

Global Advice Network

Communication on Progress 2009

Report for the UN Global Compact





## GLOBAL COMPACT - COMMUNICATION ON PROGRESS - 2009

Company Name	Global Advice Network Aps	Date	1 June 2009
Address	Borgergade 111, 1300 Copenhagen K		
Country	Denmark	Membership date	10. June 2007
Contact name	Jens Berthelsen	Number of employees	20
Contact Position	Partner		
Contact telephone no.	+45 6088 1044	Sector	Consulting

### Brief business description

Global Advice Network is specialised in the area of Corporate Integrity (Business Ethics) and offers services in anti-corruption, anti-fraud, sustainability and business development. Global Advice Network has offices in Copenhagen, Oslo and Stockholm.

Global Advice Network focuses on practice. We help clients "practice what they preach", to transform policies into practices and to make practices coherent with corporate values.

Global Advice Network is specialised in helping clients develop an in-house capability to increase their resistance to fraud and corruption as well as to gain competitive advantages from the CSR agenda. As such, the Global Compact (UNGC) Principles are central to what we do, even though the focus of our work is on the 10<sup>th</sup> Principle.

Global Advice Network carries out pro-bono work every year to promote aspects of the UNGC. In the past year this work has focused on development of a publicly available vetting tool to assist Civil Society Organisations in their work to combat bribery.

Global Advice Network is an active participant in the Nordic Global Compact Network.

### Statement of support

Global Advice Network joined the UNGC 10 June 2007, and we continue to wholeheartedly support the Principles of the UNGC. We are committed to living out those principles as a business internally as well as with our work for clients.

Global Advice Network is committed to promoting corporate integrity. It is our core business to assist in developing and strengthening ethical practices and integrity systems, particularly in relation to business, but also more generally along the lines of the first nine UNGC Principles. We therefore constantly try to improve our action in these areas and to further deepen the integration of UNGC Principles with our business.

We firmly believe that belonging to the UNGC is helpful to our business and are proud to be part of such a worthwhile initiative.

Signature

Position

Partner





## ALL PRINCIPLES

Global Advice Network's policy is to only work on projects which we believe will be in accordance with the principles of the UNGC. Being complicit, either actively or passively, with a violation of UNGC Principles would undermine our core business. Should any potential real or theoretical conflicts between our work and UNGC Principles arise, they must be discussed and resolved internally to ensure the continued compliance of our work with UNGC Principles.

In the preceding year, we have developed a draft Code of Conduct related to Corruption and Bribery. The plan is to include all UNGC Principles in this code in the coming year, and to make partners, suppliers and contractors aware of the code.

### PRINCIPLE 1

#### BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

Global Advice Network has no direct experience of human rights abuses and no specific mechanism to monitor this.

We are committed to respecting the human rights of our employees and suppliers. We try to treat people with respect at all times. Avoiding discrimination, promoting tolerance, transparency and accountability, and encouraging freedom of expression are particularly relevant to this.

*See remarks for ALL PRINCIPLES.*

### PRINCIPLE 2

#### BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Global Advice Network has no direct experience of human rights abuses and no specific mechanism to monitor this.

*See remarks for ALL PRINCIPLES.*

### PRINCIPLE 3

#### BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

All employees have the rights to freedom of association and collective bargaining.

*See remarks for ALL PRINCIPLES.*

### PRINCIPLE 4

#### BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

Global Advice Network has no direct experience of being involved in forms of forced and compulsory labour and has no specific mechanism to monitor this.





*See remarks for ALL PRINCIPLES.*

#### PRINCIPLE 5

#### BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR

Global Advice Network follows the national legislation in the countries where we are active.

*See remarks for ALL PRINCIPLES.*

#### PRINCIPLE 6

#### BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

We seek to avoid discrimination in our recruitment as well as in the workplace. Decisions are made on the basis of ability and nothing else. This extends to decisions about status within the company, salary, bonuses and promotions.

Global Advice Network has a high degree of diversity in the workforce which is a direct result of the global aspect of the anti-corruption work we carry out.

*See remarks for ALL PRINCIPLES.*

#### PRINCIPLE 7

#### BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Whenever possible, Global Advice Network takes environmental issues into consideration in procurement. We are part of a small office community and constantly seek to influence the landlord to be more environmentally friendly. Many of our projects have a direct or indirect positive impact on the environment.

*See remarks for ALL PRINCIPLES.*

#### PRINCIPLE 8

#### BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

In our offices we recycle and reuse where possible and staff are conscious of energy and water use. As an office-based company, we have relatively low emissions and do not use harmful chemicals. The company owns no vehicles and encourages the use of public transportation.

As mentioned above, many of our projects have a direct or indirect positive impact on the environment.

*See remarks for ALL PRINCIPLES.*



**PRINCIPLE 9****BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

Global Advice Network encourages the development and diffusion of environmentally friendly technologies through our work with clients.

