

GLOBAL COMPACT NETWORK GEORGIA STATUTES

2018-2020

1. Objectives

The objectives of Global Compact Network Georgia are to:

- Promote the United Nations Global Compact ten principles in the areas of human rights, labour, environment and anti-corruption
- Promote sustainable practices among local businesses
- Contribute to the growth of the UN Global Compact initiative
- Influence national policies on corporate sustainability
- Mobilize business in support of the Sustainable Development Goals (SDGs)
- Manage and protect the integrity of the UN Global Compact initiative
- Align with “The UN Global Compact Way- Values and Behaviour Model”

In order to achieve the above-stated objectives, Global Compact Network Georgia will conduct a range of actions such as:

- Recruit more participants to the UN Global Compact
- Support participants in developing and submitting a Communication on Progress (COP) and Communication on Engagement (COE) report
- Assist participants in implementing the UN Global Compact’s ten principles and taking action on the SDGs
- Manage the finances of the GCLN and produce an audited annual financial statement to be published on the Knowledge Sharing System (KSS) and GCLN website
- Fully align with Global-Local Business Model and adopt necessary policies and procedures regarding required contributions set by GCO, membership categories, benefits and invoicing
- Develop and publish an annual Work Plan that includes planned activities for the year
- Develop and publish a value proposition unique to Global Compact Signatories and Participants
- Stay up-to-date on news and information from the GCO, and respond to communications and consultations from the GCO including through the following channels:
 - Regular Updates from GCO provided through “Local Network Hub” and monthly updates sent by email
 - Participation in the Annual Local Network Forum and meetings of the Regional Global Compact Council
 - Quarterly check-ins with GCO contact point with a view to review experiences from GCO-GCLN collaboration and discuss future adjustments and priorities
- Exchange with GCO and other LNs through the Local Network Hub on key activities and events organized throughout the year
- Align with GCO integrity policies and measures
- Meet all the requirements set out in the Local Network Quality Standards

2. Network Management

2.1 Local Network Hosting Arrangement

Global Compact Network Georgia Secretariat is hosted at Civil Development Agency (CiDA), which is a NGO established in August, 2002 in Rustavi, Georgia. The Hosting Organization's core mission is to protect, popularize and implement the socio-economic rights of the Georgian population through cooperation with business organizations, international organizations, media, civil society, and the Government. The Organization facilitates improvement of the living environment and individual development of eco-migrants, IDPs, migrants, vulnerable groups living in villages, women, persons with disabilities, former prisoners, ethnic minorities, probationers and people in conflict with the law. The Hosting Organization is largely funded through international donor organizations and foreign government aids (EU, USAID, Norwegian Foreign Ministry, UNDP, GIZ, etc.). The Hosting Organization shall provide the GCLN with the following support:

- Administrative support by paying for personnel including GCLN ED;
- Logistical support by providing office space;
- If necessary legal support by legal consultations, court representation, etc.;
- General Funding for implementation of GCLN Action Plan activities.

Upon signature of a MOU with the GCO, the GCLN is authorized to use the Global Compact Network Georgia name and logo in accordance with the provisions of the agreement for the duration of the MOU.

The GCLN Board shall have the authority to decide if the GCLN will (continue to) benefit from logistical/administrative/legal 'hosting', and will need to approve any new hosting arrangement. At least one month before final GCLN Board approval of a new host of the GCLN, the GCLN Board is to present a list of any potential hosting entities to GCO, allowing GCO to run due diligence and provide final approval. The MOU between GCO and GCLN will be updated and re-signed if the GCLN Board decides on a new hosting arrangement, or if the GCLN Board decides to cancel the current hosting arrangement in order to register the GCLN as an independent legal entity.

2.2 Human Resources

Appointment of Global Compact Local Network Managing Head (GCLN MH)

The GCLN Board appoints a GCLN MH to head the GCLN Secretariat. The GCLN MH is the most senior person of the GCLN Secretariat. The GCLN MH is authorized to sign the MOU with the UN Global Compact.

Duties of GCLN Managing Head

The GCLN MH's responsibilities as highlighted in the GCLN MH Terms of References (TOR) (appendix) include:

- Representing the GCLN within the UN Global Compact as well as externally vis-à-vis companies, governments, media and others
- Reporting to the GCLN Board
- Executing the GCLN strategy and Work Plan
- Managing GCLN financial accounts and publishing an audited financial statement

- Executing participant communication strategy
- Maintaining communication with GCO
- Overseeing staff
- Managing UN Global Compact and Local Network integrity and brand
- Preparing in consultation with the Chair of the Board the agenda for meetings of the Board and meetings with the Network's participants
- Taking and presenting minutes of all meetings; and collecting and circulating any relevant information to the Board
- Ensuring full alignment with Global-Local Business Model and adopting necessary policies and procedures regarding membership categories, benefits and invoicing.
- Managing strategic partnerships

Qualifications of GCLN MH:

The GCLN MH has the following qualifications as highlighted in the GCLN ED TOR (appendix):

- Strong understanding of the UN Global Compact, its ten principles, and UN goals
- Strong communication and interpersonal skills
- Strong ties with the business community
- Experience in strategic planning and implementation
- Experience in project management
- Expertise and experience on business and sustainability

Termination of GCLN ED:

The GCLN Board shall have the authority at any time to determine whether the GCLN MH shall be replaced (subject to the specific employment contract and local employment laws).

