

Agreement

between

Global Compact Network Switzerland

Hegibachstrasse 47, CH-8032 Zürich

hereinafter referred to as "**GC-CH**"

and

The Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (SDC)

Freiburgstrasse 130, CH-3003 Bern

hereinafter referred to as "**SDC**"

GC-CH and SDC together hereinafter referred to as the "**Parties**", each individually referred to as "**Party**"

Recitals

The 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, labor, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

As social, political and economic challenges (and opportunities) — whether occurring at home or in other regions — affect business more than ever before, many companies recognize the need to collaborate and partner with governments, civil society, labor and the United Nations. GC-CH is the official representative of the Global Compact in Switzerland. It is organized as an association (Verein) according to the provisions of par. 60 seq. Swiss Civil Code.

SDC and the GC-CH are interested in supporting and funding a special program run jointly, with the objective of creating and operating a productive multi-stakeholder platform on the global responsibility of the Swiss private sector, resulting in an effective dialogue between the private sector (including both small and large companies), the civil society, the government and other organizations on issues that are directly related to the Global Compact's Principles (hereinafter the "**Program**").

The Program shall effectively contribute to the understanding, the effective adoption and implementation of the Global Compact's Principles (Annex 1) by the Swiss private sector.

In order to formalize and define the respective contributions and commitments in connection with the Program as well as the activities, initiatives and objectives set out above, SDC and GC-CH agree as follows:

1. Goals and objectives

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GC-CH and SDC wish to join their forces and increase their level of collaboration. Basis of such collaboration is the common working program. Costs of the Program shall be borne equally by the Parties.

This Agreement defines the Parties' contributions and commitments as well as their mutual rights and obligations in connection with their collaboration provided hereunder, in particular the establishment and operation of the Program.

2. The Program

The Program is executed by GC-CH in collaboration with SDC. Both Parties equally contribute in terms of ideas, human resources, financial resources and facilities over the period of the contract.

The Program is based on the Partnership Program (Annex 2), agreed by the Parties for an initial period of three years, with the option for renewal, including:

- (i) definition of focal issues to be the basis for the Program activities: issues that are especially relevant to Switzerland and the role of the Swiss private sector;
- (ii) and a Business Plan including costs expected and the Parties' commitment to making financial and human resources available.

On the basis of the Program, an operational planning will be worked out by the Secretariat (definition see below) in consultation with the Program Committee.

3. Funding of the Program

The parties will contribute equally in terms of ideas, human resources, financial resources and facilities to the activities and operations of the Program in accordance with the Business Plan as follows:

- a) operating costs of the Program; including
 - (i) salaries of staff required for the Program;
 - (ii) special infrastructure (including office space, basic office equipment and event facilities) for the Program and the operation of the Program;
- b) funding of the events and activities under the Program as approved by the Parties in the framework of the annual Business Plan;
- c) costs of periodicals or paper series published at the occasion of the Program, as approved for by the Parties.

For this purpose GC-CH shall open in the name of the Program an interest-bearing account for the Program into which the funds (by both Parties) and all related incomes intended for the project shall be paid.

GC-CH will contribute to the Program according to the Budget (Annex 3) as well as in kind and in cash according to the Partnership Program (Annex 2);



SDC will contribute to the Program the maximum amount of CHF 600'000.00 according to the Budget and Payment schedule (Annex 3). In case of additional activities agreed by the Parties SDC may consider increasing the funding;

In addition, the Parties undertake the necessary measures to acquire additional funds with the aim to thrive the Program. Any possible income shall be added to the Program's funds and shall be used according to the Provisions of this Agreement. Individual mandates exceeding the legal threshold value have to be awarded according to public procurement rules.

4. Term and Termination

4.1 Entry into Force and Initial Term

This Agreement shall enter into force upon its execution by the Parties. It shall begin on 1 February 2015 and shall remain in force until 31 January 2018 (the "Initial Term")

4.2 Extension Option

The Parties shall have the option to extend the term of this Agreement by one or several additional three years period(s) (each an "Extension Term"). The Parties shall mutually exercise such option at the latest six months prior to the expiry of the Initial Term and running Extension Term respectively.

4.3 Early Termination

Either Party may terminate this Agreement by written notice, if

- a) the other Party seriously fails to comply with any of its material obligations under this Agreement and does not remedy such failure within 60 days after being called up to do so by written notice;
- b) the continuance of the collaboration hereunder entails - for whatever reasons - significant reputational risks for a Party and has therefore become untenable ("unzumutbar") for such Party.

5. Organization of the Program

The Program is based on the mutually agreed Partnership Program. Compliance to the latter is governed by the Program Committee.

5.1 Secretariat

The secretariat of the GC Network Switzerland ("Secretariat") is responsible for the day-to-day management of the Program on behalf of the Programme Committee.

The operational management of the Program is delegated to the Secretariat.

In general the Secretariat may sign contracts not surpassing CHF 25'000.00 and according to the Business Plan.

The specific duties of the Secretariat are set forth in the Terms of Reference for Program Secretariat (Annex 4).

