

# External evaluation of SDC's contribution to the Global Compact Network Switzerland and Liechtenstein and related initiatives

## Evaluation Report

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## 2 Acronyms and Abbreviations

CDP: Carbon Disclosure Project
CoP: Communication on Progress
CA: Contribution Analysis
COR: Collaborative Outcomes Reporting
CSR: Corporate Social Responsibility
EBRD: European Bank for Reconstruction and Development
GA: General Assembly
GCNSL: Global Compact Network Switzerland and Liechtenstein
GIZ: Deutsche Gesellschaft für Internationale Zusammenarbeit
GRI: Global Reporting Initiative
GwÖ: Gemeinwohl-Ökonomie
KPI: Key Performance Indicator
LN: Local Network
MoU: Memorandum of Understanding
NGO: Non-governmental organisation
öbu: Schweizerische Vereinigung für ökologisch bewusste Unternehmensführung
RBI: Responsible Business Initiative
RSBP: Responsible and Sustainable Business Practice
SASB: The Sustainability Accounting Standards Board
SDC: Swiss Agency for Development and Cooperation
SECO: State Secretariat for Economic Affairs
SFA: Swiss Federal Administration
STI: Swiss Triple Impact (Programme of B Lab Switzerland)

TCFD: Task Force on Climate-Related Financial Disclosure

ToC: Theory of Change

ToR: Terms of Reference

UNGC: United Nations Global Compact

USP: Unique Selling Proposition

WBCSD: World Business Council for Sustainable Development

### 3 Executive Summary

In July 2021, the Swiss Agency for Development and Cooperation (SDC) commissioned an independent external evaluation of its contribution to the Global Compact Network Switzerland and Liechtenstein (GCNSL), the local network of the United Nations Global Compact (UNGC), the largest Corporate Social Responsibility (CSR) platform worldwide. This report, based on a combination of 20 member and stakeholder interviews, a desk review, and a member survey with 44 participants, aims to outline the principal findings of the evaluation process, which are grouped under three main topics: Relevance and impact, Governance, and Activities.

First, with regard to the relevance and impact of the GCNSL, the evaluation process focused on the network's unique selling proposition (USP), as well its impact on – and added value for – its members. The interviews revealed that members and other stakeholders perceive the GCNSL as highly relevant, with a significant majority extolling, as its USP, its hybrid global/local nature and its unique convening power due to its UN connection and to the support of the Swiss Federal Administration (SFA). This double affiliation is seen as contributing to the high visibility and credibility of the network, despite concerns that it makes the GCNSL less nimble and agile than other similar initiatives.

The network's enhanced credibility has allowed it to play an important role in shaping its members' CSR practices; however, there is at this time insufficient data on impact measurement on the ground, whether in Switzerland, among GCNSL members, or abroad, in developing contexts. New reporting requirements are expected to allow the GCNSL to have access to more comparable and transparent impact data in the future.

Of course, GCNSL's work is not the only factor driving higher engagement with responsible and sustainable business practices in Switzerland in recent years. There are other factors like the Business Responsibility Initiative (BRI) and its counter proposal, as well as the proliferation of other initiatives similar to the GCNSL (e.g. the World Business Council for Sustainable Development, B Lab, öbu and GwÖ, and Swiss Sustainable Finance for the financial sector).

The second area of focus of this report is the governance analysis carried out by ecos, which found that the GCNSL's internal documents provide a clear outline of the different bodies' functions and responsibilities within the organisation, and are in compliance with UNGC requirements. However, there are certain issues which will need to be addressed, such as the efficiency of Board and General Assembly meetings, the involvement of the Programme Committee, and the role of the Stakeholder Council. Another issue is the inconsistency of various strategy documents. Further clarifying the respective roles of the governing bodies and increasing their efficiency could allow the organisation to focus more on developing a long-term strategic vision.

On an operational level, members have confirmed that they view the day-to-day management of the GCNSL by the Secretariat as very efficient, proactive, and responsive, despite the constraints associated with the network's limited human resources.

When it comes to the activities of the network, the research carried out by ecos focused on three distinct elements: the GCNSL offering for its members, members' Communications on Progress (CoPs), and GCNSL partnerships and outreach.

The ecos research has found that the network's business members value the services offered by the GCNSL, though there is a difference in the services preferred by small-medium enterprises and those preferred by larger organisations. There are few activities and resources on offer for non-business members; this needs to be remedied if the GCNSL is to encourage the involvement of more civil society actors.

These activities aim to reinforce the members' sustainability commitment, but they are not the only tool at the GCNSL's disposal: CoPs also aim to monitor and encourage the members' progress. This evaluation has found members view the annual reporting requirement as a considerable incentive to improve their RSBP practices, and the new UNGC strategy is expected to strengthen accountability and assuage concerns over too lax or insufficiently transparent reporting.

GCNSL also relies on a series of partnerships to increase its impact in Switzerland and Liechtenstein as well as abroad. This report analyses the varying levels of partnership that define the network's outreach efforts, starting with the cooperation with UNGC, which is viewed on all sides as smooth and productive and allows the network to play an instrumental role in building partnerships and facilitating collaborations among other local networks. In fact, this evaluation has found that the cooperation with, and support to, other smaller and emerging local networks is impactful, efficient, and greatly appreciated by the networks in question. This support could be expanded, but this is above all a question of strategy: GCNSL's main mandate is the promotion of responsible and sustainable business practices in Switzerland and Liechtenstein, with only a secondary focus on driving impact through active collaboration with selected local networks.

The cooperation with the Swiss Federal Administration is generally seen as active and functional and the presence and participation of SDC is highly valued, as SDC support boosts GCNSL's national and international and national standing. Partnerships with civil society organisations needs to be reinforced, to allow the GCNSL to develop as a multi-stakeholder platform.

Overall, ecos has found that the GCNSL is an active, efficient, and impactful network, which has contributed significantly to promoting responsible and sustainable business practices within the business community in Switzerland and Liechtenstein. However, the network lacks a coordinated strategy, which has a noticeable impact throughout its activities, and especially on the coherence of its operations. Therefore, the GCNSL can improve its efficiency and broaden its impact by implementing a series of recommendations focused on creating a space for strategic vision. By developing a coherent impact and outreach strategy and rethinking the network's resources, the GCNSL will be able to reach its full potential and be an even more effective ally for its members.

