareness about the Compact among the Pakistani business community. In 2003, UNDP Pakistan began a process to create a National Steering Board. This Board decided to establish a GC Foundation Pakistan. The majority of GC participants in the country are currently engaged in GC activities led by the EFP which has established a "GC Network Steering Committee" with 25 members and "The Global Compact Pakistan Local Network”.

Structure: Employers’ Federation of Pakistan serves as the Secretariat. Rules of Procedure for the Network approved by the Steering Committee govern the operation of the Network. The Board structure comprises of 25 members including a President, 2 VPs, a secretary and 17 representatives from business, and one from each of business associations, NGOs, unions, women’s business.

Membership: Pakistan’s GC network has a diverse membership base, i.e. corporations (57, of which 49 are SMEs), NGOs (3), business associations (2) and academic institutions (1).

Capacity: The network has 2 full-time staff who devote 50% of their time to network activities. The major source of income is from membership fees which range from large industrial and commercial establishment employing more than 150 persons (US \$ 250 entrance fee and US \$ 60 annual fee) to medium size industrial & commercial establishments employing more than 50 but less than 150 persons (\$ 60 - \$ 35), to small industrial & commercial establishment employing less than 50 persons (\$ 35 - \$ 12).

Activities: The network was fairly active in 2008, holding annual and regular monthly GCLN meetings and special sessions on Business Talk CSR, and Making Global Compact Happen, focusing on human rights, the environment, labour and partnerships, with an average of 40 participants involving business, SMEs, business associations, NGOs, academics, government, labour and UN agencies. A COP training seminar was also held.

The network has active partnerships with Employer’s Federation of Pakistan (EFP), ILO, RBI, and NEWPORTS.

Philippines

Background: The Global Compact was launched at the 2002 National Conference and Exhibition of Employers, which formed the Global Compact Working Group (GCWG) in association with Employers Confederation of the Philippines (ECOP), Philippine Chamber of Commerce and Industry (PCCI), Philippine Business for Social Progress, and with technical and advisory support from UNDP. In 2006, UNDP received funding from the Swiss Government which was intended to promote Global Compact and CSR, reinvigorate participation of GC subscribers and strengthen the local GC network. Activities declined after the cessation of funded project activities.

Structure: The organizational structure consists of a GC secretariat and a technical working group.

Membership: The Philippines had 150 GC signatories in May 2002, whereas in May 2009 that number dropped to 41. 95 participants were de-listed in January 2008. Of the 41 signatories listed in May 2009, only 10 are businesses, 4 academic institutions, 18 business associations, 1 city, 2 foundations, 1 labour organisation and 5 NGOs.

Capacity: Staffing capacity is very weak with one UNDP staff person responsible for all GC activities, and who receives very little support. There is no financial support outside of UNDP's staff person who devotes 5% of time to network issues. The staff person's knowledge level is good, but the major constraint is the lack of a full time person available to organize the day-to-day operations and coordinate activities with various groups.

Activities: Activities are limited to participating in national forums, CSR activities, special events.

Sri Lanka

Background: The Global Compact was launched in Sri Lanka in 2003 at an event that included senior government officials and representatives from the Ceylon Chamber of Commerce and leading Sri Lankan companies. A number of activities and events have been undertaken in Sri Lanka recently with a view to engaging existing GC participants in the country and to raise awareness about the Compact among the Sri Lankan business community: a) a Global Compact Network Steering Committee was held in January 2007, bringing together a cross-section of industry leaders who will constitute the members of the GC Local Network Steering Committee in Sri Lanka; b) the Post-Graduate Institute of Management (PIM) plans to incorporate an elective course in the syllabus for MBAs on sustainability, political & environmental issues which will include the Global Compact.

Structure: The structure is based on three steering committees, which largely determine the focus of network activities:

- Business steering committee (made up of the 7 sectorial companies)
- Academic steering committee (Post-Graduate Institute of Management)
- Advisory steering committee (Chamber of Commerce, World Bank, Employers Federation, Chartered Institute of Management Accountants, Ministry of Education, UNDP)

Membership: Membership is limited to business (24, 18 of which are MNCs), business associations (3), 1 government department and 1 academic institution. Membership is reflective of the leading business sectors in Sri Lanka: apparel manufacturing, communication, retail, tea, tourism, banking and finance and agro processing. The World Bank, Employer's Federation of Ceylon and Ceylon Chamber of Commerce provide advice in the development of the local network.

Capacity: The network in Sri Lanka is run on a voluntary basis, consisting of a steering committee of champions from 7 sectors. The Focal Point and Coordinator are from a holding company, and steering committee members from 4 other companies. Network capacity constraints include lack of financial and human resources and knowledge on reporting. CIMA helps to facilitate the UNGC local network.

Activities: The Chartered Institute of Management Accountants (CIMA) Sri Lanka helps Sri Lankan corporations implement the GC principles into their day-to-day operations and undertakes advocacy and training linked to CSR and the Compact.

Multi-stakeholder activities are underdeveloped and most activities are limited to companies and business organizations. Activities of the network are of a business nature, geared primarily to:

- Building sectorial UNGC Champions in Key Sri Lankan Business Sectors (listed above)
- Positioning Sri Lanka's Best
- Rewarding and recognize UNGC excellence among members
- Further engaging current UNGC signatory companies
- Getting sustainable development into the curriculum of business schools and secondary schools

Thailand

The Global Compact was launched in Thailand in Bangkok from 27-28 November 2001 with momentum being maintained by UNDP. The current focal point for Global Compact network operations in Thailand is the Employers Confederation of Thailand (ECOT).

2. New Networks

Bangladesh

Background: The introduction of the Global Compact to key businesses in Bangladesh took place on 12th December 2002 through the Bangladesh Enterprise Institute (BEI), with high-level UNDP participation. The network was officially launched only recently in January 2009, hosted by BEI, which is a not for profit research organization dedicated to private sector development and the promotion of CSR in Bangladesh over the last five years.

Structure: A separate governing structure for the network has not yet been established, and BEI is working with the CSR centre and UNDP Bangladesh to formalize the network over a period of two years. That is, BEI hosts the network but the actual work is being carried out by the CSR Centre

Membership: The network is currently looking at increasing the membership and raising awareness about the GC. Membership has grown steadily from 6 in 2006 to 42 in 2009, and is comprised of 32 companies (9 of which are SMEs), 2 business associations, 5 NGOs and 3 academic institutions.

Capacity: The CSR Centre has 4 full-time and 1 part-time staff who devote 50% of their time to network activities, such as preparations for launch, expanding membership,

creating awareness, partnership development and awareness building. There is no source of funds at the moment but they are applying for funding from UNDP for network development in 2009.

Activities: BEI has been actively engaged in various outreach programmes with its participants to strengthen support for the Global Compact and to promote its principles. Multi-stakeholder activities include organizing a round table discussion in September 2008 on the GC and the benefits of joining the global compact. In attendance were representatives from chambers, academia, civil society, think tanks and leading businesses. In order to undertake further awareness-raising activities to support implementation of the GC principles and CSR among the membership, the network plans to build its capacity in providing advice in COP and GRI. The network plans to increase these services to members in the very near future, following the establishment of a formal partnership with the CSR Centre and if they can find funding for network development.

Malaysia

Background: The Malaysian network is an emerging network with the operations and activities driven by the network founder, Caux Round Table Malaysia (CRT-MY), together with UNDP Malaysia and Khazanah Malaysia. Since 2007, CRT-MY has created awareness of the GC in the business community as well as relevant government and government-linked investment and companies. A signing ceremony was held on in August 2008 where 13 organisations committed to the GC, including one CSO, one business association as well as a premier public university. The corporate members represent a range of sectors including information technology, telecommunications, plantations, oil, manufacturing, design and financial consulting, banking, construction and transportation.

At the end of 2008 CRT-MY had a transition of leadership with a new Executive Director taking office in January 2009. The good groundwork by the previous CRT-MY leadership facilitated two major milestones for the network:

- On 26 Feb 2009, the Equator Society (EQ) was officially elected as the Focal Point for the Malaysia network.
- On 2 April 2009, the LN voted on a Governance Structure and Secretariat, and a seven-member General Committee was elected to serve the network.

Structure: a flat 7-member General Committee elected by the 16-member local network (LN). The Committee decides who will serve as President, Treasurer and other portfolios. The Focal Point is appointed by the LN, and serves as the Executive Director (ED) of the Secretariat and Secretary in the General Committee. The ED reports to the General Committee. At the moment, the General Committee is acting like a Working Board, whose members represent diverse industries such as telecommunications, training and education, computer software, engineering, construction, water, infrastructure and innovation, drawn from MNCs, public listed companies, a government-linked company, SMEs and a CSO.

Membership: Membership policy is in the process of being reviewed by the newly elected General Committee. For the purpose of formalising the LN, both fee-paying

members and signatories were invited to take part in shaping the initial stages of the LN. This included nomination of Focal Point, election of General Committee, and deciding on the Governance and Secretariat structure with its budget implications. Once formalised, signatories will be encouraged to become fee-paying members. So far around 25 signatories are waiting to become fee-paying members.

Capacity: One full-time staff responsible for all activities. The network is better position to address the issue of increasing awareness of the GC now that a dedicated Focal Point has been appointed, a General Committee elected and a good number of willing signatories/members. Also, more resources will be made available.

