



COMMUNICATION ON PROGRESS 2012

Dalberg Global Development Advisors (“Dalberg” or “we”) has been a member of the United Nations Global Compact (“UNGC” or “the Global Compact”) since June 2007 and endorses the 10 universally accepted principles of the Global Compact in the areas of human rights, labor, environment and anti-corruption.

Throughout 2011, Dalberg supported UNGC in its efforts to identify and establish transformational partnerships between the United Nations and businesses. Dalberg supported a UNGC working group of corporate leaders to write and present a briefing paper on such partnerships and developed a framework of partnership types; the briefing paper was presented and the framework used to guide conversations at the World Economic Forum in Davos. Additionally, Dalberg worked with the UNGC LEAD working group and Unilever to identify best practices for establishing transformational partnerships between the United Nations and business, creating a typology that would allow the United Nations to best leverage its multi-stakeholder approach by using the core competencies of the partners involved. Dalberg then analyzed high-potential partnerships for LEAD, conducting an assessment of opportunities and weaknesses in terms of incentive alignment and operational excellence between the UN and different companies.

Previously, Dalberg produced “Champions of the Low Carbon Economy: Why CEOs are Ready for a Global Climate Agreement”, a 2009 report for the UNGC highlighting the perspectives and expectations of 40 Chairmen and CEOs of corporations from around the globe who support a global climate agreement and are ready to take the lead in retooling the global economy. This followed the contributing role Dalberg played in 2007 in producing one of UNGC’s then-major publications: “The Business Guide to Partnering with NGOs and the United Nations”.

As a firm dedicated to addressing the world’s most pressing challenges, the principles mainstreamed by the Global Compact are the same guiding Dalberg’s development efforts and internal policies. Going forward, we will continue to promote the principles and the UNGC in our communications, but more importantly, the principles will manifest through our international development activities.

Andrew Stern, Global Operating Partner
31 May 2012

Firm Description

Dalberg Global Development Advisors is a strategy and policy advisory firm exclusively dedicated to global development and innovation. Established in New York in 2001, our mission is to mobilize effective responses to the world's most pressing issues and to raise living standards in developing countries. We strive to achieve social impact by creating value for our clients.

Our core advisory services include: (i) developing innovative strategies, approaches and market mechanisms; (ii) reforming internal organizational processes and structures; (iii) analyzing global markets and developing market-entry strategies; and (iv) coordinating and facilitating large, multi-stakeholder initiatives. We focus on 11 key sectors:

- **Access to Finance** – Improving access to finance in underserved and emerging markets by connecting investors, capital providers and private and social entrepreneurs
- **Agriculture & Food Security** – Helping organizations identify, design and implement solutions that benefit agricultural market participants and increase food security
- **Conflict, Human Rights & Humanitarian Aid** – Helping organizations to address effectively the unique development challenges faced by conflict-affected and post-conflict countries
- **Corporate** – Enabling corporations to achieve lasting competitive advantage in developing markets, and understand the conditions affecting their opportunities
- **Education** – Expanding global access to high-quality education and training at all levels by understanding market needs and effective approaches to learning, strengthening public systems and facilitating public-private partnerships
- **Energy & Environment** – Working with public and private sector organizations to transform markets, make sound supply-side choices, access financing, enhance energy access, or develop strategies to address key environmental risks
- **Gender Empowerment** – Developing strategies and designing programs that enable organizations to leverage resources toward greater gender equity
- **Global Health** – Identifying, designing and implementing solutions that improve health across the globe
- **ICT & Mobile for Development** – Harnessing the power of information and communication technologies to foster innovation, improve quality, expand access and drive accountability
- **Inclusive Growth** – Helping countries and regions develop programs and agendas that lead to economic growth beneficial to and inclusive of all people and businesses
- **Strategy & Performance** – Helping governments and leading development organizations have a greater impact on the lives of people they serve through better strategies and more effective organizations

Dalberg has a global footprint. Dalberg has a network of 11 offices located in Copenhagen, Dakar, Geneva, Johannesburg, London, Mumbai, Nairobi, New York, San Francisco, Santiago and Washington, D.C. We serve clients across Africa, Asia, North and South America, and Europe and have fielded teams on the ground to provide global-local perspectives in more than 90 countries.