## 4 Introduction

This report is the result of an external evaluation of the GCNSL commissioned by the Swiss Agency for Development and Cooperation. The aim was to conduct an independent evaluation with the final report available in November 2021<sup>1</sup>. The purpose of the report is to provide insights into the functioning of the GCNSL and a framework based on which the future partnership between the SDC and the GCNSL could be reoriented. The overarching goal of the GCNSL and of its partnership with the SDC is to promote and mainstream sustainable business and investment practices at a global level, in line with the Ten Principles of the UNGC and other guidelines, and to leverage private sector contributions to the 2030 Agenda. This report will focus on identifying the network's strengths and weaknesses, and will provide a series of recommendations aimed at remedying the latter and optimising the GCNSL's performance and impact.

## 5 Description of the Programme

The GCNSL is a business association which operates as an important gateway for constructive dialogue between stakeholders in Switzerland and Liechtenstein. This can help to advance Responsible and Sustainable Business Practices (RSBP) and to intensify the collaboration between the public and the private sectors, allowing them to contribute jointly to sustainable development objectives. Since its consolidation in 2015, the GCNSL has steadily grown to a membership base of 248 companies<sup>2</sup> (including its non-business members). It organises, on a regular basis, a variety of general and sector-specific events and trainings for both its members and non-members. It supports its members on their RSBP and sustainability journey with individual coachings, information, sharing and learning, and workshops, connects them with other experienced members and specialists, and facilitates their access to relevant international contacts and knowledge.

## 6 GCNSL's relevance and impact

The term "impact" here is understood in accordance with the employed impact evaluation methods Collaborative Outcomes Reporting (COR) and Contribution Analysis (CA) (more details about the methodology can be found in the annex). These methods are based on the idea

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<sup>1</sup> The submission date of the final report was changed to 9 December 2021.

<sup>2</sup> <https://www.unglobalcompact.org/engage-locally/europe/switzerland%20&%20liechtenstein> (25 November 2021)



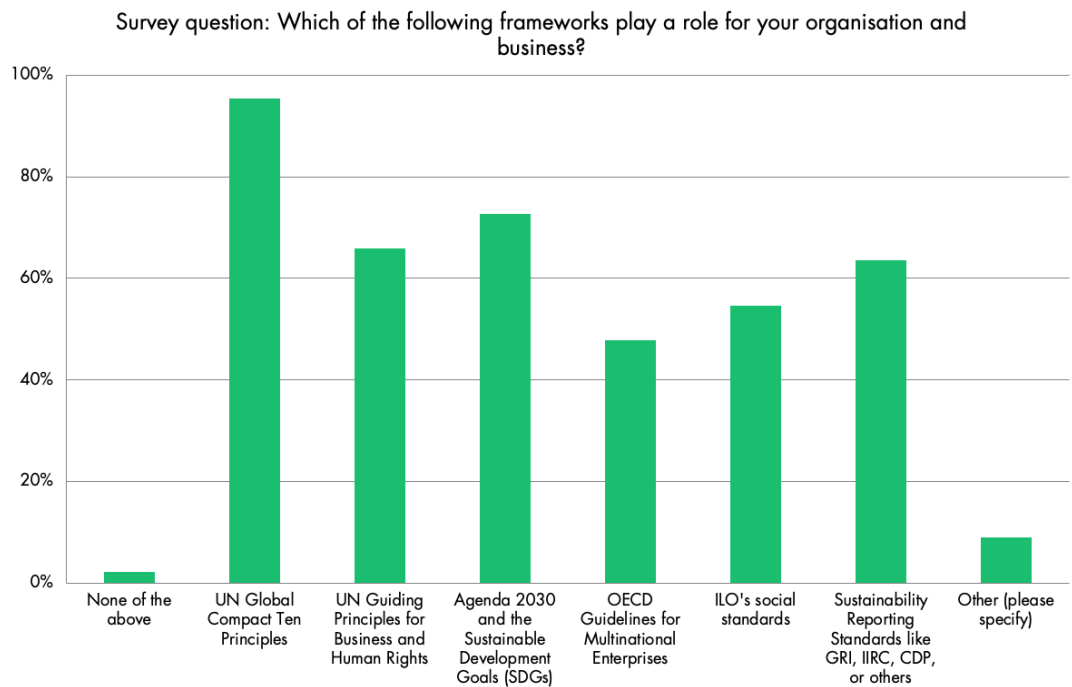
that every non-profit or purpose-driven organisation or project explicitly or implicitly pursues a Theory of Change (ToC), with a long-term goal or vision, the so-called “impact”, that they want to contribute to with their activities. In the case of the GCNSL, the long-term goal or impact, as outlined in the Strategic Framework and logframe, is the reduction of negative and the enhancement of positive effects of Swiss businesses, notably on poorer and vulnerable population groups in developing contexts, according to the SDGs, the 10 UNGC principles and other international frameworks. In a complex setting with various actors, it is however very difficult, if not impossible, to clearly assign the causes of an impact (attribution problem). Consequently, any evaluation can only try to collect as much evidence of impact (or the lack thereof) as possible, while taking into account that other influencing factors might have contributed, and the likelihood of other, unintended forms of impact. Some evidence of the GCNSL's impact and other influencing factors is presented in the following.

## 61 Relevance and Unique Selling Proposition

Various stakeholders view GCNSL's work as highly relevant in a context of heightened climate-change awareness and increased interest in sustainable and responsible business practices. Among other similar networks which focus on promoting such practices, its unique selling proposition (USP) is its strong convening power among Swiss and Liechtenstein stakeholders, as well as its high visibility and credibility due to the support it enjoys from the Swiss administration and its UN background. The hybrid combination of a global backdrop coupled with local representation is an added value that other comparable networks cannot provide. On the other hand, the participation of the UN connection is seen as problematic by some stakeholders, who consider the UN environment to be dated, slow and unwieldy.

However, the UN connection has helped the GCNLS to survive as one of the oldest networks with the widest outreach, not to mention that it is the only one which covers the whole of Switzerland and Liechtenstein. Other newer networks – such as B Lab – may have a more innovative, young, or “hip” approach, but the GCNSL boasts a long tradition and a broad network and membership base.

Members are drawn to the GCNSL as it provides access to a network with shared values and a knowledge platform with a broad knowledge base, courtesy of the UNGC. One of the stated reasons for joining is the reputation and the uniqueness of the Ten Principles, which are perceived as a powerful instrument, though of course some members are driven to join by customers', investors' or other stakeholders' demand.