*See remarks for ALL PRINCIPLES.*

**PRINCIPLE 10****BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

The fight against corruption and bribery forms the basis of Global Advice Network's consultancy work and our work to help clients, i.e. businesses and institutions, in their endeavours to implement and live up to their integrity principles. A major part of this work has been to develop and operate the Business Anti-Corruption Portal ([www.business-anti-corruption.com](http://www.business-anti-corruption.com)). The Portal is designed to support small and medium sized enterprises (SMEs) operating in emerging markets and developing countries to avoid and counter corruption in order to produce a better business environment. More than 50 business and corruption focused Country Profiles are available on the Portal and are regularly updated.

As part of the Portal, a number of tools are made available for general use. As part of Global Advice Network's commitment to the UNGC, some new tools have been developed pro-bono and made available on our website. In the case box on the following page, an example of a vetting tool developed to help civil society organisations fight corruption is shown.

Global Advice Network has developed a draft Code of Conduct related to corruption and bribery. The intention is to finalise this in the coming year and to extend the focus to cover all UNGC Principles.



## **CASE STUDY – DEVELOPMENT OF TOOL FOR VETTING OF BUSINESS PARTNERS OF CIVIL SOCIETY ORGANIZATIONS AS PART OF OUR COMMITMENT TO THE GLOBAL COMPACT**

### **Background**

Global Advice Network was contacted during spring 2008 by a major Danish civil society organisation (CSO), MS-Action Aid, which operates in Denmark, Kenya, Uganda, Tanzania, Ghana, Mozambique, Zimbabwe, Bangladesh, Nepal and Nicaragua with the purpose of jointly developing a methodology for vetting of partner organisations. The organisation had over the years already developed different methods for the assessment of partners, but these methods were developed at the local level and experience was not shared throughout the organisation. Furthermore, in the development of an advanced anti-corruption policy, it was a wish to develop a vetting procedure which could be used in the entire organisation.

### **The need for a vetting tool**

CSOs in general, and especially those working with/ or through partner organisations, to some extent face the same problems as business organisations with regard to ensuring the integrity of future partners. Several cases over the years in which CSOs have been deceived by partner organisations illustrate this problem.

Although there have been several attempts to establish integrity systems for CSOs at the international level, these systems have not touched upon the question of whether or not the traditional business tool for vetting partners would be applicable in a CSO context.

There might be several reasons for this:

- CSOs rely very much on shared values in cooperating with other likeminded organisations. Therefore, the mere introduction of a vetting procedure might be interpreted as an expression of mistrust, which can damage future relationships.

This argument of course bears some truth, but on the other hand it might be difficult to reject a vetting on the basis of a future relationship, as such an instrument would make cooperation even more trustworthy. In addition, as CSOs often operate on the basis of either contributions from members or donations from governments, the pure fact of having a vetting demonstrates the will to make sure that these means are well taken care of.

- The relatively high price of having a vetting done by a professional risk consultant might be just as prohibitive to CSOs as to smaller companies.
- Moreover, and perhaps most importantly, many persons enter the CSO world as volunteers and serve for many years as activists before they can obtain a formal post. That means that the person usually has close relations to others in the organisation or to persons in likeminded organisations, which makes it difficult to conduct a vetting based on facts, rather than on attitudes. Furthermore, a vetting at that stage might be interpreted as an expression of mistrust and an invalidation of the preceding work.

### **The vetting tools of Global Advice Network**

Global Advice Network has over the years developed several vetting tools. The underlying idea behind these tools which are free is that companies themselves, after minimum training or even on their own, should be able to use them, and thereby be able to limit the risks of corruption deriving from agents, consultants or partners in a joint venture. However, Global Advice Network had never been involved in creating vetting tools for CSOs.



### **A CSO vetting tool**

CSOs often operate under more extreme conditions than businesses in the formal sector, and it was believed that the experience of developing and testing a vetting tool for CSOs would bring forward valuable knowledge that could also be used by businesses under extreme conditions.

The selection and vetting tool for an agent is the situation which comes closest to the situation where a CSO is joining up with a partner. A traditional agent in a business context is somebody who represents a company based on a contract which is legally binding for both parties. This situation shares similarities with the typical situation in the CSO world where international organisations cooperate with local partners in order to implement their programmes.

It was decided to conduct a test the vetting tool in Uganda. The vetting tool was to be tested by programme managers at a seminar and by visiting local partners.

Local managers from the region were asked to attend a training seminar and to prepare their participation by presenting a problematic case that could have otherwise been avoided had a vetting of the local partner been done. The overall impression was that the vetting tool proved to be a valuable and easily accessible tool. However, it was recognised that it may be challenging to obtain all relevant information and to cross-check the information gathered.

Visits at partner organisations proved the need to develop some additional requirements from the assessor. Small partner organisations based on local activists are often less aware of the need to document previous activities or skills than more professional organisations. That means first of all that funding organisations must be prepared to accept that only few pieces of information can be delivered at the signing of a contract and that it is especially important that follow up action be taken with regard to obtaining sufficient documentation. The result of this situation is that funding should be released at a restricted level during early stages of cooperation until sufficient documentation has been obtained.

The tool is now under implementation and testing in the Danish CSO, MS-Action Aid.

The CSO vetting tool is available at Global Advice Network's homepage. Global Advice Network urges organisations that make use of the tool to share their experience with us.