Network Contact Person

Duties

- Updating the GCLN's profile on the Knowledge Sharing System (KSS);
- Reporting GCLN activities on Local Network Hub in a timely manner;
- Responding to daily inquiries of Global Compact Participants and Signatories;
- Maintaining a Global Compact participant and Board membership list;
- Supporting Global Compact Participants and Signatories in developing and submitting Communication on Progress (COP) and Communication on Engagement (COE) report.

3. Global Compact Local Network Membership

3.1. Membership Policy

Only Signatories and Participants of the UN Global Compact can be members of the GCLN.

3.2 Membership Fees

The fees are made available on both the UN Global Compact and Local Network website. Fees for Signatories and Participants with annual revenues >50 million and for participants with annual revenues <50 million are set by the GCO in line with the UN Global Compact's 2020 Strategy and Business Model. Fees for Signatories with annual revenues <50 million, non-businesses, and subsidiaries are set by the GCLN Board. Additional fees for special services and activities of the GCLN as determined by the GCLN Board may be applied as well as opportunities for sponsorship.

3.3 Admission of a Member

An organization that wants to join a Local Network must first apply on the UN Global Compact website and decide between a Signatory or Participant level. After reasonable due diligence has been conducted, a prospective joiner will receive a notification from the GCO confirming their entry to the UN Global Compact. All business Signatories with annual revenues >50 million USD as well as all business Participants shall be able to join their respective Local Network in the country in which they are headquartered, without making an additional financial contribution.

3.4 End of Membership

A GCLN member's membership will automatically cease when:

- the Local Network ceases to exist
- the member is no longer a GC Signatory or Participant

4. General Assembly

4.1 Objective and Date of General Assembly

The GCLN General Assembly is the highest authority of GCLN allowing members to raise and discuss issues of relevance to the GCLN and its members, thus providing direction and feedback to the GCLN Secretariat and GCLN Board. All members of the GCLN should be encouraged to attend and vote at the General Assembly. The General Assembly is convened on an annual basis in the month of February. It can be convened as an in-person meeting. All members shall be given at least 7 day notice of the General Assembly and shall be entitled to attend and vote. The business of the General Assembly shall include:

- Receiving the annual Work Plan of the GCLN
- GCLN Board Elections
- Voting on any matters submitted to the General Assembly by GCLN members or Directors on the GCLN Board, or Managing Head
- Receiving a report on the finances of the GCLN

4.2 Extraordinary General Assembly

If the Board determines that an extraordinary General Assembly is to be convened, they can do so at any time during the year as long as they give members at least 3 day notice.

4.3 Number for a Quorum

At least 50% of the members must be present for the General Assembly. No business shall be transacted at any General Assembly unless a quorum is present.

4.5 Voting at General Assembly

- Each member of the GCLN shall have one vote during the General Assembly.
- A quorum of at least 50%, of all members is necessary to make decisions during such meetings.
- Decisions at the General Assembly are made through open and transparent voting.
- Amendments to the Statutes require two-thirds of votes.
- Voting can be done by a show of hands or by a poll

4.6 Chair of General Assembly

The Chair of the GCLN Board presides each General Assembly. The general conduct of the General Assembly is determined by the Chair of the meeting.

4.7 Absence of a Chair

Where a General Assembly is held and there is no Chair the Board can elect one from among the Board Directors or GCLN members to preside the meeting.

4.8 Right of non-members to attend General Assembly

Any other person requested by the GCLN Board can be present or speak at the General Assembly.

5. Local Network Board

5.1 Board Responsibilities

GCLN has a dedicated Board whose Directors are elected or approved by the General Assembly. GCLN Board Directors are expected as highlighted in the Board Director's TOR (appendix) to:

- Have oversight of the GCLN with respect to vision, mission, strategy and financial management
- Have a deep understanding of the UN Global Compact, its ten principles, and the SDGs and the value they bring to businesses
- Have the respect and confidence of their peers and constituencies
- Drive the overall strategy of the GCLN, having particular regard to the desirability of clear and consistent priorities
- Provide strategic leadership to the GCLN on emerging issues around implementation of the principles and the Sustainable Development Goals in the relevant country
- Be committed and dedicate adequate time to actively participate in the activities of the GCLN Board
- Uphold membership voting rights during General Assembly
- Approve the GCLN MH and the Hosting Arrangement
- Approve annual Work Plan and financial statements
- Approve the fees for Signatories with annual revenues <50 million, non-businesses, and subsidiaries if applicable

5.2 Board Remuneration

Directors of the Board will not receive monetary compensation from the GCLN.