Activities: A few initial activities and monthly meetings

Vietnam

Background: The Global Compact Vietnam Network (GCVN) was launched in September 2007 by United Nations Vietnam in partnership with the Vietnam Chamber of Commerce and Industry (VCCI) and support from I4D project.

Structure: The network is in the early stages of development. The host and focal point for the network is located in the Office for Sustainable Development for Business (SD4B) of VCCI with the active participation of VCCI senior officers.

Membership: The network has 16 members including 11 local SMEs and MNCs, 2 NGOs, 2 business associations and 1 academic.

Capacity: In 2009, with assistance from the UNDP CBC-CSR project, the focal point will employ a part-time international expert on CSR/GC, and 5 national consultants working on an occasional basis.

Activities: During 2008, the focal point focused on setting up the network, developing relationships between relevant partners and raise awareness about CSR in the Vietnamese business community. Several seminars and workshops on CSR were organized; materials on CSR were distributed among businesses to raise awareness. Focal point staff has attended several regional and world conferences, forums on CSR and GC network with the intention of learning knowledge and transferring experiences.

The goal for 2009 is to promote the operation of the GCVN network (raise awareness and capacity, develop network, support members). With funding from UNDP Vietnam, VCCI (focal point) has recently started a two-year project “Catalyzing Business Community’s role towards Greater Corporate Social Responsibility through Global Compact Principles in Viet Nam” (CBC-CSR). The main target of the project is to promote the operation of GCVN network. Training, experience transfer, technical advices will be among the support services provided to the network members. All these activities have been planned and will start in next quarter.

The network has been working with local newspapers (Vietnam Economic Times, Vietnam News, Communist Party Newspaper, Vietnam Business Forum, etc.) to

publicise many articles on CSR. Also, the focal point has been issuing booklets, guidelines, brochures, flyers, CDs and quarterly newsletters on CSR topics, delivering them to businesses. The key issues include: Environment, Labour standards, food safety. In addition, in 2007 the focal point conducted a survey on the CSR implementation of Vietnamese businesses.

The focal point has been active promoting multi-stakeholder dialogue by encouraging partnerships between relevant stakeholders to promote CSR and providing legal advice to government. Activities conducted: meetings, conferences, workshop with the presence of multi-stakeholders

3. Networks from advanced countries

Japan

Structure: Global Compact Japan Network (GC-JN) has adopted a business-leading framework, establishing a secretariat office, a board, a steering committee.. etc. GC-JN's operational structure consists of a permanent secretariat office, Board (top-executive level), a steering committee (manager level), and a management committee. They also have a general meeting and three board meetings a year and a monthly governing committee meetings, and two steering committee meetings a month. The members of the governing Board are from ten of Japan's top manufacturing corporations, insurance companies, universities. Toshio Arima and a UNEP special advisor.

Membership: 76 members of which 74 are corporate members, 65 of which are MNCs and 9 are SMEs, one academic institution and one government (city).

Capacity: 2 full-time (100%), 14 part-time (60%), (1 50%, 13 10%)

Activities: Regular network meetings: Monthly meetings of Governing Committee, Steering Committees, Subcommittees (Caring for Climate, Supply chain management, case study).

Special national forums: Symposium on the GC and PRI

GC/CSR related activities: Seminar on CSR (TBL) by Andrew W. Savitz / Monthly Study Meeting on CSR for future executives

ISO seminars: Seminar on ISO 26000 by Mr. FUKADA

Special events: Seminar on Anti-Corruption with WB /Symposium on Human Rights Training, seminars: Seminar on Peace building by H.E. Mr. TAKASU/ Introduction for COP and Notable COP

Korea

Structure: Board of Directors, Steering Committee, Advisory Committee and secretariat. Board of Directors and auditors are selected at the Annual Meeting of Global Compact Korea Network and president and vice presidents are selected at Board of Directors meeting.

GCKN Board of Directors consists of 10 to 20 members (currently 16 members) ranging from companies, NGOs, unions, associations, retail, media.

Membership: Members are divided into regular firms who joined both UN GC and the Global Compact Korea Network and associate members (companies who joined only UN Global Compact). So far, the Global Compact Korea Network has provided almost the same services to all members. 149 members, representing 112 companies of which 24 are SMEs, 3 business associations, 18 NGOs, 12 academic institutions and 3 government departments.

Capacity: There is limited pool of GC/CSR experts in Korea. Therefore, it is hard for the network to host distinguished events, which consist of speakers from other CSR-related events.

Activities:

The network holds various COP workshops, Symposiums on human rights, environment, labor, anti-corruption, conferences. The network also releases semi-monthly newsletters. It holds Board of Directors meeting (every quarter), Steering Committee meetings (every quarter) and Advisory Committee meeting (once a year) to discuss its activities. The network has struggled to disseminate and mainstream Global Compact Principles in Korean society.

Published 15 newsletters through email and hard copy, dealing with network activities, new participants, key events, etc. In 2008, mainstream media (broadcasters and daily newspaper) reported on GC 10 principles, activities of UNGC, joint conference with UNEP FI, PRI

There appears to be a healthy multi-stakeholder dialogue, where High ranking government officials brief GCKN annual Advisory Committee meetings on economic and environment policies and advise on GCKN strategies (Sept 2008). At Board meetings, companies, unions, NGOs discuss the direction of the management of the Korea Network.

GC/CSR related Activities

- Symposium on UNGC and MDGs

Special events

- Joint Symposium on Human Rights
- Symposium on anti-corruption

Publications

- Anti-corruption Symposium material
- 2nd COP Workshop material
- Annual Meeting material
- 3rd COP Workshop material
- Broche (Korean)
- Broche (English)

Training, seminars

- 2nd COP workshop
- 3rd COP workshop
- UNGC/UNEP FI/PRI Joint Conference

Singapore

Background: In September 2005, 10 Singapore firms joined the UN Global Compact Network. The Singapore Compact (SC) for CSR is the national focal point. The SC focuses on raising awareness, building capacity and sharing the CSR journey. They organise training workshops, seminars and conferences to raise awareness and build capacities. During these sessions, companies share their successful CSR journey with the rest of the company participants. The SC works with businesses and other stakeholders to promote CSR practices, and also works with students in university and has an academic network of academics interested in CSR research and teaching.

Structure: Board has 13 members representing tourism, petroleum, communications, airlines sectors, as well as trade unions, employers federation, consumers association.

Membership: Singapore Compact was started for those interested in joining the CSR journey. Members were encouraged to sign onto the UNGC principles. Any company may be members of Singapore Compact. They need not be a signatory to the GC. The membership of Singapore Compact is 220 comprising companies, trade unions, co-operatives, consumer organisation and NGOs. Of these, the number of signatories to the Global Compact is 72.

Capacity: Singapore Compact has four full time and a part time staff. The Compact is headed by the full-time Executive Director. Of the 3 other full-time staff, one looks after Admin and Finance, the other looks after research and one looks after membership and partnership. The part-time staff is engaged in research and liaison with businesses; and 18 occasional consultations (Eg) case study projects, training workshops, companies sharing their CSR journeys with the rest of the members

All Singapore Compact members pay an annual membership fee.

Financial constraints; lack of human resources; lack of governmental support for the concept of CSR still needs buy-in from local companies especially SMEs.

- a) lack of understanding and low awareness about CSR
- b) lack of human resource expertise
- c) lack of financial budget

Activities: Events Briefing on ISO 26000, ACCA Awards for Sustainability Reporting 2009

Annex II**Network Focal Point Questionnaire**

Investors for Development (I4D) Project**Baseline Survey:
Questions to network focal points**

Guidance Note to Local Networks

The project “Increasing the contribution of business to sustainable development through more effective implementation of the principles of the Global Compact in Asia and the Pacific”, hereafter called Investors for Development (I4D), was started in late 2007 and is expected to end by 31 December 2010. The project focuses on building the capacity of and providing tools, learning materials and joint communication platforms for Global Compact country networks in Asia.

Objective of Baseline Study

The main objective of this survey is to gather information on the level of operational sophistication and governance structure of the Global Compact Local Networks (GCLNs) and the level of support services they provide to their member companies in implementing the Global Compact (GC) principles and corporate social responsibility (CSR) practices in their respective countries. The same information will then be collected at the end of the project, and will be used to measure how networks have developed over the lifetime of the project.

Survey Instructions

Please read through the following questions and fill in your answers in the space provided below or use the accompanying excel spreadsheet. Attach additional information as needed.

In addition to completing the survey questions below, focal points are being asked to provide a brief description of the operation and activities of their network, including a brief description of the support services provided to members, the characterization of the membership (foreign MNCs/ local SMEs) and any special features of the network within the context of the country, the history, foundation of the network, main focus of activities, etc. A short paragraph will suffice.

Please Note: all answers will be treated confidentially by an independent consultant who has been contracted to undertake the baseline study. Should you need any clarification on any of the questions, please contact the consultant via email. Please email your responses directly to the consultant at: stuartblack@shaw.ca

SURVEY OF GCLN FOCAL POINTS

GCLN network operations, setup and priorities

- 1. Brief description of the operation and activities of your network

- 2. What are the major constraints faced by your network regarding GC implementation? (*E.g. network financial and administrative constraints, lack of interest by members, lack of interest in CSR in the country, etc.*)

- 3. What are the major constraints faced by your members regarding GC implementation?
 - a)
 - b)
 - c)

- 4. How does your network define the criteria for network membership?
 - *E.g. only paying members, all Global Compact signatories in the country (including or excluding subsidiaries of multinationals, etc)*

- 5. According to the above definition, how many members does your network have?