**Figure 1: Relevant RSBP Frameworks for GCNSL Members**

The member survey showed (see Figure 1) that the UN Ten Principles play the biggest role for members, followed by the 2030 Agenda and sustainable reporting standards (whereby GRI, SASB, CPD and TCFD are most relevant).

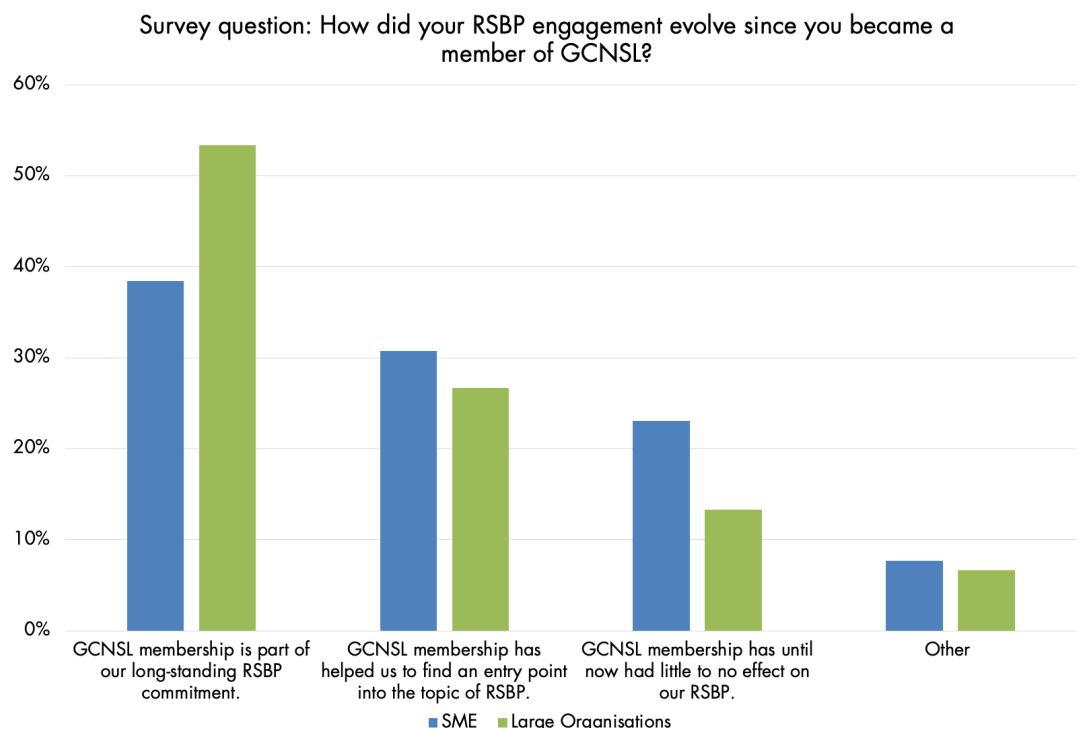
Members find that the GCNSL is good at raising awareness for RSBP, and are likely to recommend it to their business circles and partners. It is viewed as an excellent entry point for “sustainability novices” (mostly SMEs) and important for connecting first and late movers. Larger companies already view their GCNSL membership as part of their long-standing RSBP commitment, but that is not necessarily the case for smaller businesses, which have in the past faced less scrutiny and less pressure to adopt sustainable practices. Due to that fact (and the lack of capacity and resources), SMEs often have less experience with sustainability standards and reporting, and require more bespoke coaching and support.

Interviewed stakeholders, including representatives of business and non-business members, view the GCNSL as versatile, adaptable, and responsive to its members’ needs, as well as to the needs of the funder (SDC). The knowledge transfer between local networks is appreciated. The GCNSL offers a safe discussion space for businesses, especially on controversial RSBP topics and experiences, and a forum of exchange for sustainability managers. This ability to provide formats for safe and discreet debate was an element which was underlined by several interview partners. The absence of CEOs in the board was often referenced as problematic, and potentially associated with the fact that there seem to be no special services and formats tailored to the needs of that level of management. Several interviewees noted that it is important to reach out to C-level executives in order to increase the impact within the businesses themselves. At the same time, it was stated that it is important to engage middle management, to ensure that the actors most actively involved in implementing new policies are

also actively involved in shaping them within the GCNSL. The need to engage with business members at both levels, and the necessary prioritisation, should be considered as part of the board's upcoming strategic decision-making.

## 62 Influence on core business activities of member companies

According to the "SDC Factsheet Credit Proposal: Phase 1 2019-2022" (p.1), the overall assumption of impact of the GCNSL is the following: "The implementation of responsible and sustainable business practices reduces negative impacts and enhances positive effects of Swiss business, notably on poorer and vulnerable population groups in developing contexts". According to the survey, more than 50% of large companies say that the GCNSL membership is part of their long-standing RSBP commitment, as opposed to nearly 40% of SMEs. For approximately 30% of survey respondents, the GCNSL has provided an entry point into the topic of RSBP (see figure 2).



**Figure 2: Development of RSBP engagement of GCNSL members**

Consequently, ecos can carefully conclude, based on the survey and anecdotal interview evidence, that the GCNSL does have an impact on the core business activities of member companies regarding the implementation and improvement of RSBP. However, the scarcity of available data makes it hard to accurately measure the concrete impact of the GCNSL on the business activities of the member companies. GCNSL itself only will have sufficient data on

businesses and their implementation activities after switching to the new reporting system in 2022, at which point reporting will be strengthened and benchmarking will be possible.

It is, however, possible to extrapolate from a study on the impact of the UNGC's activities, which concluded that "among CSR standards, the UNGC is particularly interesting for two reasons: (1) [...] thanks to the UN support it is now the world's largest CSR initiative; (2) it does not envisage monitoring and enforcement mechanisms (e.g., third-party audits), and this calls into question the substantial adoption by companies [...]. [T]his certification may be more oriented to symbolic adoption rather than a substantial change in the internal processes."<sup>3</sup>

To prevent or reduce this kind of only symbolic implementation or "blue washing", the GCNSL could work on the following question: do more members automatically mean more impact on the ground, or should the GCNSL focus its efforts on the quality of the engagement of the member companies? The survey results show that, when the network was taking its first steps, it was mostly joined by "sustainability pioneers", whereas lately it has attracted companies ranging from a weaker to a strong sustainability orientation. The low entry threshold for a GCNSL membership can be an advantage, as it can attract as more members and gently encourage them to move into the direction of RSBP; at the same time, it creates a blue-washing risk, where implementation remains symbolic and superficial. The GCNSL could broaden its impact by focusing on latecomer members and by improving the quality of the annual Communication on Progress (CoP) reporting process. The CoPs are defined by the UNGC as a self-assessment tool and do not represent a concrete impact measurement tool. A more systematic monitoring and feedback system could enhance the RSBP of members and therefore the GCNSL's impact. Indeed, the CoP system is currently in the process of being revised with the aim of making it more detailed and more demanding in the future. However, a proper impact measurement system would be required to gain clarity on the network's real impact on the ground, in Switzerland and in developing contexts, especially when it comes to its impact on vulnerable and poor populations.