Board Composition

- The Board must be composed of from 7 (seven) to 9 (nine) Directors.
- At least 50% of Directors must at any time represent businesses or business associations or in other ways represent the business community (e.g. Independent Board Directors with significant experience from the private sector)
- The Board must at any time have representation from at least one non-business organization. In situations where this is not legally permitted or for other important reasons not possible, the GCLN should formalize other opportunities for non-business organizations to provide input to GCLN decision-making.
- One or more seats on the GCLN Board can be reserved for specific types of organizations, or specific organizations such as the Hosting Organization, the national government, the UN Country Team or the GCO, but the individuals representing such organizations shall also be subject to election or approval by the GCLN General Assembly.
- An employee of a company that is (a) not a Global Compact Signatory or Participant or (b) of a company that is a Global Compact Signatory or Participant not in good standing (i.e. not holding an Active status due to failure to submit an annual Communication on Progress or making the required financial contribution on time) shall not be on the GCLN Board.
- The Board can allow for Independent Board Directors (including Chair), if they bring specific expertise to the table. Independent Directors are still subject to elections or approval by the General Assembly.
- The Managing Head of the GCLN can join the Board (with or without voting rights), but cannot be elected as the Chair of the Board.
- The Board will aim to achieve gender diversity in its composition.
- In the event of a Vacancy, a Director may be elected at the General Meeting of the GCLN or by written ballot.

5.3 Chair of the Board

The Board should elect one of its Directors to be Chair. A Chair's term should not exceed five years, but a Chair can be re-elected for additional terms. The GCLN Chair's responsibilities include:

- Chair meetings of the Board
- Chair the General Assembly
- Represent the Board at functions/meetings
- Act as the spokesperson of the Board when necessary
- Represent the GCLN within the UN Global Compact as well as externally vis-à-vis companies, governments, media and others
- Signs the MOU with the UN Global Compact

5.5 Length of Board Director Term

The terms of Board Directors will be for 2 (two) years but may stand for re-election after any term is served.

5.6 Election of Board Directors

- All Directors on the GCLN Board shall be elected or approved by the GCLN General Assembly. Subject to GCLN Board approval, exceptions to this rule shall only be granted to individuals that are included on the GCLN Board as observers with no voting rights
- The election of the Board shall happen every 2(two) years, and only one-third of the members are changed per election term, to guarantee continuity of the work and support to the GCLN.
- The election will be held at the General Assembly and 50% of the General Assembly need to vote in order to constitute a quorum. Votes will be counted by ballots.
- Nominations of candidates have to be communicated to the GCLN's Managing Head no later than a month before the elections. The Managing Head will circulate all nominees to the members 2 weeks before elections.
- At least 14 days before a list of new candidates for the Board is presented to the General Assembly, the GCLN Secretariat must inform the GCO, allowing GCO to check whether it has engaged with any of the candidates under its Integrity Measures, and thus allow GCO to make recommendations accordingly
- The names of the individuals of the current Board are listed in Annex I of these Statutes

5.7 Conduct of Board Meetings

- The Board shall meet at least quarterly
- At least 50% of the Board Directors must be present for a Board meeting to take place
- The Board Directors may conduct their proceedings as they deem appropriate
- Any Board Directors may call a meeting
- A meeting can be held in any suitable location or through electronic means
- Questions raised at a meeting will be decided by a majority of votes
- In the case of a tie, the Chair shall have a second or casting vote

5.8 Agenda and Minutes

- An agenda must be circulated prior to the convening of a Board meeting by the Managing Head. Minutes must be taken at all Board meetings by a designated person and include:
 - Appointments made during the meeting
 - Names of Directors present
 - Any decisions made

5.9 Conflicts of Interest

GCLN Board Directors must at all times act with due care and diligence and in the best interests of the GCLN (not their individual interests or the interests of their own organization) and no Director on the GCLN Board can use their position to promote the commercial or political interests of the organization they work for.

The GCLN Board shall maintain a conflict register of any conflicts of interest from Directors and the GCLN MH, and seek guidance from GCO where conflicts of interest risk undermining the interests or brand of the GCLN or the broader UNGC.

5.10 Removal of Board Directors

A member will no longer hold office in case he or she:

- resigns as a Director by notice to the GCLN Secretariat



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- represents a company that is no longer a Signatory or Participant of the UN Global Compact
- misses 3 consecutive meeting without appointing a substitute

6. Other Committees

Several Working Groups will operate within the framework of the Network

1. Working Group on Women's Empowerment;
2. Working Group on Labour Rights;
3. Working Group on Environment and Extended Producer Responsibility.

7. Alterations to the Statutes

Any changes to these Statutes must be agreed by at least two-thirds of those members present and voting at any General Assembly. GCO shall be informed 14 days prior to such vote about changes made to the statutes in any GCLN.

8. Adoption of the Statutes

These Statutes were adopted on June 8, 2018, by the General Assembly and shall be in effect until December 31, 2020, unless otherwise specified.

Salome Zurabishvili

GCLN Managing Head

Global Compact Network Georgia

Valeri Chekheria

Chair of GCLN Board

Global Compact Network Georgia