5.2 Program Committee



The Program Committee meets on a regular basis and at least twice a year.

It has the following competences and obligations:

- a) Strategic Management and representation of the Program
- b) Approval of the Business Plan
- c) Approval of contracts up to a value not surpassing CHF 25'000.00. Contracts surpassing CHF 25'000.00 are to be approved by the Parties.

The Program Committee is responsible for executing the Program, including, if necessary, amendments to the Program, however always within the scope of the Partnership Agreement. The Parties delegate the responsibility for the execution of the Partnership Program to the Program Committee.

The Program Committee is equally composed of representatives of GC-CH and government. The Program Committee consists of three business members and three government members. The business members are appointed by GC-CH network Board. The government members are appointed by SDC in close consultation with the other participating government departments.

Membership to the Program Committee requests full support of the Partnership Program. The Committee members mutually appoint one of their members as chairperson for the term of one year. As chairperson there will be alternately appointed a representative of the Swiss government and a representative of the GC-CH.

Decisions by the Program Committee are rendered on the basis of mutual agreement between representatives of SDC and GC-CH. Only in exceptional cases, if consensus cannot be obtained, voting is held; it is, however, understood that such voting is the last resort. In such cases, simple majority applies (the Chair does not have the deciding vote).

6. Business Plan

The Parties shall prepare on an annual basis a business plan, including and detailing, inter alia, the operating cost of the Program as well as all of its activities planned in a specific year. The Business Plan, including all activities and initiatives covered by it, will be prepared by the Secretariat and is subject to approval of the Program Committee.

The Parties share the responsibility for profits and losses of the Program at equal parts. A possible profit will be forwarded to the next year and reinstalled in accordance with the Program's underlying goals and objectives.

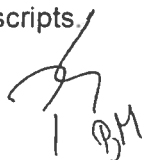
7. Accounting and Reporting

The Secretary shall maintain accounting and bookkeeping for the kind of operations and activities under the Program. Periodical financial and operational reports shall be presented to the Program Committee.

8. Public Statements and Announcements

The Parties shall always emphasize in their communications concerning the Program and the collaboration hereunder their commitment and support to the joint project and the initiatives and activities provided for herein.

Any presentations of, or public communications concerning the Program and the collaboration hereunder shall be agreed upon by the Parties and be based on agreed scripts.

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9. General Provisions

9.1 Entire Agreement

This Agreement and its Annexes are intended to be the sole and complete statement of the obligations of the Parties as to its subject matter and supersedes all previous oral and written representations, understandings, negotiations, arrangements, proposals and agreements relating to the subject matter between the Parties.

9.2 Amendments

This Agreement, including this Section 9.2 and its Annexes, may not be amended or modified except by a document in writing duly executed by the Parties hereto.

9.3 Assignments

No Party may assign, in whole or in part, its rights, interests or obligations under this Agreement without the prior written consent of the other Party. Any assignment made without such consent shall be void.

9.4 Right of information and inspection

The Parties inform each other on a regular basis about all the key activities in their areas. Additionally, they provide mutual transparency on all documents relating to the Program and its goals and objectives.

9.5 Duty of loyalty and restraint of competition

The Parties agree on not doing business that could harm the goals and objectives of Program. Additionally they don't share ideas, concepts, documents etc. with third parties without a written approval of the other Party.

9.6 Severability

Should any provision of this Agreement be unenforceable or invalid, such provision shall be ineffective only to the extent of such unenforceability or invalidity and be replaced by such valid and enforceable provision which the Parties consider to match as closely as possible the invalid or unenforceable provision and attaining the same or a similar effect. The remaining provisions of this Agreement shall continue to be binding and in full force and effect.

9.7 Surviving Rights and Obligations

Those provisions which by their terms or sense are intended to survive expiry or termination of this Agreement, shall survive expiry or termination of this Agreement. Termination of this Agreement shall be without prejudice to any existing rights and/or claims that either Party may have against the other and shall not relieve such other Party from fulfilling any and all obligations accrued prior or due to termination.

9.8 Independent Parties

This Agreement does not constitute either Party the agent of the other or create a partnership, joint venture or similar relationship between the Parties and neither Party has the power to obligate or bind the other Party in any manner whatsoever. The Parties are in all respects independent.



Each Party shall at all times refrain from making any Statements, whether oral or in writing, to the effect or which could create the impression or from which third parties or the public could infer that

- a) it acts as an agent or representative of the other Party; or
- b) it assumes a joint and several liability for or guarantees the fulfillment of any payment or other obligation of the other Party.

It is agreed that neither Party shall be liable for any obligations or liabilities assumed or incurred by the other Party vis-a-vis to third parties in connection with the activities and initiatives covered by this Agreement, and that each Party shall fully indemnify and hold the other Party harmless against any and all claims, demands or causes of actions of third parties arising out of or in connection with the activities and initiatives provided hereunder.