Some interviewees raised the concern that the GCNSL could have a significantly larger impact if the Swiss government was more assertive with regard to RSBP requirements. GCNSL cannot replace government regulations; it can only incentivise and contribute to capacity building, but the commitment and drive for change must come from the businesses themselves. Increased regulatory pressure, e.g. through the indirect RBI counterproposal,

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<sup>3</sup> Guido Orzes, et al: The impact of the United Nations global compact on firm performance: A longitudinal analysis, In: International Journal of Production Economics, Volme 227 (September 2020) <https://www.sciencedirect.com/science/article/pii/S092552732030058X>

could be a strong pull factor for hesitant businesses, and thus help move the RSBP context forward.

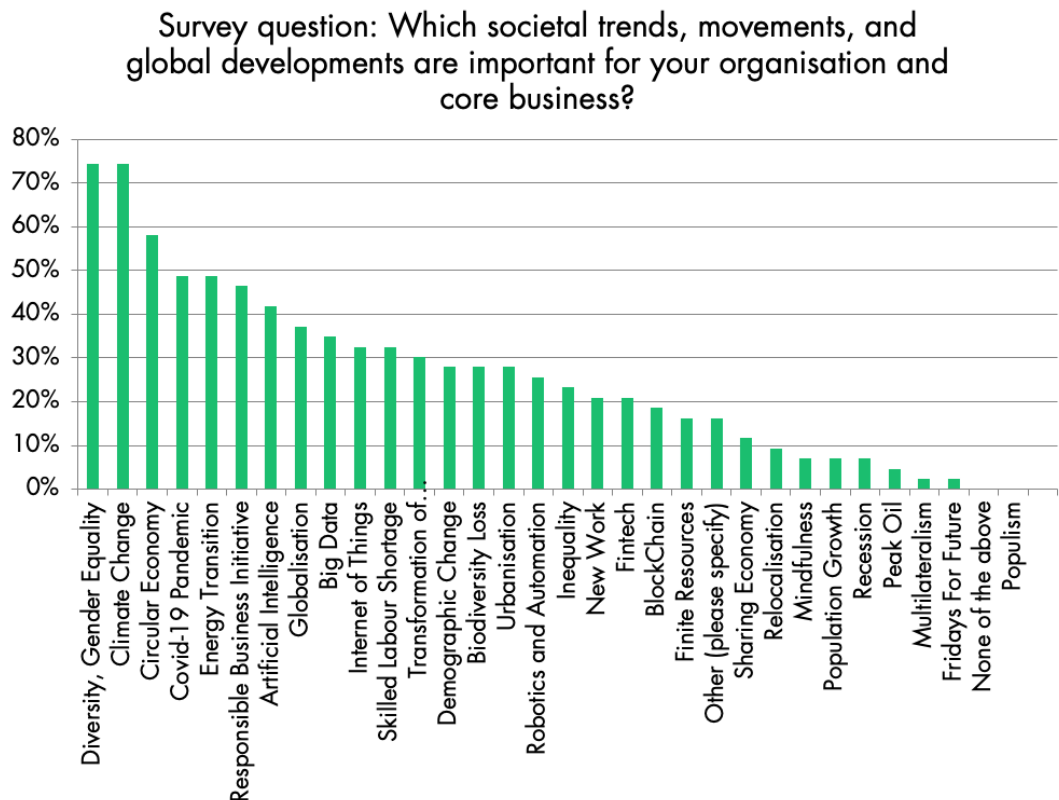
The most direct impact on developing contexts is achieved through the GCNSL's cooperation with LNs from the Global South and East. In Bangladesh, in particular, the Swiss and Liechtenstein network helped to bring together Swiss and Bangladeshi companies in the public health and agriculture sectors which starts to have a concrete impact on the Bangladeshi supply chain. Nevertheless, a concern that came up in the interviews carried out by ecos was the fact that such activities often focus on topics and concerns of Swiss companies and their supply chains within the partner local network in question. It would be appreciated if support could also focus on issues of concern for local businesses (for example, gender equality is a less a concern for Swiss businesses, but it is an issue where other local networks could use more support), and if activities were more widely open to local businesses, even if they are competitors of GCNSL members.

## 63 Other influencing factors and unintended outcomes

Other factors for Swiss companies' RSBP engagement are the Responsible Business Initiative (RBI) and its outcomes, the EU-driven Task Force on Climate-related Financial Disclosure, investor and market pressure, the 2030 Agenda and the work of other private sector engagement platforms, like öbu, B Lab, GwÖ and the WBCSD. The RBI is often mentioned as the moment that eroded the trust between business and non-business actors. Even though the RBI was not adopted in the end, it did give the GCNSL a new boost, as companies increasingly become aware of the issues and faced mounting pressure from the public. The indirect counterproposal will require reporting from companies with a balance sheet of over 20 million on the following topics: environment, social affairs, employment, human rights and combating corruption at home and abroad, child labour and conflict minerals.<sup>4</sup> Companies will need advice, training and guidance concerning these issues, which is the core business of GCNSL and similar networks.

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<sup>4</sup> Schweizer Kompetenzzentrum für Menschenrechte: Neue Regeln für Schweizer Unternehmen: Berichterstattung und themenspezifische Sorgfaltspflicht <https://www.skmr.ch/de/themenbereiche/wirtschaft/artikel/gegenvorschlag-kvi.html>



**Figure 3: Other influencing factors on GCNSL members**

The above figure shows that themes like diversity and gender equality, climate change, Circular Economy and the Covid-19 pandemic are most important for the businesses and organisations of the members, therefore figuring as potential important “other factors” that might drive companies’ RSBP besides GCNSL’s work. The topics were set in the survey without claim to completeness. Under “other”, additional (sub)topics as child labour, open source, decent work, food security, water, digitalisation, and product safety were mentioned.