Membership category	No. of members January 2006	No. of members January 2007	No. of members January 2008	No. of members January 2009
Business associations				
NGOs				
Academics				
Government				
Companies				
- of which MNCs				
- of which SMEs				
TOTAL				

- 6. Briefly describe the governance structure and organizational setup of your network (secretariat home/host organization, method for selection of focal point and governing body, etc):

- 7. Does your network have a governing board? If so, please list the members and their titles in their respective organizations.

- 8. Does your network have a documented strategic plan or other similar document on which your activities are based?

- 9. What kind of GC/CSR services and events are you currently offering to members? *(Fill in the table below or provide a separate calendar of activities)*

Type of Services and Events	Description of Service or Event	No. of Members participating	Dates	Cost/Recuperation
Regular network meetings				
Special national forums				
GC/CSR related activities				
Award recognition				
ISO seminars				
Networking events				
Special focus events (human rights, gender, environment, employment)				
Publications				
Training, seminars				
Involvement of publicity or media				
Donor funded project				
Regional or international events				
Other services or activities				

- 10. Does your network have a set of performance indicators?
 - Yes/No
 - *If yes, briefly describe them as well as indicate if you regularly perform self-evaluation against those.*

- 11. How many staff members or consultants do you have access to and how much of their working time is spent on network activities?

Type of Employment	No. of Staff or Consultants	Per cent of time*	Description of services
Full time staff			
Part time (regular)			
Occasional consultation – external			
Occasional consultation from members			

* % of yearly full-time equivalent

- 12. What is the source and amount of funding for the operational activities of your network?
- Please complete the following table providing all your major sources of on-going operational funding and funds that you obtain on a project basis. Make sure to include income from private sector, government, international and other sources:

Source of funds	Cash or in-kind	Amount*/year (2007) (USD equivalent)	Amount*/year (2008) (USD equivalent)	Remark/details
Network membership fees	Cash			
Income from events, activities, projects, consultancies by network staff, or similar	Cash			
Government funding	Cash			
Donor funding	Cash			
Funding from NGOs / other organizations	Cash			
Other:				
TOTAL CASH				
In-kind support from companies	In-kind			E.g. Provides one staff member to run the secretariat
Government	In-kind			
Donors	In-kind			
Other:				
TOTAL IN-KIND				

* For in-kind support list what kind and estimate approximate value

- 13. Have you established any partnerships with training institutes and other specialized organizations offering specific programs/courses on GC/CSR or expert services in social, environmental and ethical issues?
 - Yes / No
 - *If yes, give name of institution, title of course(s) offered, level of institution (e.g. professional education, university level education, etc), type of services, thematic area, etc*

- 14. Does your network gather and publish relevant articles on GC/CSR? Do you work in conjunction with mainstream national media? If so, which issues have you focussed on over the last 2 years?
 - *Give name of publication, type of article, media outlet, and key issues (social, environmental, reporting, scandals, governance)*

- 15. Have you established a multi-stakeholder dialogue with companies, NGOs and/or government aimed at improving GC/CSR promotion, implementation or strategy?
 - Yes/No
 - *If yes, outline objectives, structure and format, activities conducted during last 2 years, etc:*

- 16. How many of your corporate members produced a Communication on Progress during the last year?

- 17. Name some specific types of knowledge and capacity constraints that your network needs to overcome in order to undertake awareness-raising activities to support implementation of the GC principles and CSR among your membership?

- 18. What tools or processes does your network currently use to promote collaboration and exchange of experience?

As you may know, ESCAP's "Investors for Development" (I4D) project, as part of which your network has been invited to participate in several regional meetings, aims to support capacity building of networks.

- 19. Were you consulted in the process of project design/development? Did you make any suggestions for project activities? If so what were these suggestions?

- 20. Do you think the project activities (*website, sustainability strategy, business plan support, production of training materials and training of trainers, media strategy, etc*) will meet the needs of your network? Which activities do you expect to be the most useful for your network?

- 21. As a network focal point, how would you rate your knowledge on the types of activities you can undertake to increase awareness and support implementation of the GC principles?
 Very poor Poor Good Very good Excellent

- 22. Which GC networks in the Asia and Pacific region are you actively collaborating with? What networks outside the region do you collaborate with (eg, Europe or North America)?

- 23. Based on the attached description of network development stages, how would you classify your network – selecting from the list of choices below:
 - Stage 0: Aspiring network
 - Stage 1: Developing network
 - Stage 2: Aware but challenged
 - Stage 3: Attentive & emerging
 - Stage 4: Active & aware
 - Stage 5: Integrated & well-managed

- 24. Please provide any other pertinent information

Name of Network: _____

Country: _____

Name and title of respondent: _____

Annex 1: Five Stages of Network Development

Based on the research undertaken for the discussion paper on network sustainability, we have developed a framework to categorize the development phases of Global Compact networks. These stages correspond to the five phases in the network development cycle outlined in the discussion paper. Using the descriptions below, GCLNs can self-assess their level of development according to the different stages of network governance, management, activities and commitment in providing support to members in implementing the principles of the GC:

Stage 0: Aspiring network – a focal point for the network has been nominated, and a few activities have been planned or taken place. However, there is not yet any agreement or clear definition of who is part of the network, the network does not have its own work plan, and the direction for how the network will be developing has not been outlined and agreed upon yet.

Stage 1: Developing network – these networks are in the first stages of “developing” relationships between partners, developing commitments between organizations and staff members, developing common interests that will hold the network together and developing the expectations required to respond to correspondence, keep to a workplan and promote the network within their own organization. Other features of this stage include:

- Conducting research and identifying market niches for the network
- Allocating time to build relationships and recruiting appropriate partners
- Conducting stakeholder dialogues with potential strategic partners, potential network members and other stakeholders.
- Design value-proposition of the network

Stage 2: Aware but challenged – these networks are aware of the need to form relationships with suitable partners and have started to build a pool of experts and partners with expertise in CSR, research, marketing, communications and event management. However they are challenged by significant obstacles: there is a lack of capacity and experience and they have not yet identified individuals who can play a leading role in CSR knowledge dissemination, communications and the overall engagement process. Nevertheless, members have begun to exhibit the following features:

- Display a shared commitment to the promotion of corporate citizenship through the effective implementation of the Global Compact
- Possess expertise in the areas of CSR, Human Rights, Labour Rights, the Environment and Anti-Corruption.
- Provide access to decision makers and have capacity for effective communication.

Stage 3: Attentive & emerging – these networks have come to an agreement on goals, objectives, terms of reference and network principles. The network structure is emerging in the form of an organizational chart. Other emerging elements include a vision statement, objectives of the network, the mechanics of decision-making, chairmanship, the role of the members, the strategic partners, the role of the secretariat, the various committees, task forces, working groups and advisory groups. Decision-making parameters are being established identifying how the network is to be

coordinated and managed, which issues require consensus, a simple majority or only the input of the membership or the secretariat. Critical to this phase is obtaining funding to cover the cost of network management functions and coordination, which may cover staff, communications, public relations, ongoing activities and events. Various options for financial income are being explored, including:

- Membership fees (joining fee and/or annual contribution)
- Service fees
- Private sector contributions
- Funding from grant-giving institutions and foundations
- Events and activities

Stage 4: *Active & aware* – these networks are active, have been institutionalized and have secured a group of companies and members with a sufficient level of commitment to ensure the effective, inclusive and accountable governance system of the GC initiative in a country. The network is active in its constituency and aware of its roles and responsibilities. It provides a public space for business leaders to commit to the GC initiative in collaboration with civil society organizations, government, and in the presence of media. The network is active in reinforcing commitment from companies and attracting new businesses to join. Other features include:

- It has a core group of champions, which includes a cross section of representatives from the private sector, NGOs, media, government, academia, etc. who are willing to support the network by providing financial and non-financial contributions.
- It has a critical mass of companies committed to the initiative. Indicators may include the number of domestic companies that have signed up and the number of ‘champions’ or companies that demonstrate a high-level of commitment to and interest in leading the process.
- It has identified a main theme for the network to address. This theme may be agreed upon following the outcome of exploratory meetings and discussions with local partners, and from surveys.

Stage 5: *Integrated & well-managed* – these networks have been running for some time, are accountable to the membership and are looking for ways to improve in terms of the following qualities:

- Effectiveness: the network’s objectives and goals are clear and are being met; the network is producing outputs suited to the needs of members and key individuals; and the network is taking full advantages of the opportunities created by working together.
- Structure and Governance: the network is organized effectively and its decision making process is functioning correctly; there are few governance or organizational issues affecting the network’s operations and effectiveness.
- Efficiency: the network’s internal communications and interaction among members is functioning well; there is a high level of attendance and participation at network meetings; there is a mix of tools (telephone, workshop, internet, etc.) being adequately employed to help engage members in collaboration and discussion; and the network is getting adequate institutional support.
- Growth: there is a positive continuum of growth of the network; and new members and partners being added on a regular basis.