9.9 Notices

All notices and other communications provided for hereunder shall be in writing and shall be mailed or delivered personally, by overnight delivery service, by facsimile, or by e-mail with confirmation of receipt, addressed as follows:

To GC-CH:

[REDACTED]
Global Compact Network Switzerland
Hegibachstrasse 47
8032 Zurich
info@globalcompact.ch
[REDACTED]

To SDC:

Jean-Christoph Favre
Freiburgstrasse 130
3003 Bern
jean-christophe.favre@eda.admin.ch
[REDACTED]

9.10 Integrity

The Parties undertake to take all necessary measures to avoid corruption, in particular that no payments, gifts or other advantage will be offered or accepted. The Parties should take note that a contravention of the integrity clause generally may result in the annulment of the Contract and the premature termination of the Contract based on justified reasons. The Parties shall promptly inform each other in case of any relating well-founded suspicion.

9.11 Governing Law

This Agreement is to be governed by, and interpreted in accordance with, Swiss law.

9.12 Jurisdiction / Arbitration

Any dispute arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the competent courts in Berne.

[Signatures on next page]

[Handwritten signature] BM

Global Compact Network
Switzerland

Zurich, ...4. February, 2015



Swiss Agency for Development
and Cooperation

Bern, 4.2.2015



Manuel Sager
General Director



Konrad Specker
Head, Institutional Partnerships Division

Annexes:

Annex 1: Global Compact Principles

Annex 2: Partnership Program / Working Program, Organization and Finance

Annex 3: Budget and Payment schedule

Annex 4 Terms of Reference for Program Secretariat

Annex 1

UN Global Compact – The Ten Principles

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- ▶ The Universal Declaration of Human Rights
- ▶ The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- ▶ The Rio Declaration on Environment and Development
- ▶ The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

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

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

Labour

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

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

Principle 5: the effective abolition of child labour; and

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

Environment

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Anti-Corruption

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

Additional information on the UN Global Compact: <https://www.unglobalcompact.org/>



Global Compact Network
Switzerland



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of Foreign Affairs FDFA
Swiss Agency for Development and Cooperation SDC

A PARTNERSHIP BETWEEN THE SWISS GLOBAL COMPACT NETWORK AND THE SWISS GOVERNMENT

WORKING PROGRAMME, ORGANISATION AND FINANCE

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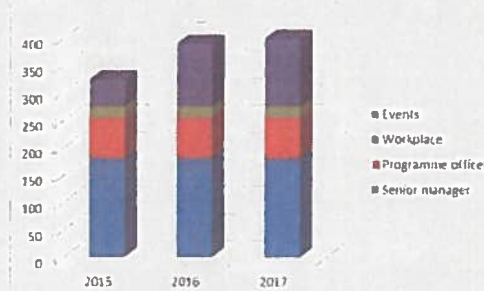
EXECUTIVE SUMMARY

The Partnership

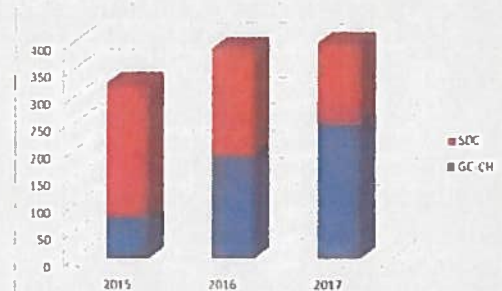
The Global Compact Network Switzerland (GC-CH) and the Swiss government have committed themselves to work together in a partnership for the coming three years. It is based on a common working programme and on joint funding. It is governed by the Programme Committee with three representatives from the Network and three representatives from the Government.

Costs and Funding

The management of the partnership programme is delegated to the GC-CH secretariat, which will be extended with 1,5 full time staff members for executing the partnership tasks.



COSTS (1000 CHF)



FUNDING (1000 CHF)

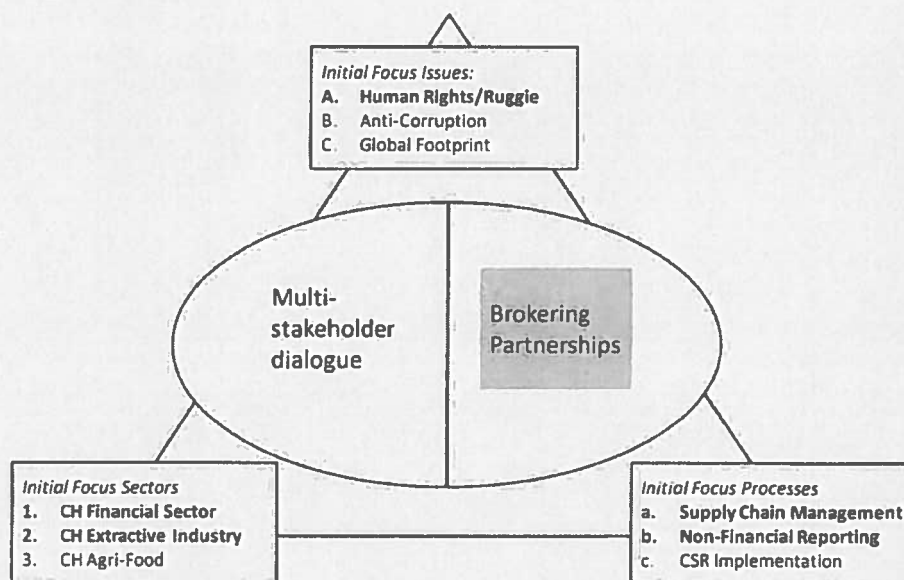
Total annual costs will be between CHF 325.000 and 400.000, mainly for hiring the secretariat staff and their work place. Fixed costs made by the GC-CH network for membership administration and contacts to the global UNGC organisation are not included in the partnership budget. Government funding will be higher in the first year and then gradually decrease. The GC-CH network shall increase their financial commitment from about CHF 75.000 in 2015 to about CHF 250.000 in 2017.