Aside from its impact when it comes to promoting responsible and sustainable business practices, the work of the GCNSL has contributed to creating a network of like-minded people and bringing together sustainability experts under one roof. Moreover, NGOs have found that the GCNSL is an additional source of knowledge for them, even though they are not the targeted recipients of the resources it produces. It must be noted that the increasing importance of climate and environmental topics may detract from the human rights and social aspects of sustainability. The GCNSL has wide expertise in these topics too and could work to counteract this lack of visibility.

## 7 Governance

The governance analysis focused on assessing and analysing elements of the strategic framework which forms the backbone of GCNSL’s work, as well as more specifically the

organisation's institutional structure, operations, and decision-making processes. These different components will be analysed in the following sections.

## 71 Strategic Framework

As a starting point for the evaluation of GCNSL's strategic framework<sup>5</sup>, a tentative Theory of Change (ToC) of the GCNSL has been established.<sup>6</sup> This was done by analysing three strategic documents:

- GCNSL Strategic Framework 2019-2022
- Logical Frame SDC-GCNSL Partnership 2019-2022
- Annual planning 2020

These three documents overlap but are not sufficiently harmonised. The goals and key performance indicators (KPIs) of the GCNSL strategic framework and the SDC/GCNSL Logical Frame are not fully aligned, and their numbering is not clear. Some redundancies and overlaps hinder a logical structure, which makes it hard for the organisation to report progress in a systematic way.

There are three strategic levels with slightly varying goals: The strategic framework caters to the governance body (the board) and the logical frame to the funder (SDC), while the organisation is also bound by the UNGC strategy. These levels and their relationship should be clarified in an organigram and aligned. However, the development of a new strategic framework for the GCNSL is already planned for the next period starting in 2023, and that will be the sole reference document for strategic purposes.

Figure 4, produced by the ecos evaluation team, compiles the findings from the three documents into a ToC which is as simple and clear as possible, and aims to give a direction for future clarification work on the strategic framework. The lowest level lists GCNSL activities. One level above, immediate outputs are shown as consequences of these activities. These outputs are followed by the intermediate outcomes, which result from the outputs in the middle to longer term. At the top, we can see the long-term impact of GCNSL, which is supposed to be

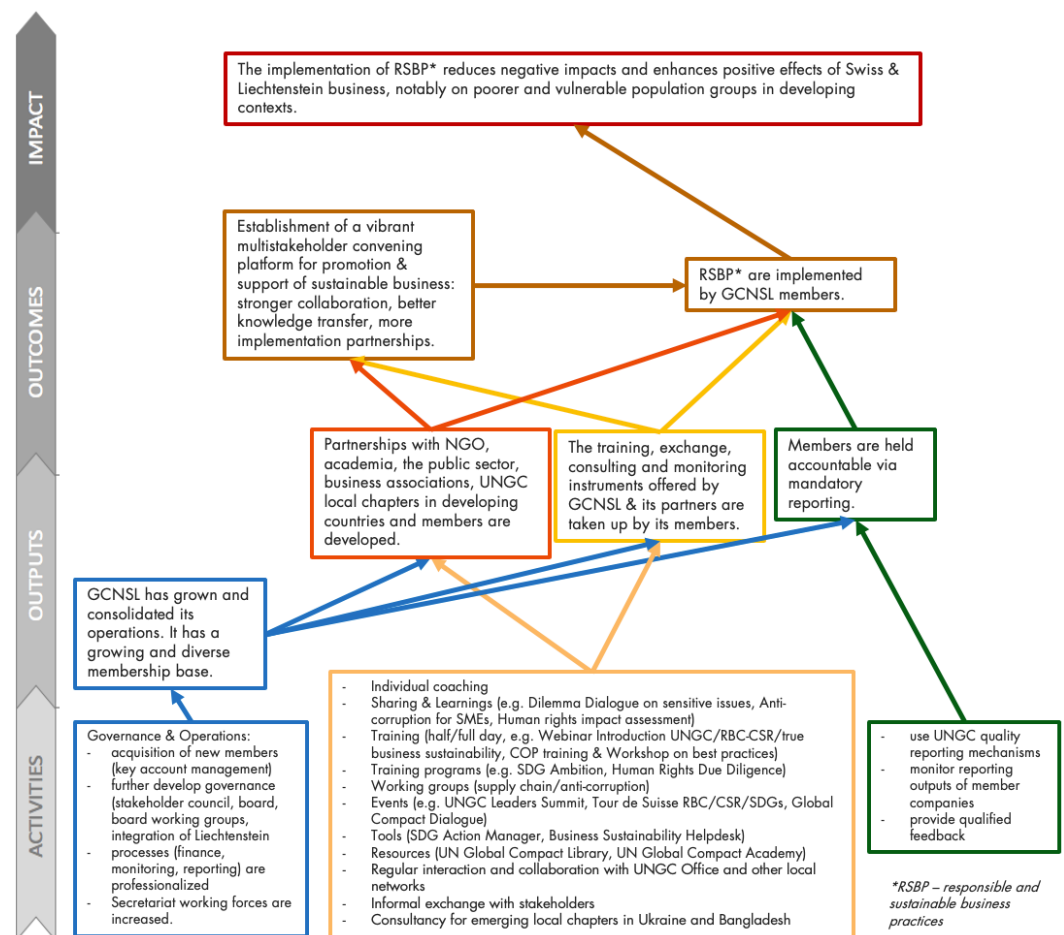
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<sup>5</sup> According to the Terms of Reference: How could the future GCNSL Strategic Framework (for the period 2023 - 2025) and related results measurement (logframe) be improved (incl. for it to also serve as a basis for a future partnership with the SDC)?

<sup>6</sup> A ToC consists of a results chain starting from activities that lead to immediate outputs, intermediate outcomes and long-term impacts, and the assumptions and risks that underlie each step in the results chain. It helps to develop, steer and evaluate impact programs and to become aware of cause-and-effect relationships as well as underlying assumptions and risks in order to design programs that are as effective and impactful as possible.

a consequence of the preceding results chain. The arrows show the direction of the intended causal effects.

Moreover, assumptions and risks that might occur at the different levels of the Theory of Change have been collected and were discussed at the inception meeting. They are listed in



**Figure 4: Tentative Theory of Change of GCNSL**

the inception report (see Annex) and can be used to review the programme priorities and account for the risks.

