



INTERNATIONAL ORGANISATION OF EMPLOYERS
ORGANISATION INTERNATIONALE DES EMPLOYEURS
ORGANIZACION INTERNACIONAL DE EMPLEADORES

**United Nations System Private Sector Focal Points Meeting
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**Enhancing Collaboration with the UN, Global Compact Local Networks and the
Private Sector**

Intervention by Matthias Thorns, Senior Adviser

Dear Colleagues

Thank you very much for the invitation to participate in this panel.

Let me first of all introduce to you the IOE, the International Organisation of Employers. The IOE is the largest network of the private sector in the world. With 150 business and employer federation members in 143 countries around the world, the IOE is the global voice of business. The IOE has consultative status *vis-à-vis* the UN organisations. The IOE Secretary General Brent Wilton is, moreover, a member of the UN Global Compact Board.

Many IOE members serve as secretariat and focal point of local Global Compact networks, in Colombia, Croatia, Namibia, Turkey, Uganda...to name but a few. There are many benefits to this model:

- Employers' federations are local actors who are known and trusted by companies.
- Employers' federations speak the language of business and are informed of their needs and problems.
- Employers' federations bring in their networks. Participants in this morning's network meeting for Western Europe have learned about the sectorial activities of the Turkish network. Moreover, the expertise of employers' organisations builds on information not only from the Global Compact, but also from other actors, like the IOE, and their initiatives. The IOE has for instance produced a lot of guidance material with regard to human rights on which employers' federations build in their engagement within the Global Compact.

And even if IOE members are not the secretariat or the focal point of the local Global Compact Network, they are very active in many local networks as participants.

The participation of representative employers' federations in the local Global Compact Networks is key, because too often the networks only take in a limited number of big companies, and SMEs in particular are ignored. Employers' federations act as a bridge by giving input to the work of the local networks and at the same time informing their members about Global Compact activities as well as other UN initiatives.

From our members who serve as secretariat of the local Global Compact network, we hear especially that there is a challenge with regard to funding the local network. There is a problem arising from the fact that the Global Compact company members are asked to support the Global Compact Headquarters in New York, while at the

same time the local secretariat has to ask for financial support for the local activities. This duality is not helpful. And these financial constraints on the local networks impact of course their ability to be more active and to reach out more to engage the private sector with the UN system.

Especially in view of these financial constraints, we have to be clear what the main task of the local Global Compact networks is. The key priority for the local Global Compact network 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*”. Thus, their main aim is really **to be a network to advance the Global Compact and its principles**, not an overarching country-level entry point for the private sector to partner with UN Agencies, Funds and Programmes.

Indeed, we should acknowledge that there are several actors at national level which already complement each other in this regard. There is, of course, the local Global Compact network, but there are others, like the employers’ federations, who have a key role to play in facilitating contact between companies and the UN system.

Indeed, Employers’ federations with their knowledge of the local business community have the capacity to identify reliable business partners of different sizes and different sectors with real expertise of the topics to be dealt with. Employers’ federations have the capacity to allay and overcome business hesitation, unwillingness, suspicion, lack of information, towards engaging in partnerships with the UN. Finally, employers’ federations, through their membership in the IOE, have a direct connection to the UN level.

From the business perspective, it is important that engagement with the UN be made as easy and as un-bureaucratic as possible. This means that in future of course companies will go directly to the ILO via ACTEMP and the national employers’ federation to engage in partnership on employment and social issue. We certainly do not want to construct multiple mechanisms through which a company arrives, only after several detours, at the point in the UN where it wanted to be from the outset.

Moreover, in order to strengthen private partnerships with the UN we not only have to look at the local level, but also of course to the different UN agencies and to strengthen their individual capacity to deal with the private sector. The nature of engagement with the private sector obviously varies between the different agencies. However, what are needed for individual UN agencies are effective and comprehensive frameworks, which ensure that partnerships with the private sector are managed in a professional and successful way and create win-win situations for both sides.

Along these lines, let me finish by observing that the different UN agencies can greatly support the local networks through capacity building in their respective field of competence. And the Global Compact should make use as much as possible of this expertise. Obviously the Global Compact can’t do everything itself. Being here in the ILO headquarters, I would like to acknowledge the positive contribution of the ILO to build the capacity of local Global Compact networks with regard to specific labour issue as for instance the elimination of child labour. And again, we believe that this capacity building of UN agencies creates win-win-win situation: The private sector benefits from the technical expertise of the UN agencies in areas where they have specialized knowledge; the UN agencies benefit from a deeper understanding of how enterprises think and work, and use that knowledge to relate their work better to the

real world; and societies finally benefit from the enhanced capacities of companies and UN agencies.