The Programme Focus

The partners are committed to work together on a restricted number of themes closely linked to implementing the 10 UNGC Principles, with high relevance to Switzerland and the Swiss economy, creating added value

for all stakeholders involved: private sector companies (including SMEs), government organisations and external stakeholders such as NGOs. The partnership will be active on issues where it can make a difference by taking the lead, issues that are not yet satisfactorily dealt with in other settings. Activities will include both multi-stakeholder dialogue in Switzerland and brokering partnerships for effective implementation of the UNGC principles.

Interviews with representatives from the GC Swiss network and from Swiss government and discussions during the workshop on June 4, 2014 have shown a remarkable degree of consensus on issues, processes and sectors to focus on when starting the partnership, see the diagram below.



To concentrate the partnership's scarce resources on a restricted number of issues and projects, the following general strategy will be implemented:

1. Focus initial activities exclusively on Human Rights issues, notably in the context of implementing the Ruggie principles in Switzerland and the European Union. Other issues such as 'anti-corruption' can be included later.
2. Organise a number of stakeholder dialogue events on this issue;

3. Connect this with activities on sustainable supply chain management and possibly on non-financial reporting.
4. To address issues in the extractive industry, start a dialogue on the gold supply chain in which the financial sector should be involved as well.
5. If opportunities come up, organise partnership projects in other priority sectors.

1. THE PARTNERSHIP

1.1 THE FUTURE OF GLOBAL COMPACT NETWORK SWITZERLAND

The idea of creating a partnership between the Global Compact Network Switzerland (GC-CH) and the Swiss government was born in the context of efforts to revitalise the network that were undertaken between November 2013 and June 2014. It was generally felt that the network was performing below its real potential and that there was a need not only to acquire additional resources but to re-think the network's activities and its added value to both members and external stakeholders.

After extensive consultation of GC-CH members, representatives from government, non-governmental organisations, academic institutions and other stakeholders, the network's General Assembly agreed on the following practical steps:

1. Assure that the network delivers added value not only to large multinational companies but increasingly also to small and medium-sized companies;
2. Develop future activities of the network along two lines:
 - A. the network as a platform for Swiss multi-stakeholder dialogue on the CSR/sustainability agenda,
 - B. the network for brokering partnerships to implement UNGC principles in host countries;
3. Adapt the network's governance and organisation structure to facilitate the execution of these future activities: whilst keeping private sector ownership of the platform, establishing a stakeholder council and setting up a professional secretariat;
4. Establish a partnership between the Swiss government and the network for cooperating on a well-defined agenda for a number of years. The partnership will be governed by the so-called Programme Committee, consisting of 3 members representing the

GC-CH network and 3 members representing the Swiss government.¹

1.2 TOWARDS A PARTNERSHIP BETWEEN GC-CH AND THE SWISS GOVERNMENT

1.2.1 *Joint Activities around a Common Agenda*

The Swiss government is motivated to participate in a partnership with the GC Swiss network and work jointly on issues related to the implementation of the UNGC Principles by the Swiss private sector. The partnership will work on the basis of a joint agenda and a joint responsibility for funding.

It was agreed that the joint activities, both multi-stakeholder processes (A) and brokering public-private partnerships (B), will be structured around a restricted number of centrally important themes in which the network can play an important role in Switzerland and in relation to activities of the Swiss-based private sector abroad.

1.2.2 *This Document*

This document is the final result of a long participative process involving different stakeholders. It is the basis for the partnership agreement to be signed by November 1, 2014. It contains a strategic outline of the direction to be taken in developing the partnership and the resources to be made available by the partners. It is not an operational planning document. There will be sufficient flexibility in the partnership to start activities in new areas or to adapt the programme as external developments so require.

¹ See Annexe 1.

2. THE PARTNERSHIP: ORGANISATION AND FINANCE

2.1 ACTIVITIES AND MINIMUM STRUCTURE REQUIRED

Executing the partnership programme requires a professional secretariat. As experience in Switzerland has shown, the day-to-day work cannot be delegated to GC-CH board members or others on an ad-hoc basis. Here it is assumed that the partnership and the GC Swiss network share the same secretariat. The partnership will be responsible for the secretariat costs with respect to executing joint partnership activities only. Base-line costs for membership administration, contacts with and reporting to the global UNGC network will not be part of the joint secretariat costs. The capacity and the costs relating to this internal GC-CH secretariat have not been considered in the text below, only additional costs for running the partnership.