Dalberg has a highly talented staff that has lived and worked in developing countries, fostering a unique depth of development expertise. We combine this insight with experience from top-tier professional services firms and leading academic institutions to create actionable solutions. Our diverse staff is representative of our clients and their beneficiaries and comprises:

- 50% women and 50% men
- More than 30 nationalities
- More than 25 languages

Dalberg has an extensive track record of success and innovation across public, nonprofit and corporate sectors. During the last 10 years, Dalberg has successfully completed more than 600 engagements for more than 250 leading multilateral institutions, international agencies, foundations, NGOs, governments and global corporations operating or investing in frontier and emerging markets. We act at the forefront of development innovation, working extensively with leading social innovators, such as the Bill & Melinda Gates Foundation, Rockefeller Foundation and Skoll Foundation, and a broad range of international organizations, including the Global Fund and Human Rights Watch. We advise a broad range of private sector clients, including 10 Fortune 200 Global companies, and have partnered with dozens more. We have advised developing country governments and regional and international development finance institutions, including the World Bank, International Finance Corporation (IFC), African Development Bank (AfDB), Asian Development Bank (ADB) and Inter-American Development Bank (IADB), as well as numerous UN agencies at headquarter and field levels.

Dalberg's Global Compact COP will be available on the UNGC website and will be referenced on our own website, www.dalberg.com. For any questions or comments, please contact:

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Human Rights

- **Principle 1:** Business should support and respect the protection of internationally proclaimed human rights
 - **Principle 2:** Business should ensure that they are not complicit in human rights abuses
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ASSESSMENT, POLICY AND GOALS

Dalberg supports staff members in developing social impact initiatives both locally and globally, including initiatives that support and respect the protection of internationally proclaimed human rights. In order to support personal commitments to being good citizens, Dalberg has a sabbatical policy that enables staff members to work on social impact projects unrelated to client work in a developing country for two weeks to four months, depending on their tenure.

Additionally, Dalberg's work in the international development sector requires us to be highly conscious in our choice of clients, subcontractors and partners. Dalberg seeks to work only with clients of the utmost integrity, who are globally respected, and are seeking outcomes that improve the condition of people in developing countries. As such, every partner overseeing business development and project implementation activities takes personal responsibility to ensure our clients are not involved in any human rights abuses.

IMPLEMENTATION

In 2011, Dalberg engaged in the following work (non-exhaustive) as part of our dedicated Conflict, Human Rights and Humanitarian Aid practice area:

- Dalberg conducted an impact assessment for an Indian NGO dedicated to protecting vulnerable children's rights to safety, protection and development, and created a performance management system for the organization to track actual impact against targets going forward.
- Dalberg supported the United Nations Department of Peacekeeping Operations by developing a staffing model to show the relationship between the level and complexity of peacekeeping operations and the level of the support account staffing needed to facilitate consistent achievement against operational objectives.

In 2011, Dalberg supported the following staff ventures (non-exhaustive) in support of human rights:

- Two staff members volunteered with **Dignity Foundation, a resource for senior citizens** in three major Indian cities, helping the organization to set up a 'Dignity Ambassador Program', which generates funders and advisors for the foundation, and to develop a social media strategy to raise awareness among younger generations.
- Two staff members helped **a low-cost rural school in India** achieve operational excellence during a voluntary engagement to develop and implement a detailed performance management system to track daily student metrics such as attendance, hygiene, preparation level of students as well as use of visual learning tools by the teachers in the classrooms.
- For most of 2011, three staff members were seconded to the analytics team for the **Ethiopian Agricultural Transformation Agency**, which Dalberg helped the Ethiopian government establish as a

catalyst for positive, transformational and sustainable change in the country's agriculture sector. Dalberg consultants conducted problem solving activities addressing critical bottlenecks affecting crop value chains and systems, as well as supported implementation with the ATA's partners, most importantly, the Ministry of Agriculture. Their roles also involved training local staff in order to build ATA's local capacity and obviate the need for international consultants.