## 72 Institutional functioning

According to the GCNSL's statutes, the bodies of the association comprise the General Assembly (GA), the Board, a Stakeholder Council, a Programme Committee, the Executive Director, and the Audit. The audit function being outside the scope of this report, our focus will be the remaining governing bodies.

GCNSL's governance structure is in compliance with UNGC requirements. The organisation's internal documents provide a clear outline of the different bodies' function and responsibilities within the organisation. There is a clear and consistent Code of Governance,



which provides specific guidelines to Board members and staff in association with their duties and responsibilities within the GCNSL. All necessary corporate governance documentation is in place and accurately reflects the processes actually implemented.

However, it is important to note that the Statutes do not clearly assign the responsibility of determining the organisation's policy and strategy to any specific governing body. This lack of clarity could be one of the reasons behind a certain lack of strategic focus. The different layers of strategic guidance like the Strategic Framework, the UNGC strategy and the SDC logframe add to the confusion.

Even though there are strategic retreats, strategy could figure more prominently during regular Board meetings. The ecos analysis has concluded that the GCNSL's governing bodies do not systematically spend enough time on strategy and long-term planning. Board meetings are axed around presentations and seem to include less time for open discussion. Streamlining the strategic guiding documents and modifying the Statutes to include a clear reference to strategic planning as a governance task could provide the necessary incentive.

## **721 The General Assembly**

The General Assembly, established and run in accordance with the provisions of article 11 of the GCNSL Statutes, is the highest body of the organisation. As per the Statutes, the GA meets regularly. Participation in the annual GA meetings has grown since 2015, going from 24 participants in 2015 to 66 participants (including seven Board members and seven members of the GCNSL Secretariat) in 2021, although it has not grown in proportion with membership growth. Due to Covid-19 related restrictions, the GA meetings in 2020 and 2021 took place online. During these meetings, active participation is encouraged, if not always achieved. Detailed minutes allow for transparency and clear visibility into the workings of the GA.

Based on an analysis of GA minutes from 2015 to 2021, the meetings maintain a strong focus on a presentation of the network's past and upcoming activities, and must allow sufficient time for other GA business (such as the approval of annual reports, accounts and budgets, as well as the discharge of the incumbent Board and election of new Board members). Considering that GA meetings are relatively brief (ranging in duration from 50 minutes to one-and-a-half hour), this focus on operational details leaves members little space for discussion. Our interviews have shown that using English as a working language during these meetings can also, to a certain extent, have a discouraging effect on participants. Although – as previously mentioned – the General Assembly is not, as per the GCNSL statutes, responsible for deciding on strategy, GA meetings could provide a suitable forum for members to express their concerns and expectations, and to get involved in shaping the organisation's strategic vision. However, it must be noted that regular surveys, regular invitations to provide feedback and submit proposals, and an annual GCNSL Dialogue provide the members with ample – though less institutionalised – opportunities to contribute.

## **722 The Board**

The GCNSL Board, responsible for representing the association in public and for developing the internal work plan necessary for achieving the GCNSL's mission, meets regularly (four times a year). Despite not having direct access to Board minutes, anecdotal evidence gathered through our interview process allows us to assume that, like the GA meetings, board meetings do not allocate sufficient time for strategic planning. In order to ensure that the Board's time is used most efficiently, it is recommended to group routine items for simultaneous approval and to allow time to focus on the most important strategic matters. Adding standing agenda items could ensure that strategy discussions are systematically incorporated in the work of the Board, and ensuring that working groups are heard and actively involved in Board meetings could allow for more efficient decision-making.

## **723 The Executive Director**

The role of the Executive Director within an organisation as active and ambitious in its mission as the GCNSL, and with as limited human resources, is necessary a highly demanding one. We have found that members and partners of the GCNSL have a positive view of GCNSL's current management. Antonio Hautle, the current holder of the Executive Director position, is widely viewed, internally and externally, as very committed, very efficient, and a proactive and responsive interlocutor. Precisely because of his strong personal engagement, the handover to the next Executive Director needs to be carefully planned well in advance. The GCNSL Secretariat, a small but growing support team, also received positive reviews by members, who appear largely satisfied by its responsiveness and efficiency.

The overall financial management is efficient. However, additional staff could allow for more delegation, and free the Executive Direction from a significant administrative burden, allowing the holder of that office more time to focus on longer-term strategic pursuits and reducing the reliance on one management position. Naturally, more staff requires more resources; as discussed below, diversifying and increasing the network's resources (for example, through increased member contributions) could make that possible.

## **724 The Programme Committee**

The Programme Committee, established according to art. 14 of the GCNSL statutes and in charge of carrying out the important work of planning, developing, and steering the organisation's partnerships, is viewed as a useful and efficient governing body. Despite the theoretical clarity in the separation of duties between the Board and the Programme Committee, in practice the two bodies work closely together, and often have joint meetings and overlapping discussions. This could grant the Programme Committee – and the institutions represented in it – a disproportionately large role in indirectly determining the organisation's overall strategy. The lack of critical distance between the Programme Committee (which includes SDC) and the Board may deprive the latter of the space to evaluate and, if necessary, rethink the partnerships with members of the Programme Committee. The SFA is aware of the risks associated

with its close association to the funded project; this close association is also advantageous to the SFA, as it is a way for them to strengthen the contact with businesses.

## **725 The Stakeholder Council**

The Statutes of the GCNSL provide for the establishment of a Stakeholder Council, providing a forum for a different perspective and allowing the GCNSL to grow into a multi-stakeholder platform. Despite certain efforts to that effect (the 2020 Annual Report confirms that one such event took place that year), this body has not been fully established, as it has not so far been possible to determine its ideal structure, format, or even specific role within the organisation. As most of the issues encountered during this evaluation process, this boils down to the lack of a clear strategy in terms of stakeholder engagement, especially with civil society. As no stakeholder mapping has been carried out, it is unclear which stakeholders would be invited to join such a council. Moreover, as there is no clear vision regarding what external stakeholders could bring to the table, it is unclear what their function could be within the GCNSL. These are issues that need to be clarified on a strategic level before a Stakeholder Council can be created.

## **726 Working modalities**

There are some practical issues which could be improved to increase efficiency and encourage member participation. As mentioned above, the function of the Board and the running of GA meetings could be improved upon to make more efficient use of these bodies' time, but there are improvements to be made to the administrative team as well. To enable the Board members to give input and prepare for meetings, the documents provided to them in preparation should be more precise.