Annex III

Evaluation Framework

for

Investors for Development (I4D) Project

Increasing the contribution of business to sustainable development through more effective implementation of the principles of the Global Compact in Asia and the Pacific

Implemented by

Trade and Investment Division (TID) of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

Prepared by

Stuart Black

February 2009

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Annex A – Evaluation Matrix

Annex B – Elements of the Logical Framework

Annex C – Survey Questionnaire for Global Compact Networks

1.0 Introduction

1.1 Purpose of the Evaluation Framework

ESCAP commissioned the development of an evaluation framework to provide guidelines for an end-of-project evaluation scheduled for 2010. The framework proposes an evaluation strategy to supplement information contained in the project document on the monitoring and evaluation system. This includes identifying key evaluation questions and performance indicators which need to be addressed and collected at the beginning (baseline) and the end of the project (evaluation). It also includes outlining various data sources, data collection methods and person(s) responsible.

The purpose of the framework is to outline the scope, methodology and tools for performing the end-of-project evaluation, which is intended to assess project design and implementation as well as project performance in terms of relevance, efficiency, effectiveness, impact, sustainability and other special concerns of the project, such as gender. The evaluation framework outlined below has been linked directly to the logical framework. The framework will also form the basis for the collection of baseline data for selected indicators outlined in the evaluation matrix.

The assignment involves the following tasks:

- Reviewing and revising the monitoring and evaluation framework
- Reviewing and confirming the indicators
- Compiling baseline data on the indicators
- Evaluating progress to date using the updated or new framework

1.2 Project Overview

The Trade and Investment Division (TID) of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is implementing a regional project entitled *Increasing the contribution of business to sustainable development through more effective implementation of the principles of the Global Compact in Asia and the Pacific*, or “Investors for Development” (I4D). The project is being carried out in eleven countries in Asia and the Pacific¹ between August 2007 and December 2010. Funded by the governments of Sweden and the Netherlands, the project is being implemented in close consultation and collaboration with ESCAP’s Emerging Social Issues Division (ESID) and its Environment and Sustainable Development Division (ESDD), in cooperation with the Global Compact Office (GCO) in New York.

¹ The focus of the project is on supporting existing Global Compact networks (China, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka) and developing networks (Bangladesh, Malaysia, Thailand and Vietnam) in ESCAP developing countries, in collaboration with functioning networks in Japan, Korea, Mongolia and Singapore. The establishment of new networks in priority countries will also be promoted.

The main objective of the project is to build the capacity of Global Compact country networks in Asia and the Pacific to become more active in recruiting participants and providing support to companies and organizations in their implementation of the Global Compact principles. This is expected to be achieved by a series of activities aimed at promoting sustainability of the networks (through, for example, the drafting of strategies for the strengthening of national networks) and by providing learning materials, tools and processes/platforms for cooperation and sharing of experiences.

Project activities fall under 2 components:

1. Expanding participation in and strengthening sustainability of Global Compact networks in project countries
2. Increasing cooperation and exchange of experiences among Global Compact country networks

The expected outcome of the project is:

- Global Compact country networks in Asia and the Pacific are more active in recruiting participants and providing support to companies and organizations in their implementation of the principles of the Global Compact

The I4D project is being implemented at a strategic point in the integration of Global Compact principles and CSR practices in Asia and the Pacific – as the global financial crisis and concerns over global warming are beginning to generate greater interest toward corporate governance and environmental and social responsibility. This interest is being driven primarily by private companies, and the I4D project intends to address their needs through local Global Compact networks.

The project document outlines the role of project activities in increasing awareness of the benefits and potential of CSR and of the Global Compact principles, and the promotion of its implementation. This will be achieved through: (a) building capacity within existing Global Compact country networks; (b) supporting the establishment of new networks in the region; and (c) facilitating cooperation and exchange of experiences between country networks in the region.

The project document also outlines the regional context based on the findings from the Asia-Pacific Business Forum 2005 – which identified the need for increasing awareness of the business case for CSR in order to increase the implementation of CSR in the region. It also identified the need to increase partnerships within and across sectors, and to reduce the myriad of standards and codes of conduct, and reducing duplication in monitoring compliance. Furthermore, it highlighted the need to raise awareness among SMEs along the supply chain in order to avoid CSR being perceived of as or turning into an impediment to trade.

These are important findings, some of which have been integrated into project activities as a way of improving the current baseline situation. For example, activity A3 is designed to undertake

additional research on the business case for implementing CSR and the Global Compact in terms of case studies from different sectors and different economic and social environments in the region to highlight local solutions and perceptions of CSR. Activity A2 includes stakeholder consultation and drafting of strategies as a way of increasing participation (and presumably partnerships) in national networks. And activity A4 includes the integration of CSR and Global Compact principles into the day-to-day operations of companies and the introduction of different reporting mechanisms in CSR.

However, there is a lack of baseline data to support the evaluation process, in particular to enable pre-post evaluation measurement. Thus, a baseline study will be undertaken involving the collection of baseline values to be used at the end-of-project evaluation. The baseline study will include an operational review of the GCLNs, in an attempt to assess their operational sophistication, governance structure and level of formal organizational structure at the beginning of the project so that this can be re-examined at the end of the project – thereby attributing any benefits to the I4D project.

Through the capacity building activities of the I4D project, the project aims to strengthen the capacity of GCLNs to provide support to companies and other GC signatory organizations (business associations, unions, NGOs, etc.) in their implementation of CSR and the principles of the Global Compact. In this sense, the project is not directly responsible for increasing awareness and implementation of CSR/GC among companies in Asia/Pacific – but through the activities and membership of the local networks.

For evaluative purposes, this will involve undertaking assessments at two levels: (a) among GCLNs and (b) among their member companies.

Section 2.0 proposes a conceptual framework for evaluating the progress in strengthening the capacity of GCLNs to provide support to companies in their implementation of CSR/GC. Section 3.0 outlines the objectives, scope and tools for undertaking the evaluation; and Section 4.0 outlines the methodology for the evaluation.

2.0 Conceptual Framework for Measuring Progress in Network Capacity and CSR/GC Implementation

The core of this assignment involves establishing an evaluation framework that will ensure measurability of results at the end of the project. This entails reviewing the current monitoring and evaluation system and indicators. This section examines the project outcome (the capacity of GCLNs to recruit participants and provide support to companies and organizations in their implementation of the principles of the Global Compact), and proposes a framework that will incorporate additional indicators and assessments at the beginning in order to measure the achievements at the end of the project.

The current indicators established in the logframe for the project are sufficient for assessing the quantitative aspects of the project – for example, tabulating the activities and outputs. However, they are not sufficient for assessing the qualitative aspects needed to measure the outcome – involving capacity development activities for strengthening the networks (which focus on structure, process and behavioural change) so they can provide support to corporations in the implementation of the principles of the Global Compact. For this, a higher level of assessment is needed, one that will be able to measure progress in a) the administrative capacity of the networks and b) the operational capacity of the networks to provide to support their member corporations in implementing the principles of the GC.

A framework for undertaking these two assessments is provided in sections 2.1 and 2.2 below. This process involves reviewing the capacity of local networks, including their capacity/activities to provide support to members in their implementation of CSR/GC.

2.1 Strengthening Administrative and Operational Capacity of Local Networks

There are a number of deficiencies in the organization and practice of the networks. The inception report found that the networks were “much weaker and less well structured than originally thought and that network governance urgently needs to be addressed”. The issue of GCLN capacity needs to be addressed in the project to ensure the long term sustainability of the networks in the region. As a result, the main priority for the first year includes working with networks to implement key components of the sustainability strategy that was developed to assist the networks: “the project team came to the conclusion that the sustainability strategy (activity A2) is a priority activity that is needed before other activities can be meaningfully conducted”.

In an attempt to ensure the sustainability of the GCLNs in the region, the I4D project formulated a sustainability framework that includes a network development cycle and a governance structure designed to provide a viable and sustainable operational model for the GCLNs to work toward achieving. A discussion paper on network sustainability was drafted and circulated among GCO and network focal points, arguing that “since GCLNs are an integral part of the overall governance of the Global Compact, a key success factor going forward will be for GCLNs to establish more defined governance systems and evolve into more structured organizations. This will enhance the effectiveness and efficiency of GCLNs, and improve the quality of

engagement.” In order to realize the potential of GCLNs, the paper recommended paying careful attention to 9 key operational principles including issues of network governance, management, communications and evaluation of performance. The model is intended to enable local networks to effectively foster change in specific business practices and corporate policies in the region “to support Corporate Social Responsibility (CSR) and sustainable development through a more effective implementation of the principles of the Global Compact”.