- A staff member travelled to Colombia and Ecuador to meet with three, different **sustainable tourism projects** in order to learn about innovative models that balance national development needs with environmental protection and indigenous rights. In addition, the staff member learned 'Spanish for Development' in order to better communicate on global development topics.

MEASURE OF OUTCOMES

In the past year, Dalberg has not been involved in any investigations, legal cases or incidents involving Human Rights violations.

Additionally, in 2011, Dalberg completed eight human rights-related projects. Nine staff members were involved in human rights-related *pro bono* engagements of their own volition in 2011; to date, two more are planned in 2012.

Labor

- **Principle 3:** Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
 - **Principle 4:** Business should support the elimination of all forms of forced and compulsory labor
 - **Principle 5:** Business should support the effective abolition of child labor
 - **Principle 6:** Business should support the elimination of discrimination in respect of employment and occupation
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ASSESSMENT, POLICY AND GOALS

While the nature of Dalberg's professional services work does not necessitate staff union membership, our Corporate Policies provide for a system whereby employee concerns and grievances can be addressed via elected staff representatives.

Additionally, we uphold the elimination of all forms of forced, compulsory or child labor and observe and support the ILO conventions outlawing such. In addition, as a matter of principle and reputation, we seek to ensure that these practices do not take place in our client, partner and sub-contractor organizations.

Finally, as an international consulting firm, Dalberg actively seeks to recruit a team that reflects the gender and ethnic diversity of our clients and their beneficiaries. Our Corporate Policies ensure staff members are recruited based on their ability to do the job; no distinction, exclusion or preference is given on any other grounds.

IMPLEMENTATION

Dalberg's Corporate Policies are posted prominently on our internal knowledge management system and are accessible by all staff. They are accompanied by an open discussion forum that communicates directly with Dalberg's Global Managing Partner, Global Operating Partner, and the Chairman of the People and Values Committee. For confidential employee grievances and concerns, we have an implemented Ombudsperson system. The Ombudspeople are nominated by staff globally and retain the position for a period of at least one year. These representatives have direct access to Dalberg senior management and the responsibility to bring up issues of concern to staff.

In addition, Dalberg seeks to be a leading employer by recognizing the importance of maintaining an enjoyable and supportive working environment and providing social benefits. We aim to provide health, dental, pension, guaranteed maternity and paternity leave, and other benefits at levels comparable to other leading professional services firms. We promote team work and individual professional development through regular office-level retreats, an annual global retreat, regular office-level skills training sessions, 360-degree feedback reviews and individual staff development plans.

MEASURE OF OUTCOMES

In the past year, Dalberg has not been involved in any investigations, legal cases or incidents involving contravention of ILO conventions or the Global Compact labor principles.

Additionally, Dalberg's efforts to build and maintain a diverse staff and a supportive, non-discriminative corporate environment are apparent in our staff statistics:

- 50% women and 50% men global workforce
- 50% women and 50% men partner group
- More than 30 nationalities represented
- More than 25 languages spoken

Environment

- **Principle 7:** Business should support a precautionary approach to environmental challenges
 - **Principle 8:** Business should undertake initiatives to promote greater environmental responsibility
 - **Principle 9:** Business should encourage the development and diffusion of environmentally friendly technologies
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ASSESSMENT, POLICY AND GOALS

Dalberg is committed to fostering and promoting a clean environment and meeting environmental challenges through a wide range of efforts to monitor and reduce the carbon footprint of our individual staff and the firm as a whole.