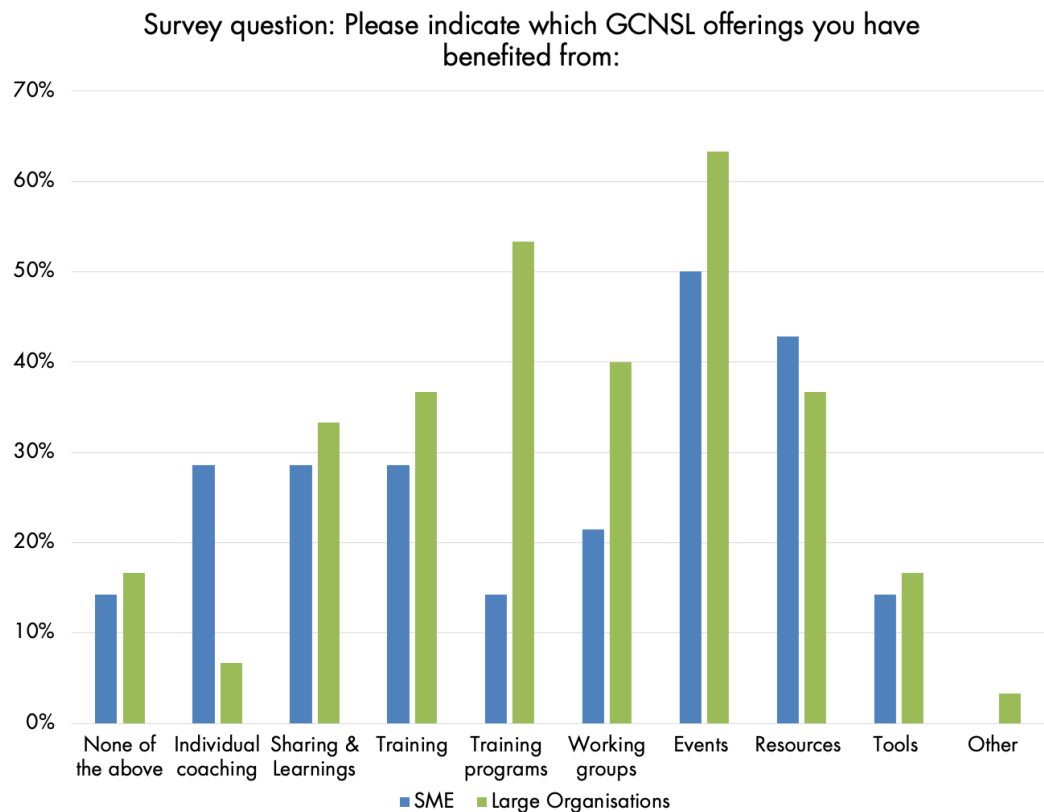
The Secretariat, which corresponds to the administrative team of the GCNSL, is relatively small and has enjoyed less growth over the past years compared to other networks of similar size, though it is worth noting that it pays comparatively higher salaries than other networks, including to its interns. Expanding the Secretariat is certainly a question of resources, but investing in the GCNSL team could allow the network to expand and better respond to its members' needs. It would also allow for more efficient delegation and responsibility-sharing, freeing the Executive Director from administrative and operational tasks and allowing them to focus more on strategy and planning.

# **8 Performance**

In order to help its members to deepen their RSBP commitment, the GCNSL relies on a wide range of activities, as well as the Communication on Progress (CoP), which the members have to submit annually. The following sections are focused on these two approaches.

## 81 Activities and Services

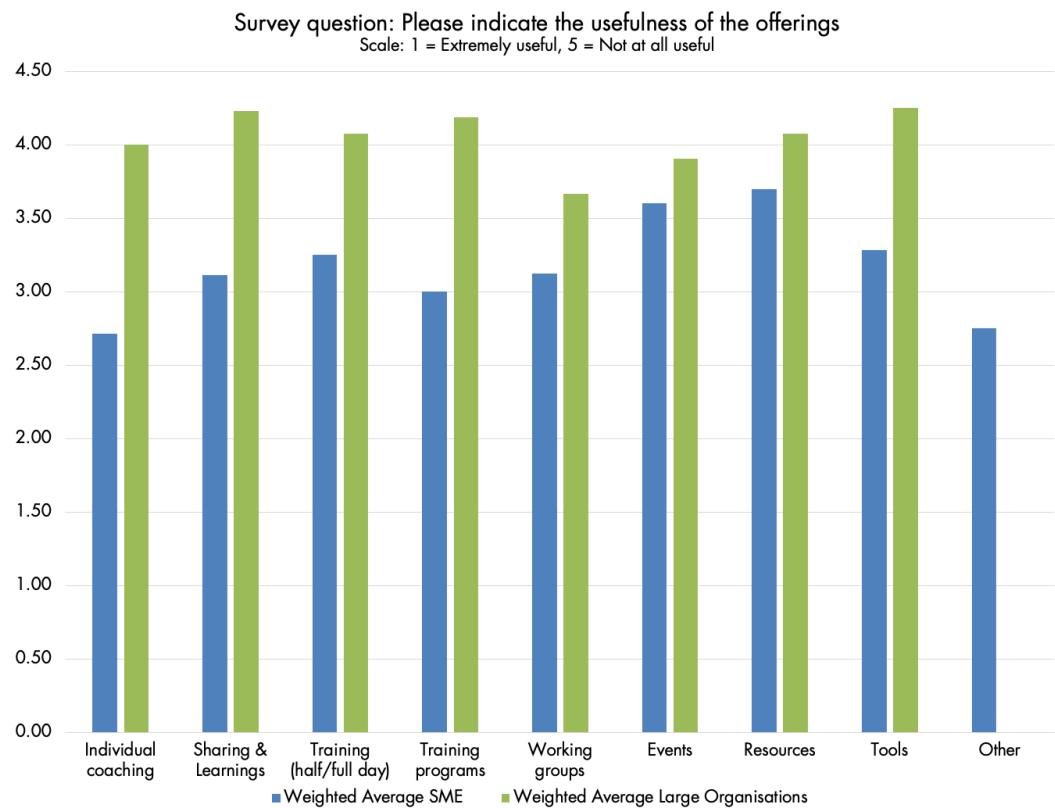
This research has shown that the business members of the GCNSL appreciate the activities on offer by the network. The following figures outline the offerings which are mostly used by SMEs, as opposed to the ones preferred by larger organisation, and how these offerings are assessed by participating members.