A great deal of material has been written on the issue of measuring capacity development in international projects. Among international organizations, UNDP is at the forefront of research and practice on capacity development, primarily because capacity development is the overarching service it provides to developing countries and is at the heart of UNDP’s mandate and functions.² In summary, capacity development has both short-term (training) and long-term (process and behavioural) goals. The long-term goals associated with process and behavioural change can take some time to implement, particularly in small organizations where staffing is critical. In order to measure capacity development initiatives, there needs to be a convincing answer to the question: “*capacity to do what?*” Efforts at capacity development need to be focused on improvements to the critical functions that determine the productivity and particular client services of the organization or network. The table below has been reconstructed from Peter Morgan’s seminal work on capacity development indicators, and demonstrates the complex task of measuring capacity development initiatives.³

² UNDP Practice Note: Capacity Development, October 2008

³ The Design and use of Capacity Development Indicators, Peter Morgan, CIDA, 1997

Whose Capacity?	Critical Function Capacity to do what?	Existing Capacity	Strategy for Change ⁴	Capacity Indicator
Operational staff at GCLNs	Support companies to recruit more participants and support member companies' efforts to implement CSR/GC	?	?	See table below
Management of GCLNs	Establish a professional network	?	?	See table below

In order to evaluate the capacity strengthening activities of the I4D project, capacity development indicators will need to be established, as well as a benchmark of existing capacity (for example, by undertaking a capacity assessment exercise). The literature advises that capacity indicators should not be based on the conventional 'inputs-outputs-outcomes-impact' typology that is widely used in the development community. Instead, they should focus more on process and behavioural change. This, in turn, has implications for the core features involved in the capacity assessment framework: institutional arrangements, leadership, knowledge, accountability, human and financial resources, communications systems, and the level of program delivery – features that mirror the key operational principles of the sustainability framework.

These key administrative and operational features have been incorporated into the capacity assessment framework in section 2.2 in an attempt to provide a method of measuring the achievements of the project's capacity development activities on GCLNs administrative capacity as well as their operational ability to provide support to their member companies in GC/CSR implementation.

⁴ Most efforts at capacity development involve organizational change, which implies the need for some sort of change strategy to influence the direction and sequence of events. This process of defining the strategy for capacity development remains one of the most difficult elements in the broader process of setting indicators. Strategies for change driven mainly by donors and other outside groups have little chance of creating much sustainable capacity. What seems most helpful in terms of TA for capacity development is a combination of approaches tailored to provide support and facilitation – the critical injection of resources at certain times, the provision of insights and the dissemination of best practice when needed, the encouragement and incubation of promising experiments, the cushioning of risk and the stimulation of new leadership.

Much of the potential use of indicators centers on performance reporting – to the donor, the community, to government and to other interested stakeholders both domestic and foreign. This is an important use but it is not the one that should get the most emphasis. An important priority for the use of CD indicators should be that of management, i.e. encouraging managers to use information to shape strategy and process with respect to capacity development. This objective leads, in turn, to a different style of assessment – less objective and technical, more frequent and focused on operational problems, more oriented towards feedback and reflection, more useful for participants and beneficiaries as opposed to evaluators and monitors and more dependent on personalized subjective knowledge. From *The Design and use of Capacity Development Indicators*, Peter Morgan, CIDA, 1997

2.2 Measuring the Development of GCLNs

The I4D project is concerned about developing the weak capacity of local networks and needs a way to measure the impact on strengthening that capacity. The framework below will attempt to incorporate the capacity building aspects of the project into a measurement system capable of assessing the administrative and operational capacity of local networks – based on the key operational principles of the “sustainability framework”.

There is no established framework for evaluation or measurement of a network’s ability to provide support to their membership in the implementation of the Global Compact principles. The challenge confronting the I4D project, therefore, is to develop performance indicators that will measure the administrative and operational capacity of networks before and after the project. Global Compact networks in other regions of the world have been examining this issue as well. For example, UNDP commissioned a situation analysis study of CSR practices in Central and Eastern Europe – a task which resulted in the formulation of a conceptual framework for comparing and categorizing the development phases of CSR awareness, capacity and performance among individual countries in the region⁵. This conceptual framework is focused on measuring progress in implementing CSR practices among companies. This framework has been modified to suit the I4D project in the Asia and Pacific region – which will allow the project team to compare and categorize the progress of local networks by measuring their governance, activities, awareness, administrative capacity and performance in providing support to their members in implementing the Global Compact principles.

Administrative and Operational Capacity of GCLNs to Support Members in GC/CSR Implementation	
Area of Measurement	Performance Indicators
a) Institutional stock b) HR, management and leadership c) Financial resources d) Knowledge e) Program delivery	a) Legal framework, governance, policies, rules, and procedures; facilities and equipment; logistical and communications needs (vehicles, telephone, fax, internet) b) Adequate staff, adequate and equitable compensation, professional development, accountability and performance standards, effective management, clear vision c) Access to resources in line with budgetary needs, control over its own budget, awareness of future resource needs, effective financial management and accounting procedures d) Creation, absorption or diffusion of information and expertise towards needs of targeted clients e) The degree of client satisfaction and structure of accountability to clients, scope of program activities is appropriately matched to financial and management capabilities, program outcomes are measured and documented

⁵ Baseline Study on CSR Practices in the New EU Member States and Candidate Countries, Mark Line and Robert Braun, UNDP, 2007

<p>f) Business driven and funded g) Level of engagement with companies h) Partnerships and support networks i) Knowledge base j) Level of multi-stakeholder engagement</p>	<p>f) Degree to which networks are business driven and funded and are not largely or wholly reliant on direct state or donor financial support g) Degree to which networks are engaged in providing information and services to member companies in CSR/GC and focusing on best practice h) Degree to which networks have established partnerships with training institutes and other specialized organizations offering specific programs/courses on CSR/GC or expert services in social, environmental and ethical issues i) Degree to which networks are active in gathering and publishing relevant articles on CSR/GC in conjunction with mainstream national media j) Degree to which networks have an established multi-stakeholder dialogue between companies, government and civil society organizations aimed at developing company CSR strategy</p>
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Based on GCLN activities supporting members to implement the Global Compact, this framework proposes a number of network level performance indicators that can be used as the basis for an on-going measurement system. Further descriptive elements of this measurement framework are provided in section 2.3 below.

2.3 Five Stages of Development

Based on the level of administrative capacity and performance in supporting Global Compact principles, networks can be categorized according to the following five stages of network development. These stages correspond to the sustainability framework’s 5 phases in the network development cycle – which can be used to categorize a network’s level of development according to the different stages of network governance, management, activities and ability to provide support to members in implementing the principles of the GC:

Stage 0: Aspiring network – a focal point for the network has been nominated, and a few activities have been planned or taken place. However, there is not yet any agreement or clear definition of who is part of the network; the network does not have its own work plan; and the direction for how the network will be developing has not been outlined and agreed upon yet.

Stage 1: Developing network – these networks in the first stages of “developing” relationships between partners, developing commitments between organizations and staff members, developing common interests that will hold the network together and the expectations required to respond to correspondence, keep to a workplan and promote the network within their own organization. Other features of this stage include:

- Conducting research and identifying market niches for the network
- Allocating time to build relationships and recruiting appropriate partners
- Conducting stakeholder dialogues with potential strategic partners, potential network members and other stakeholders.
- Design value-proposition of the network

Stage 2: Aware but challenged – these networks are aware of the need to form relationships with suitable partners and have started to build a pool of experts and partners with expertise in CSR,

research, marketing, communications and event management. However they are challenged by significant obstacles: there is a lack of capacity and experience and they have not yet identified individuals who can play a leading role in CSR knowledge dissemination, communications and the overall engagement process. Nevertheless, members have begun to exhibit the following features:

- Display a shared commitment to the promotion of corporate citizenship through the effective implementation of the Global Compact
- Possess expertise in the areas of CSR, Human Rights, Labour Rights, the Environment and Anti-Corruption.
- Provide access to decision makers and have capacity for effective communication.

Stage 3: Attentive & emerging – these networks have come to an agreement on goals, objectives, terms of reference and network principles. The network structure is emerging in the form of an organizational chart. Other emerging elements include a vision statement, objectives of the network, the mechanics of decision-making, chairmanship, the role of the members, the strategic partners, the role of the secretariat, the various committees, task forces, working groups and advisory groups. Decision-making parameters are being established identifying how the network is to be coordinated and managed, which issues require consensus, a simple majority or only the input of the membership or the secretariat. Critical to this phase is obtaining funding to cover the cost of network management functions and coordination, which may cover staff, communications, public relations, ongoing activities and events. Various options for financial income are being explored, including:

- Membership fees (joining fee and/or annual contribution)
- Service fees
- Private sector contributions
- Funding from grant-giving institutions and foundations
- Events and activities

Stage 4: Active & aware – these networks are active, have been formally institutionalized and have secured a group of companies and members with a sufficient level of commitment to ensure the effective, inclusive and accountable governance system of the GC initiative in a country. The network is active in its constituency and aware of its roles and responsibilities. It provides a public space for business leaders to commit to the GC initiative in collaboration with civil society organizations, government, and in the presence of media. The network is active in reinforcing commitment of companies and attracting new businesses to join. Other features include:

- It has a core group of champions, which includes a cross section of representatives from the private sector, NGOs, media, government, academia, etc. who are willing to support the network by providing financial and non-financial contributions.
- It has a critical mass of companies committed to the initiative. Indicators may include the number of domestic companies that have signed up and the number of ‘champions’ or companies that demonstrate a high-level of commitment to and interest in leading the process.
- It has identified a main theme for the network to address. This theme may be agreed upon

following the outcome of exploratory meetings and discussions with local partners, and from surveys.