The minimum human resources for running the joint programme are:

1. One full-time senior manager. His/her tasks are the daily management of the programme, establishing and maintaining contacts, including contacts with the stakeholder council, seeking cooperation with other platforms, developing structured multi-stakeholder meetings around selected issues, brokering between different stakeholders, inviting speakers and participants, etc. He or she has an excellent insight into both corporate responsibility issues and Swiss politics and good contacts with a variety of stakeholders, including NGOs. He or she directly reports to the Programme Committee.
2. One half-time manager (somewhat more junior) to support the full-time manager. There may be a need to extend his/her employment beyond 50% for internal GC-CH work (not budgeted here). He or she reports to the senior manager.

2.2 COSTS EXPECTED

For a three year programme, costs can be estimated as sketched in the table below.

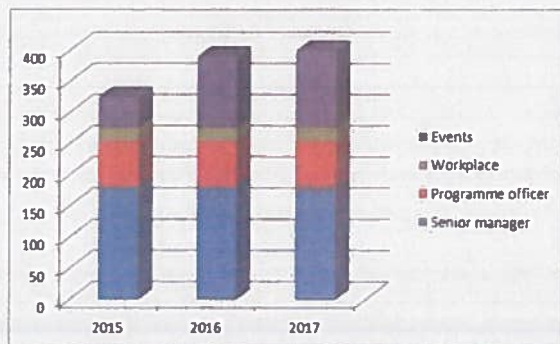
costs in 1000 CHF	2015	2016	2017	Total
Senior manager (100%)	180	180	180	540
Programme officer (50%)	75	75	75	225
Workplace costs	20	20	20	60
Events	50	115	125	290
Total	325	390	400	1115

Fixed costs will be for the 1,5 positions in the secretariat (CHF 275.000 p.a.). Variable costs are related to organising events, which have been calculated rather conservatively here. Depending on the availability of additional resources, variable costs for organising events may be increased, including costs for increasing capacity in the secretariat.

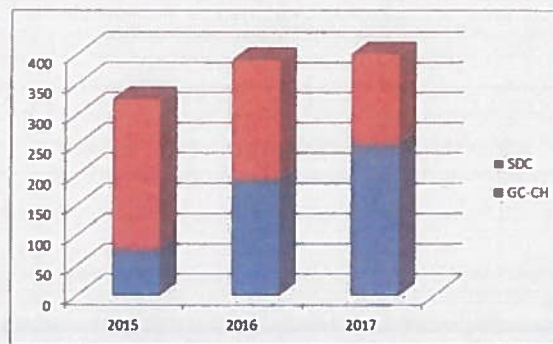
2.3 FINANCING THE PARTNERSHIP

Financing shall start from the principle of sharing the costs between the GC Swiss network and the Swiss government. Moreover, there is a joint responsibility to acquire additional funds. By delivering more added value to the private sector and other stakeholders and by attracting more members from a variety of sectors, the network will most probably be in a better position than today to acquire resources in the near future. Therefore it seems reasonable to start with a relatively high government share in the first year, which can be gradually reduced. See the table below.

funding in 1000 CHF	2015	2016	2017	Total
GC-CH	75	190	250	515
SDC	250	200	150	600
Total	325	390	400	1115



COSTS (1000 CHF)



FUNDING (1000 CHF)

3. THE PARTNERSHIP PROGRAMME

3.1 INTRODUCTION

The GC Swiss Network and the Swiss government will work in a partnership programme based on a clear joint understanding of issues and themes that are relevant for both partners and where the partnership can make a difference. The selection of themes is an important basis for starting the partnership. It gives an initial direction to the programme. It gives focus and avoids that the partnership will be working on too many issues at the same time or switch continuously between disjointed themes. However, the partnership should be flexible enough to react to new opportunities and challenges as they develop. The partnership's governing body, the Programme Committee is responsible to make the right decisions on the development of the programme in close cooperation with the secretariat.

3.2 FOCAL THEMES

3.2.1 *Selection Criteria*

The problem is not that there are not enough issues the partnership could be working on. There are far too many. The partnership should focus on issues of common interest where it can make a difference. Obvious selection criteria (which partly mutually overlap) are listed in the table below.

On the basis of these criteria, a number of issues can be excluded, for example:

- Most environmental and climate related issues, despite their importance. They can be excluded as they are being dealt with in existing settings.
- National issues focusing on Switzerland only. Although, for example, gender issues are still relevant in Switzerland, the nation-

al debate on gender inequality is not an issue for this partnership.