Wherever possible, Dalberg raises awareness among our staff and guides them to the most environmentally friendly choices. Our travel policies, posted on our internal knowledge management system and available to all staff, advise use of the most environmentally sound methods of travel. In addition, members of our dedicated Energy & Environment practice area foster internal and external dialogue on environmental challenges through monthly calls and email updates, blog posts and articles.

IMPLEMENTATION

In the last year, Dalberg worked with a wide range of clients to develop environmentally-conscious strategies, build environmental knowledge, and promote the development and diffusion of environmentally-friendly technologies. The following is a non-exhaustive list of our 2011 Energy & Environment engagements.

- Dalberg conducted a midterm review of the joint International Finance Corporation and World Bank program, 'Lighting Africa', which accelerates the market for off-grid solar lighting solutions for the BOP in Africa.
- Dalberg designed a World Bank facility to provide assistance to energy SMEs in Kenya on behalf of Global Village Energy Partnership (GVEP) International.
- Dalberg developed a strategy for a global business association to improve support of its members' efforts to enhance access to water and sanitation.
- Dalberg provided strategic and logistical support to the African Union Commission, African Development Bank, and the United Nations Economic Commission on Africa at the COP 17 in Durban, South Africa.
- Dalberg developed a landmark report for the UK's Department for International Development, which made a clear business case on the economics and social benefits of using renewable, rather than diesel fuel, to power mobile towers that are off India's main electricity grid. Our team also worked with stakeholders across the telecoms sector to drive greater adoption of green technologies.
- Dalberg helped Husk Power Systems, an Indian rural electric company, to understand the potential to scale the current business model through disaggregating its existing business model and taking a more segmented approach to site selection and customer pricing.

MEASURE OF OUTCOMES

In the past year, Dalberg engaged in more than 25 projects related to environmental issues. During the same time, our firm published seven blog posts and two thought leadership pieces concerning energy and environment practices (not including articles written by individual staff members).

Additionally, while Dalberg's primary contribution to environmentally precautionary measures comes in the form of our client work (above), several internal initiatives are indicative of our firm's environmentally conscious global culture:

- Individual offices in San Francisco, Washington DC and Geneva have instituted bike-to-work initiatives in an effort to shrink their carbon footprints.
- Upon moving to a new space, the Mumbai office outfitted it with highly energy-efficient air conditioning units, and an office directive encourages use of these over the original, low-rated units.
- All staff email signatures are required to include a tag discouraging unnecessary printing of the message or its attachments.

Anti-Corruption

- **Principle 10:** Business should work against corruption in all its forms, including extortion and bribery
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ASSESSMENT, POLICY AND GOALS

Dalberg observes and supports the United Nations Convention against Corruption. We seek to support governments, UN agencies and civil society to realize a more transparent global economy.

As a firm, we have a strict Corporate Policies to avoid bribery, extortion and other forms of corruption both in home office countries and in the field. Where there are concerns, Dalberg includes specific provisions in our contractual arrangements with clients prohibiting any such behaviour.

IMPLEMENTATION

Dalberg's primary contribution to a transparent global economy comes in the form of our client work. In 2011, we worked with a wide range of clients on governance issues:

- Dalberg worked to foster transparent business engagements by analyzing the potential for a confidential Fortune 500 oil and gas company's engagement on a variety of global issues, including transparency.
- Dalberg promoted programmatic and organizational good governance by helping both Mercy Corps and a European professional organization devise transparent strategies and processes.
- Dalberg also supported governmental transparency by working with the Ethiopian Agricultural Transformation Agency to detail legal and governance structures for public-private investment initiatives in the country's agriculture sector.

Prior to 2011, we advised governments and government agencies in Papua New Guinea, Nigeria and other countries on good governance, providing them with anti-corruption frameworks.

MEASURE OF OUTCOMES

In the past year, Dalberg has not been involved in any investigations, legal cases or incidents involving corruption or bribery.

In addition, we maintain transparent financial records via an annual audit with Fesnak & Associates.