Stage 5: *Integrated & well-managed* – these networks have been running for some time, are accountable to the membership and are looking for ways to improve in terms of the following qualities:

- Effectiveness: the network’s objectives and goals are clear and are being met; the network is producing outputs suited to the needs of members and key individuals; and the network is taking full advantages of the opportunities created by working together.
- Structure and Governance: the network is organized effectively and its decision making process is functioning correctly; there are few governance or organizational issues affecting the network’s operations and effectiveness.
- Efficiency: the network’s internal communications and interaction among members is functioning well; there is a high level of attendance and participation at network meetings; there is a mix of tools (telephone, workshop, internet, etc.) being adequately employed to help engage members in collaboration and discussion; and the network is getting adequate institutional support.
- Growth: there is a positive continuum of growth of the network; and new members and partners being added on a regular basis.

2.4 Baseline Study

The adoption of the above framework will have implications for the baseline study.

An understanding of present GC network capacity, supported by facts, will produce baseline data which will serve as basis for measurement of GCLN capacity and progress in providing support to their member companies in CSR/GC.

The baseline study will gather data for a benchmark assessment of the current situation in each country, which will enable the end-of-project evaluation to measure progress from a particular starting point.

For this end, it is critical to have an appropriate system of measurement. Based on an assessment of GCLNs and their membership, the capacity of local networks can be determined in individual countries and the region as a whole. Working with the conceptual framework and performance measures suggested above, it will be possible to prepare a baseline fingerprint of CSR/GC support for each local network. Combined with the baseline measurement of the indicators, this then will provide the appropriate baseline values, which will allow comparison and evaluation of project effectiveness at the end of the project.

3.0 Objectives and Scope of the Evaluation

3.1 Purpose of Evaluation

In the ESCAP context, an evaluation is a strategic exercise that has a two-fold purpose: (a) to incorporate lessons learned in the strategic planning and decision-making process of ESCAP in order to improve future subprogrammes and (b) to ensure accountability to member States, donors and other development partners.⁶

The main objective of the end-of-project evaluation for the I4D project is to assess the results that the project has had on creating more active Global Compact networks, recruiting participants and providing support to Global Compact networks and organizations in the implementation of the principles of the Global Compact.

In this sense, the evaluation will:

1. Determine how the project has performed with respect to its objectives, its measurable goals and its qualitative and quantitative indicators
2. Determine if the vision and expectations of each partner is being met
3. Capture the “lessons learned” from the project activities and determine if they can be enhanced

3.2 Scope of Evaluation

The evaluation framework follows the results framework that was designed for the project, focusing on the hierarchy of results: goal, outcome, outputs and activities. It also outlines the performance indicators that will be used to measure the results. As such, the end-of-project evaluation is designed to determine the relevance, efficiency, effectiveness and sustainability of the outcome and results over the life of the project (3 years). Assessment of the goal/impact level, which tends to focus on longer term economic and social achievements over a period of 4-8 years, is not necessary in this case.

The scope of the evaluation will be governed by assessments of the key components in the results framework. The scope of work is divided into: (a) project design issues (including whether the logical framework is still relevant and functional), (b) project results, (c) project management and (d) sustainability. The following table sets the scope for the evaluation and provides instructions for the questions contained in the evaluation matrix at Annex A.

⁶ ESCAP Monitoring & Evaluation System, ESCAP/PMD/M&E/1/Rev 1, 21 September 2007

Result Level/Category	Scope of Assessment
<u>Project Design</u>	<ul style="list-style-type: none"> • Assess the relevance and appropriateness of project design • Were stakeholders included or involved in the project design process? • Is the logical framework still relevant and functional?
<u>Assessment of Performance</u>	<ul style="list-style-type: none"> • Assess the progress towards attaining the project’s contribution to: <ul style="list-style-type: none"> ○ supporting the implementation of the Global Compact at the national level by working with GC networks in cooperation with national business associations and civil society organizations ○ increasing awareness of CSR and the Global Compact on a regional scale by participating in regional CSR conferences and disseminating information on issues related to CSR and the Global Compact and organizing regional events supporting a platform for regional learning and debate • Assess the achievement of project outputs and outcome (including the assessment of planned and actual expenditure against outcome) • Review and evaluate the extent to which project outputs have reached the intended beneficiaries • Assess the level of stakeholder awareness and involvement in promoting the principles of the Global Compact and CSR practices
<u>Project Management</u>	<ul style="list-style-type: none"> • Assess the appropriateness of the project strategy, activities, etc. • Assess the efficiency and effectiveness of project management
<u>Sustainability & Lessons Learned</u>	<ul style="list-style-type: none"> • Assess the likelihood of continuation of project outcomes and benefits after completion of ESCAP funding • Assess efforts of ESCAP in supporting national stakeholders and partner institutions • Describe the main lessons that have emerged in terms of: <ul style="list-style-type: none"> ○ Strengthening country ownership in Global Compact networks and CSR practices ○ Strengthening stakeholder participation in the process of adopting the principles of the Global Compact and CSR promotion and implementation ○ Application of adaptive management strategies within the project for achieving its goal ○ Efforts to secure sustainability ○ Knowledge transfer ○ Role of M&E (monitoring and evaluation) in project implementation.

3.3 Assessment of Project Performance

The evaluation should assess project performance at the outcome and output levels in five distinct areas or sectors. These categories are presented in the following table as a guide for the evaluation team by identifying the indicators and data sources required to assess the major results on each sector involved in the project (GCLNs, member companies, regional level, project management and sustainability/lessons learned). In this sense, it provides an overview for

assessing the major elements of the project as listed in the evaluation matrix in Annex A, including the impact at the regional level, project management and sustainability. It also provides a framework for assessing the project’s capacity development activities by incorporating the performance indicators for measuring network capacity as presented in the capacity assessment framework (section 2.0). In this sense, project performance will be assessed at the end of the project, although initial measurements will have to be undertaken for the baseline study.

Sector	Indicators	Data sources
Global Compact Local Networks	<ul style="list-style-type: none"> Number of stakeholders participating in project activities Quality of follow up activities in implementing principles of Global Compact and CSR practices Evidence of dialogue and partnerships between sectors Effectiveness of support by GCLNs Evidence of network sustainability strategy Administrative and operational capacity 	<ul style="list-style-type: none"> Monitoring reports Interviews with GC networks, business associations, NGOs, academic institutes, etc. Independent publications on Global Compact and CSR Event attendance lists
Business Sector	<ul style="list-style-type: none"> Quantity of participation by businesses in GCLN activities Quality of reporting on the implementation of the principles of Global Compact Evidence of dialogue with civil society and government stakeholders 	<ul style="list-style-type: none"> Monitoring reports Event attendance lists Interviews with businesses COPs or company sustainability reports
Regional Level	<ul style="list-style-type: none"> Effectiveness of regional events in supporting a platform for regional learning and debate Effectiveness of website 	<ul style="list-style-type: none"> Monitoring reports Event attendance lists Interviews with government Regional publications
Project Management	<ul style="list-style-type: none"> Expected results in the Logical Framework have been achieved Effectiveness and efficiency of project activities Necessary decisions and corrections have been taken when needed 	<ul style="list-style-type: none"> Monitoring reports Disbursement schedule Interviews with Project Manager
Project Strategy, Sustainability and Lessons Learned	<ul style="list-style-type: none"> Relevance and scope of project activities Advantages and constraints of the model Potential for expansion or replication Effectiveness of stakeholder network 	<ul style="list-style-type: none"> Interviews with project management and partners Alternative strategies

4.0 Methodology

4.1 Approach

Overall guidance on end-of-project evaluation methodologies is provided by ESCAP's Monitoring and Evaluation System⁷. The following evaluation approach is based on this guiding document, which defines evaluation in the ESCAP context as “*a selective exercise that seeks to determine as systematically and objectively as possible the relevance, effectiveness, efficiency and sustainability of an ongoing or completed subprogramme, project or other initiative in light of its expected results. It encompasses its design, implementation and actual results to provide information that is credible and useful, enabling the incorporation of lessons learned into executive planning and decision-making.*”

In order to undertake this task, the key methodology for the evaluation will be a pre-post assessment. Data will be collected through a variety of means, including desk review, meetings with the project management team, interviews with network focal points and members and other stakeholders, and comparative analysis of findings. Opinions and information will be obtained through the following means:

- Desk review of relevant documents and websites
- Discussions with ESCAP officials at the Trade and Investment Division (TID), Private Sector and Development Section (PSDS) and the I4D project officer
- Interviews with network focal points, company executives and other stakeholders in selective project countries including government officials, community members, partners and beneficiaries

Desk Review

The desk review can be undertaken by the evaluation team prior to departing on the evaluation mission.

Discussions

Discussions with ESCAP officials on the terms of reference (ToR), logistics and other technical matters can occur via email and telephone prior to the evaluation mission.

Mission

The evaluation mission should start by meeting with ESCAP project officials in Thailand and other personnel involved in the project. Also, as the first order of business in the evaluation process in a particular country, the in-country evaluator should meet with the project focal point in that country.

⁷ <http://www.unescap.org/pmd/documents/evaluation/M&E%20System%20Overview%20Rev%201.pdf>

Interviews

Face-to-face interviews should be conducted in all selected project countries with a representative sample of network focal points, companies and national stakeholders according to standardized questions developed in close consultation with the ESCAP project manager (no telephone or email interviews should be undertaken).