high priority	low priority
Clear link with the <u>10 Principles</u> of UNGC	Link with the Principles unclear.
Focus on <u>global</u> responsibility: responsibility of Switzerland in third countries	Focus on <u>national or local</u> responsibility
High relevance for <u>Switzerland</u> : high opportunity and/or high risk	Low level of 'Swissness'. Risks or opportunities equal or higher in other countries
Linked to industry/ trade/ investment sectors where <u>Switzerland</u> is leading	Linked to sectors where other countries are leading
Switzerland can <u>set an example</u> to similar processes in other countries, especially in the context of the global UNGC network	Outcomes of the activities do not appear to be important for other countries
High level of ' <u>newness</u> ': need for development of new strategies and solutions.	Known issues for which experience has been built up.
High relevance (also) to Swiss <u>SMEs</u>	Low relevance to SMEs
Not adequately dealt with in existing settings: <u>opportunity to lead</u> .	Theme, issue dealt with/owned by existing networks/organisations
Opportunities for effective public-private partnerships – optimal use of Swiss presence in third countries	No opportunities for effective public-private partnerships.
Opportunity to create space for multi-stakeholder debate in Switzerland	Opportunities for debate are lacking or others are already taking the initiative

3.2.2 *Focus Issues, Focus Sectors and Focus Procedures*

In all three dimensions, there was agreement on priorities to focus on during the start of the partnership:

- Issues to focus on

The interview study showed a higher priority for social and human rights issues than for environmental or climate issues. The issues with the highest priority:

1. *Human rights – implementing the Ruggie Framework in Switzerland*, prioritised by the majority of interviewees both from the private sector and the government
2. *Anti-Corruption – implementing anti-corruption measures by Swiss companies, organising collective action*
3. *Reducing Switzerland's footprint (on global resources, ecology, etc.)* could be a third overarching theme that includes more ecological aspects.

Issues with lower priority on which the partnership should definitely not focus its first efforts: most ecological/environmental issues and climate change.

- Sectors to focus on

It is certainly not a surprise that the three sectors most often mentioned as a priority both during the interviews and the workshop are:

1. *Financial sector*: highly relevant for Switzerland, but linked to major issues, risks and opportunities.
2. *Extractive industry*. Switzerland plays an important global role in mining and commodity trade, which is being criticised in the current public discussion. The partnership can play an important role.
3. *Agriculture-Food Industry*. Global role for Switzerland because of the presence of major producers/traders of food products and inputs for agriculture.

A fourth sector regularly mentioned but with a somewhat lower priority is the health sector/pharma industry. A potential but problematic sector for future attention could be the weapons industry.

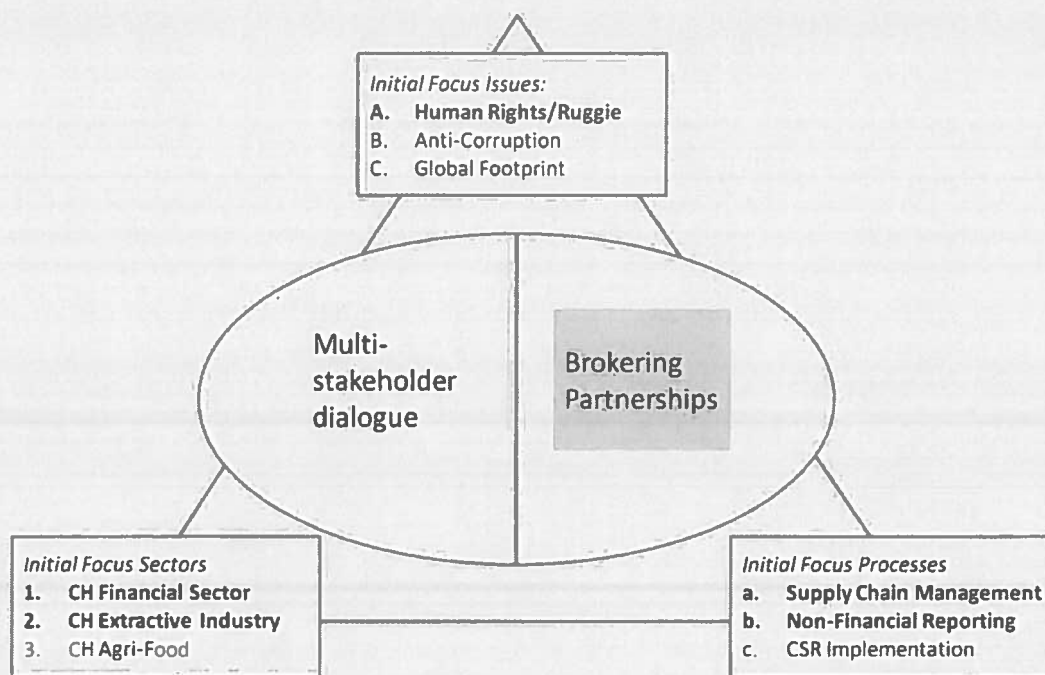
- Processes to focus on

Many themes mentioned for attention by the coming partnership are not so much centred around specific issues or industry sectors but are linked to questions on how companies, including small and medium-sized enterprises, should deal with certain issues within the context of their decision making and management processes. The highest priority was given to:

1. *Integrating CSR in (global) supply chains.* Central issues are the division of labour between large and small companies and shaping public-private partnerships in third countries.
2. *Non-financial reporting.* How to implement European Council Directives on disclosing non-financial data? How to deal with the related discussion in Switzerland? What does this practically mean for the private sector, especially for SMEs?
3. *Integrating UNGC principles into Company Operations.* Effective implementation of the 10 UNGC principles into the operations – not just corporate communication, but daily decisions on R&D, sourcing, production, marketing, of Swiss companies of different sizes.