4.2 Evaluation Team

The evaluation should be conducted by an evaluation team comprised of an international consultant (evaluation team leader) and a team of national evaluators made up of individual consultants from each selected project country chosen for their experience in conducting evaluations. The national evaluation team (NET) will be instrumental in coordinating evaluation activities and undertaking interviews in the project countries in the language of each country.

Logistics: Local Network Focal Points

Because of their knowledge of stakeholders, partners, companies and project components, the designated Local Network focal points will form a key part of the logistics for each project country. Their input will be vital for planning the dates and assisting in making arrangements for the evaluation activities in each country. This will include establishing a shortlist of stakeholders to be interviewed: representatives from private companies, civil society organizations and government departments. Standardized criteria should be used to select the interviewees.

Key Stakeholders

The evaluation should involve participation from the main stakeholders involved in the project. This will include interviews with representatives from business, government and civil society, as well as Local Network focal points in each project country, plus the Global Compact Office.

4.3 Evaluation Criteria

The evaluation criteria will orient the evaluation exercise toward an assessment of the progress made toward the project objective of creating more active Global Compact networks, recruiting participants and providing support to the networks in the implementation of the principles of the Global Compact. It will also involve undertaking assessments of the relevance, effectiveness and sustainability of the project activities that have taken place. An explanation of the key criteria for the evaluation includes the following:

- *Relevance*: To what extent the project is addressing problems of high priority, as viewed by the stakeholders – the extent to which the project remains relevant to the project goals and stakeholder needs
- *Effectiveness*: The extent to which the planned outcome and outputs have been achieved
- *Efficiency*: The amount of outputs created in relation to the resources invested
- *Management arrangements*: The extent to which management arrangements support the above
- *Sustainability*: The extent to which the project outcome and outputs are likely to be sustained after the project – the extent of national ownership by relevant stakeholders in the GCLNs

4.4 Evaluation Tools

Because of the number of interviews required for each country and because of the geographic distances and languages involved among project countries, it will be necessary for the evaluation team to follow a common methodology with a standard set of simple questions and check lists. In addition, because the interviews will be conducted by in-country evaluators from whom there can be a high degree of variability and quality, the questions, check lists and indicators should be simple enough so that each country evaluator has a similar understanding of the methodology.

This approach will enable the evaluation team to undertake the necessary assessments at two levels: the project output level and the outcome level:

- a) Compile the data and verify the project outputs
- b) Assess results in terms of the evaluation criteria (relevance, effectiveness, efficiency, sustainability and management arrangements).

Standardized Rating System

To achieve the level of standardization required, the team should rate achievements for each of the criteria using a standardized rating system. In this manner, the approach will facilitate the compilation of a rapid assessment of project outputs, indicators and key questions from all selected project countries, and provide a link to the result level through analysis using the 5 key criteria (relevance, effectiveness, efficiency, sustainability and management arrangements):

Rating	Outcome and Output
Highly Satisfactory (HS)	Project (outcome and output levels) is expected to achieve or exceed all its major objectives, and yield substantial regional and national benefits, without major shortcomings. The project can be presented as “good practice”.
Satisfactory (S)	Project is expected to achieve most of its major regional and national objectives, and yield satisfactory benefits, with only minor shortcomings.
Marginally Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is not expected to achieve some of its major regional and national objectives or yield some of the expected benefits.
Marginally Unsatisfactory (MU)	Project is expected to achieve some of its major regional and national objectives with major shortcomings or is expected to achieve only some of its major objectives.
Unsatisfactory (U)	Project is not expected to achieve most of its major regional and national objectives or to yield any satisfactory benefits.
Highly Unsatisfactory (U)	The project has failed to achieve, and is not expected to achieve, any of its major regional and national objectives with no worthwhile benefits.

4.5 Key Questions

The main objective of the evaluation will be to assess the outcome of the project in (a) creating more active Global Compact networks, that (b) recruit more participants and (c) provide better support to Global Compact signatories in the implementation of the principles of the Global Compact. Indicators related to the achievement of these objectives are listed in the logical framework and the attached evaluation matrix, involving increased activities, increased membership and increased reporting on the implementation of the GC principles. Achievement of the project goal is more difficult to assess and would require use of the capacity assessment framework which is presented in section 2.0 above.

The findings of the evaluation will determine whether or not the project results have been achieved. The following key evaluation questions have been developed for that purpose. The questions have been organized into categories linked to the evaluation criteria (Relevance, Effectiveness, Efficiency, Sustainability) and the project components and indicators: Outcome achievement, Output A and Output B.

Relevance:

- Was ESCAP’s I4D project relevant to the needs of the main stakeholders (GCLNs) in the Asia/Pacific region?
 - What were the major constraints faced by GCLNs and their member companies as regards GC implementation, and did the project address those?
 - Were the GCLNs involved or informed in the process of project design?
 - Was the project adjusted to the changing needs of the GCLNs?

Effectiveness:

Outcome level:

- Has the project made Global Compact networks more active in recruiting participants and providing support to companies and organizations in their implementation of the principles of the Global Compact?
 - Did the project activities help GCLNs become more active in organizing events?
 - Did the project make networks more active in recruiting signatories?
 - Do signatories feel they get better support from their network?
 - Did project activities contribute to increased reporting (in the form of CoPs)?
 - Did the project contribute to establishment of new networks / revival of dormant ones?

Output level A:

- Has the project made GCLNs better equipped and capable of increasing awareness of the Global Compact, expanding participation in and ensuring sustainability of their network?
 - Did the project activities make GCLNs better equipped and capable to increase awareness of the Global Compact
 - Do focal points feel the project provided sufficient knowledge, tools and materials to help them advance the GC in their country?

- Did the project enable GCLNs to expand participation in their network?
- Did the project provide useful business-case studies to inspire and motivate companies to integrate CSR and the Global Compact into day-to-day operations?
- Did the media dissemination strategy and the recruitment of company champions help networks advocate the GC?
- Did project activities increase capacity of GCLNs to ensure sustainability of their network?

Gender Mainstreaming:

- Have Gender issues been appropriately addressed?
 - Have gender issues been appropriately incorporated in the implementation of the project?

Output level B:

- Have the new tools and processes been established (and led to) increased cooperation and exchange of experiences between GCLN networks in the region?
 - Have new tools for collaboration and exchange of experience been established?
 - Are the tools found useful?
 - Are the tools being used?
 - Have the new tools and processes led to increased cooperation and exchange of experiences between GCLNs at the regional level?

Efficiency

Project Management /Strategy:

- Were the project activities the most efficient way of achieving the stated outputs, outcomes and goals?
 - Did project activities duplicate other similar initiatives by the GCLN or their member companies?
 - Are there alternative strategies for achieving the project outcome?
 - What could be done in a better way and how (project strategy, activities, etc.)?

Sustainability

- What is the likelihood that the project outcome (results achieved) will be sustained by the GCLNs and their member companies?
 - What kinds of measures were taken within the project to ensure that the project achievements were sustainable?
 - Do GCLNs have a plan to ensure that the training, capacity building efforts and other project results are sustained?
 - What organizational changes have GCLNs made to institutionalize the project achievements?
 - Has the project created replicable activities that could contribute to CSR/GC promotion and practice in other countries?
 - Has the project contributed to increased funding of GCLNs?
 - Will the project result in longer-term positive change?

4.6 Evaluation Matrix

The evaluation matrix is intended to provide guidelines about the kinds of evaluation questions and methods that should be pursued at the end of the project. Each evaluation question is accompanied by indicators, targets or standards by which to answer the question; sources of information; and evaluation methods that should be used to gather the information. See attached matrix at Annex A.

4.7 Timing and Schedule

The Evaluation should cover the full period of project implementation (July 2007 – December 2010). Project activities are scheduled to be completed by 30 December 2010 and the evaluation is scheduled to take place between January and April 2011), with the evaluation team being commissioned in July 2010.

Schedule

The following schedule of activities will be used to ensure that all material, review indicators and strategic outcomes are completed on time:

1. Commission Final Evaluation: July-August 2010
2. Identify National Evaluation Team: August-September
3. Evaluation team reviews the attached draft methodology including evaluation objectives, work plan, interview schedule and composition of the in-country interviews and sectors:
4. ESCAP and Local Network Focal Points review proposed revisions of the draft methodology (December)
5. Questionnaire: Consultant prepares questionnaire in collaboration with ESCAP Project Management Office (week 2)
6. Desk review: Consultant and ESCAP Project Management Office gather project information required for preliminary data collection and desk research (week 3)
7. Distribution: Consultant distributes questionnaire to Local Network Focal Points and in-country evaluation teams (week 4)
8. Interviews: In-country teams conduct interviews in collaboration with GCLN Focal Points (week 5)
9. Field mission to Thailand: Consultant travels to Thailand: Project Management Office arranges in-country logistics, persons or organizations to meet, etc. (week 6)
10. Data collection and analysis (week 7 – 10)
11. Preparation of preliminary review report and Presentation of report to ESCAP Project Manager (week 8)
12. Finalization of report: Finalize report with comments and inputs from various stakeholders (week 12)
13. Transmission of final report (week 14)

4.8 Presentation of Findings

The evaluation team will refer to the LFA and monitoring reports to confirm the initial objectives and expected results and compare them to the actual evolution of the project. The final report will be presented to ESCAP containing the overall findings and general recommendations, annexes for each country containing specific recommendations by country, and a list of lessons learned which can be used for similar initiatives that could take place in other countries in the region.

ANNEX A – EVALUATION MATRIX

Type	Key Question	Sub-Questions	Indicators and Targets	In logframe	Methods and source of information (i.e. means of verification)	Risks/ Assumptions	Baseline	End 2009	End-of-project
Relevance	Was ESCAP's I4D project relevant to the needs of the main stakeholders (GCLNs) in the Asia/Pacific region?	What were the major constraints faced by GCLNs and their member companies as regards GC implementation, and did the project address those?	<ul style="list-style-type: none"> At the end of the project, 75% of GCLN focal point indicate that the project activities met the needs of their network to a high or very high degree At the end of the project, 75% of company representatives on GCLN boards indicate that project activities (as listed for their knowledge) met their needs to a high or very high degree 	-	Interviews and/or survey of GCLN Focal Points	Focal points changed / do not remember	x ⁸		x
		Were the GCLNs involved or informed in the process of project design?	<ul style="list-style-type: none"> 50% of GCLN focal points indicate they were adequately consulted in design process 	-	Interviews and/or survey of GCLN Focal Points	Focal points changed / do not remember	x		
		Was the project adjusted to the changing needs of the GCLNs?	50% of GCLN focal points indicate they were adequately consulted in (potential) modifications	-	Interviews and/or survey of GCLN Focal Points	Focal points changed / do not remember			x

⁸ To establish what is considered to be the main constraints.

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Effective-ness	<u>Outcome level:</u> Has the project made Global Compact networks more active in recruiting participants and providing support to companies and organizations in their implementation of the principles of the Global Compact?	<ul style="list-style-type: none"> Did the project activities help GCLNs become more active in organizing events? 	<ul style="list-style-type: none"> Starting from the 2nd year, 50% of GCLNs organize at least 2 additional events/activities, and produce an Annual Activities Report 	x	1) Records of events organized by country networks (Annual Activities Reports) 2) Interviews with focal points at end-of -project	Inactive / non-responsive focal points.	x	x	x
		<ul style="list-style-type: none"> Did the project make networks more active in recruiting signatories? 	<ul style="list-style-type: none"> By the end of the project, the number of Global Compact signatories in Asia and the Pacific has increased by 50%. 	x	Records (global GC website).		x		x
		<ul style="list-style-type: none"> Do signatories feel they get better support from their network? 	<ul style="list-style-type: none"> The proportion of companies that indicate satisfaction with the support they get from their network has increased. 	-	Questionnaire to network company members.		x		x
		<ul style="list-style-type: none"> Did project activities contribute to increased reporting (in the form of CoPs)? 	<ul style="list-style-type: none"> By 2009, at least 90% of the 104 companies who produced CoPs in 2006 continue to do so, 60% of the 130 who have joined but are yet to produce their first CoP do so, and 20% of the 294 non-communicating/ inactive produce a CoP (total 230). By 2010, more than 400 CoPs are produced 	x	Records (global GC website uploads of CoPs, and country network records – baseline).		x	x	x

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		<ul style="list-style-type: none"> Did the project enable GCLNs to expand participation in their network? 	<ul style="list-style-type: none"> By the end of the project,70% of GCLN focal points indicate project activities were useful for helping them recruit more participants 	-	Interviews and/or survey of GCLN focal points	Focal points changed / do not remember			x
		<ul style="list-style-type: none"> Did the project provide useful business case-studies to inspire and motivate companies to integrate CSR and the Global Compact into day-to-day operations? 	<ul style="list-style-type: none"> At the end of the project, 70% of GCLN focal points indicate that the project provided useful business case-studies to inspire and motivate companies to integrate CSR and GC into day-to-day operations. 	-	Survey questionnaire to GCLN focal points.	Focal points changed / do not remember			x
		<ul style="list-style-type: none"> Did the media dissemination strategy and the recruitment of company champions help networks advocate the GC? 	<ul style="list-style-type: none"> 70% of GCLN focal points indicated the media strategy helped them advocate the GC 	-	Survey of GCLN focal points				x
			<ul style="list-style-type: none"> Within 2 years, at least 10 business leaders in Asia and the Pacific have promoted the Global Compact principles on at least one occasion each. 	x	List of Company Champions who have participated as speakers in meetings or signed a significant statement (e.g. op-ed) to promote and support the principles of the Global Compact.			x	x
			<ul style="list-style-type: none"> 70% of GCLN focal points indicated the recruitment of company champions helped advocate the GC 	-	Survey of GCLN focal points				x

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		<ul style="list-style-type: none"> Did project activities increase capacity of GCLNs to ensure sustainability of their network? 	<ul style="list-style-type: none"> Within 2 years, a strategic plan for how to increase long-term sustainability for networks has been developed, in consultation with networks and the Global Compact Office, and is found useful by the majority of network focal points. 	x	1) Existence of the strategic plan.			x	
			<ul style="list-style-type: none"> At the end of the project, 70 % of network focal points indicate they have increased knowledge of how to make their network more sustainable 	-	Survey of GCLN focal points				x
	<i>Gender Mainstreaming:</i> Have Gender issues been appropriately addressed?	Have gender issues been appropriately incorporated in the implementation of the project?	<ul style="list-style-type: none"> Gender issues have been appropriately incorporated in the materials produced under activity A4. 	x	Gender review of materials produced under A4, done after the majority of materials have been developed.				x
	Output level B: Have the new tools and processes been established (<i>and led to</i>) increased cooperation and exchange of experiences between GCLN networks in the region?	<ul style="list-style-type: none"> Have new tools for collaboration and exchange of experience been established? 	<ul style="list-style-type: none"> Within one year of the start of the project, a website /community of practice has been established. 	x	Website/community of practice up and running		x		
		<ul style="list-style-type: none"> Are the tools found useful? 	<ul style="list-style-type: none"> Within 2 years, the established tools and processes (under output B) are found useful by (70% of) network focal points in assisting them to promote the Global Compact 	x	User survey among GCLN focal points.			x	x

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		<ul style="list-style-type: none"> Are the tools being used? 	<ul style="list-style-type: none"> Number of website visits has grown by at least 20% annually Number of viewings of publications/documents have increased by at least 10% annually Number of postings/viewings in the discussion forums have increased by at least 10% annually 	-	Records from the website (report engine)			x	x
		<ul style="list-style-type: none"> Have the new tools and processes led to increased cooperation and exchange of experiences between GCLNs at the regional level? 	<ul style="list-style-type: none"> Within 2 years, at least 20 new case studies from the Asia-Pacific region have been collected (by networks) and made available on the website and publications. 	x	Records from website			x	

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Sustaina-bility	What is the likelihood that the project outcome (results achieved) will be sustained by the GCLNs and	<ul style="list-style-type: none"> What kinds of measures were taken within the project to ensure that the project achievements were sustainable? 	<ul style="list-style-type: none"> Evidence of measures taken (e.g. new host for regional website, 	-	<ul style="list-style-type: none"> Evaluators assessment 				x

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	their member companies?	<ul style="list-style-type: none"> Do GCLNs have a plan to ensure that the training, capacity building efforts and other project results are sustained? 	Existence of strategic plans	-	<ul style="list-style-type: none"> Interviews with /surveys of GCLN focal points Evaluators assessment 				x
		<ul style="list-style-type: none"> What organizational changes have GCLNs made to institutionalize the project achievements? 	<ul style="list-style-type: none"> Evidence of changes in organizational structure and governance to institutionalize project achievements 	-	<ul style="list-style-type: none"> Review of organizational and governance structures of GCLN, combined with survey of focal points 		x		x
		<ul style="list-style-type: none"> Has the project created replicable activities that could contribute to CSR/GC promotion and practice in other countries? 		-	<ul style="list-style-type: none"> Interviews of GCLN focal points Evaluators assessment 				x
		<ul style="list-style-type: none"> Has the project contributed to increased funding of GCLNs? 	<ul style="list-style-type: none"> Yearly income of GCLNs (in-kind + cash) Number of non-donor/UN related sources of funding 	-	<ul style="list-style-type: none"> Survey of GCLN focal points 		x		x
		<ul style="list-style-type: none"> Will the project result in longer-term positive change? 		-	<ul style="list-style-type: none"> Interviews of GCLN focal points Evaluators assessment 				x

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Efficiency	<p><u>Project Management /Strategy:</u></p> <p>Were the project activities the most efficient way of achieving the stated outputs, outcomes and goals?</p>	<ul style="list-style-type: none"> • Did project activities duplicate other similar initiatives by the GCLN or their member companies? • Are there alternative strategies for achieving the project outcome? • What could be done in a better way and how (project strategy, activities, etc.)? 	<ul style="list-style-type: none"> • No. of similar projects/ activities of GCLNs - Objectives and results of previous and existing CSR/GC projects • Alternative approaches to ensuring GCLN effectiveness • Alternative approaches for achieving increased implementation of the GC principles 	<p>-</p> <p>-</p>	<ul style="list-style-type: none"> • Evaluator’s assessment based on interviews with GCLN Focal Points and company representatives on GCLN boards 	<p>Focal points and company representat ives changed and/or do not remember</p>			x