3.3 STRATEGIC PROGRAMME PROPOSAL

The partnership's initial activities will be based on a smart combination of focal issues, focal sectors and focal processes, as summarised in the diagram below. Activities will be multi-stakeholder dialogue in Switzerland as well as brokering partnerships for implementing the 10 Principles of the UN Global Compact in the Swiss private sector and its global supply chains.



All elements in the above diagram (and more elements not explicitly mentioned there) are important. However, the partnership should focus on a very limited number of topics in its initial phase. On the basis of the interviews, the workshop and discussions with both the GC-CH Board, Swiss government representatives and external stakeholder, there are strong arguments to proceed as follows:

1. Take the Human Rights / Ruggie Implementation issue as the core around which the partnership can develop a variety of activities. Other issues may be developed at a later stage.
2. Organise around the Human Rights issue a number of dialogue activities dealing with concrete questions around European and Swiss regulation as it develops. The platform will create added value for the Swiss policy process (with strong involvement of the government departments responsible) and for interested or affected private sector companies.
3. Specifically address issues of supply chain management and/or non-financial reporting when dealing with the implementation of the Human Rights/Ruggie agenda by the private sector. This can be done by organising learning events for private sector

company representatives such managers responsible for responsible sourcing or corporate reporting.

4. Start partnerships on these issues in specific sectors:

a. The Gold example

With regard to the extractive industry, a dialogue on creating a responsible gold supply chain will be engaged.

This dialogue will aim at fostering CSR and ensuring a common level playing field in the Gold sector. It will allow feeding the various existing initiatives (e.g. the Better Gold Initiative). The initiative can be used as a showcase for responsible supply chain management, good reporting practices and can be directly related to more general activities on Human rights/Ruggie implementation.

b. Other initiatives could be set up with respect to agri-food supply chains or the financial sector. The financial sector can be a partner in the gold dialogue as well.

Focusing on these sectors does not imply that all activities will be linked to these sectors only. Cross-sectoral activities remain highly important and other sectors may be addressed.

3.4 ORGANISING AND MANAGING THE PROGRAMME

The above mentioned priorities constitute the basis for starting up the partnership. Next steps shall involve:

1. GC-CH network and the Swiss government sign the partnership agreement (December, 2014);
2. The GC-CH secretariat is extended with 1,5 full time staff as described above (February 2014).
3. The partnership programme formally starts: March 2015.
4. The secretariat develops, in close cooperation with the Programme Committee a detailed programme of activities and budget for 2015, consistent with the general direction laid down in this paper. Issues of special concern are to guarantee that the pro-

gramme is relevant to both SMEs and larger companies and that duplication of/competition with existing initiatives is avoided.

5. The detailed programme is approved by the Programme Committee.
 6. The Programme Manager regularly reports on progress made.
Changes in the Programme may be agreed during execution as needed.
 7. For 2016 and 2017 a similar procedure will be followed.
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ANNEXE 1: GOVERNANCE OF THE PARTNERSHIP

	Partnership of UN Global Compact Network Switzerland and the Swiss Government Governance structure and process
	I. PARTNERS, COMMON GOAL AND CHARACTER OF THE PARTNERSHIP
Partners	Partners are • the Swiss government, represented by Swiss Agency for Development and Cooperation (SDC/DEZA) • the UN Global Compact Swiss Network, represented by its Board
Goal	The Partnership shall effectively contribute to the understanding, the effective adoption and implementation of the UN Global Compact's Principles by the Swiss private sector. To that purpose, the partnership shall create and operate a productive multi-stakeholder platform on the global responsibility of the Swiss private sector, resulting in effective dialogue between the private sector (including both small and large companies), civil society, the government and other organisations on issues that are directly related to the UN Global Compact's Principles.
Partnership	It is a partnership between the UNGC Swiss Network and the Swiss government. Both parties equally contribute in terms of ideas, human resources, financial resources and facilities.

	II. THE PARTNERSHIP PROGRAMME
The Programme	The basis for the Partnership is the Partnership Programme, agreed for an initial period of three or four years, with options for renewal, including: • definition of focal issues to be the basis for the partnership activities: issues that are especially relevant to Switzerland and the role of the Swiss private sector; • and a financial plan including costs expected and the partners' commitment to making financial and human resources available. On the basis of the Partnership Programme, an operational planning will be worked out by the secretariat in consultation with the Programme Committee.
Budget	The Programme is executed in the framework of a common budget to which the UNGC Swiss network and the Swiss government contribute. The budget is be used to cover activities jointly agreed in the programme, including overhead costs generated by the secretariat for executing the programme.
The Programme Committee	The Programme Committee is responsible for executing the Programme, including making changes to the Programme, within the limits set by the Partnership Agreement, if circumstances so dictate. The partners (UNGC-CH network and the Swiss government) delegate the responsibility for the execution of the Partnership Programme to the Programme Committee. Programme Committee members are equally divided between representatives of the UNGC-CH network and representatives of the Swiss government. The Programme Committee consists of at least three business members and at least three government members. The business members are representing the Board of the UNGC Swiss network. At least one business member is from a small or medium-sized company. The government members are coming from different parts of the Swiss government. At least one government member is from SDC. At least one government member is from SECO.

Programme Committee (continued)	Membership is conditional on full support of the Partnership Programme as laid down in the partnership agreement. The Committee members appoint their chairperson. The chairperson will rotate between a representative of the Swiss government and a representative of the UNGC Network Switzerland on a yearly basis. The business members are appointed by the UNGC Swiss network Board. The government members are appointed by SDC in close consultation with the other participating government departments. The Programme Committee is responsible for the execution of the Partnership Programme. Decision making by the Programme Committee is on the basis of consensus. Only in exceptional cases, can voting become a last option, if consensus cannot be reached. The Programme Committee meets at least twice a year.
Secretariat	The secretariat of the UNGC Swiss network is supporting the day-to-day management of the Programme on behalf of the Programme Committee.

Annex 3

Budget

Budget [CHF]	2015	2016	2017	2018	Total
Senior Manager (100%)	180,000	180,000	165,000	15,000	540,000
Program Officer (50%)	75,000	75,000	65,000	10,000	225,000
Infrastructure	20,000	20,000	20,000	0	60,000
Events and Publications	50,000	115,000	125,000	0	290,000
Total	325,000	390,000	375,000	25,000	1,115,000

Funding [CHF]	2015	2016	2017	2018	Total
Global Compact Swiss Network	75,000	190,000	250,000	0	515,000
SDC	250,000	200,000	125,000	25,000	600,000
Total	325,000	390,000	375,000	25,000	1,115,000

Payment Schedule

The operational management of the Program is delegated to the Secretariat of the GC-CH, as per Art. 5 of the agreement. SDC will transfer funds to the GC-CH as per following payment schedule.

Date	Amount [CHF]	Subject to
31-01-2015	150,000	signature of the contract by both parties
31-07-2015	100,000	submission of a half-yearly financial report
31-01-2016	100,000	submission of 2015-yearly operational and financial (revised) reports
31-07-2016	100,000	submission of half-yearly financial report
31-01-2017	70,000	submission of 2016-yearly operational and financial (revised) reports
31-07-2017	55,000	submission of half-yearly financial report
30-04-2018	25,000	submission of final operational and financial (revised) reports
Total	600,000	

Annex 4

Terms of Reference for Partnership Secretariat

The Partnership

The Global Compact Network Switzerland (GC-CH) and the Swiss Government have decided to work together in a partnership for at least a period of three years. The partnership will work on implementation of the UN Global Compact principles by the Swiss private sector in cooperation with Swiss government organisations. The partnership's activities will consist of organising multi-stakeholder dialogue in Switzerland and on implementing concrete public-private partnerships in countries where the Swiss private sector is active. It will work on the basis of a strategic programme and a budget as laid down in the partnership agreement signed between the Global Compact Swiss Network and the Swiss government (SDC). The partnership is governed by the Programme Committee in which the government and GC-CH are each represented by three members.

The Secretariat

The secretariat is responsible for executing the Partnership Programme on behalf of the Programme Committee. The partnership secretariat is delegated to the secretariat of the Global Compact Network Switzerland. For that purpose the capacity of the network's secretariat is increased by 1,5 full time units for two positions: a senior programme leader and a programme support officer.

Senior Programme Leader

Tasks

Her/his tasks are the daily management of the programme, establishing and maintaining contacts, including contacts with the stakeholder council, seeking cooperation with other platforms, developing structured multi-stakeholder meetings around selected issues, brokering between different stakeholders, inviting speakers and participants, etc. She/he directly reports to the Programme Committee.

Qualifications

She/he has an excellent insight into both corporate responsibility issues and Swiss politics and good contacts with a variety of stakeholders, including NGOs. She/he is an excellent communicator and has the leadership skills to grasp opportunities for agenda setting, acquiring new network members and attracting additional resources for the partnership. Her/his age is between 40 and 60. She/he ideally has worked in the private sector and also has experience in a second environment such as an association, an NGO or a government position. She/he has good command of English, German and French.

Practical Issues

The position will be between 80% and 100% working time. The Programme Office will most probably be located in Zürich or Bern. The Programme Leader will be formally employed by the GC-CH.

Programme Support Officer

Tasks

The Programme Support Officer supports the Senior Programme Leader. She/he will work on practical organisation and administration tasks, such as: organising meetings, finding venues, inviting participants, writing documentation, taking care of all financial aspects.

Qualifications

She/he has excellent technical/administrative and communication skills. Preferably experience in the private sector and/or in Swiss government. Academic degree in economics, political science, ecology or any discipline relevant to the partnership's agenda.

Practical Issues

The position will be between 50% and 70% working time on behalf of the Partnership. In addition, the Programme Support Officer will work for the Global Compact Swiss Network on administrative tasks outside the Partnership (20%). The Programme Office will most probably be located in Zürich or Bern. The Programme Support Officer will be formally employed by GC-CH.