**Figure 5: Evaluation of GCNSL Offerings**

Most of the members who participated in the survey have attended GCNSL events and training programmes, with only a small percentage of participants stating that they have not participated in any GCNSL activities.

The ecos survey showed a distinct difference in the way SMEs and larger corporations use the network's offerings: large corporations appear more likely to participate in events (e.g. UNGC Leaders Summit or Tour de Suisse), training programmes (e.g. SDG Ambition, Human Rights Due Diligence) and working groups (e.g. on supply chains or anti-corruption), while smaller businesses are more likely to have participated in individual coaching or to have used the resources (e.g. the UNGC Library and Academy) made available by GCNSL. This discrepancy can be traced to the resource-intensive nature of some of GCNSL's activities. Smaller companies have fewer resources available and are understandably less likely to participate in time-consuming activities such as working groups and training programs; individual coaching and a resource library are better suited to that scale. When planning new activities, it is advisable to keep in mind the varying needs and capacities of the members, and to design activities and offerings specifically targeted to each group.



**Figure 6: Usefulness of GCNSL Offerings**

As demonstrated in Figure 6 above, the level of satisfaction with GCNSL activities is significantly higher among larger organisations than it is among SMEs. If the future expansion strategy of the network aims to draw in more SMEs, their needs need to be further explored, and activities need to be tailored to their specific requirements – and to their limited resources.

Among the activities offered, our research has shown that confidential formats and those allowing for peer-to-peer learning are most appreciated by members, with the Dilemma Dialogues holding a prominent spot. Members appreciate the safe space that these formats create, enabling them to find satisfactory and pragmatic solutions to complex real-life (and not hypothetical) issues. According to the internal document “Annual Planning GCNSL 2021 Evaluation 2021”, Dilemma Dialogues are to be continued on a case-by-case basis (A-priority). It would be advisable to make them a focus activity.

The option to have individual support is also greatly appreciated, whether it is support with the members’ CoP obligations or emergency support offered to members at times of crisis. These forms of private and confidential – or at least discreet – support were widely hailed as the most impactful GCNSL activities. However, this approach contributes to GCNSL's being viewed as “too nice” or “too lax”, and less inclined to discuss hot topics openly. Finding the right balance between being too critical and being too permissive is not easy, but GCNSL could consider using its platform to encourage its members to venture out of their comfort zone.

This could also be achieved by creating more activities that incorporate or are addressed to civil society organisations, non-business members and other stakeholders, an area where the network's offerings are severely lacking. It would be possible to preserve the GCNSL as a safe space for businesses while also using its activities to challenge its business members by facilitating and mediating a more regular exchange between business and non-business members. Organising regular "civil society days", a format Development Banks use, could be a way forward.

An interesting point that came up during the interview process concerned the lack of sector-specific activities. As sustainability guidelines and requirements vary greatly between sectors, working together with sectoral associations and trade unions could help the GCNSL to implement actions that are targeted to the needs of specific sectors and thus are more impactful. In general, as guidelines and requirements are constantly evolving, members also noted that they would appreciate more support in order to stay up-to-date with regulatory developments. Moreover, several survey participants mentioned that industry-specific benchmarking data would be helpful, as it would allow them to compare their commitments and actions to other companies.

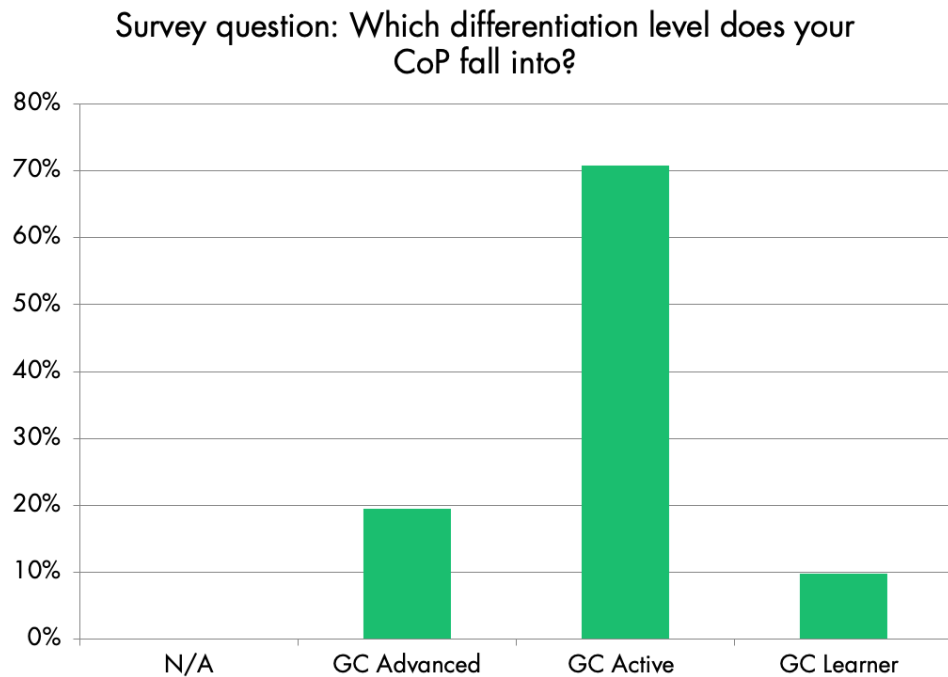
As mentioned above, one of the main selling points of the GCNSL is its broad convening power, as well as the fact that it successfully brings together first and late movers in the field of sustainability. Based on that, members indicated during the interview process that they would be interested in more exchange and a mentoring system between newcomers and members with more sustainability experience. Interestingly, the password-protected members area on the GCNSL website, designed to encourage this type of direct exchange and the sharing of best practices, was not mentioned during our interviews; members did not appear to be aware of it, and did not mention using it.

Some of the activities on offer tend to be organised on an ad-hoc basis. Though the team's responsiveness and willingness to respond quickly to members' short-term needs (such as training on specific topics requested by members) was praised in the interviews, there was also a prevalent concern that this ad-hoc approach can be distracting. A more coherent approach, already in place through the planning tracking tool, would be to focus the energy and resources of the GCNSL on the planned long-term, high-impact programmes.

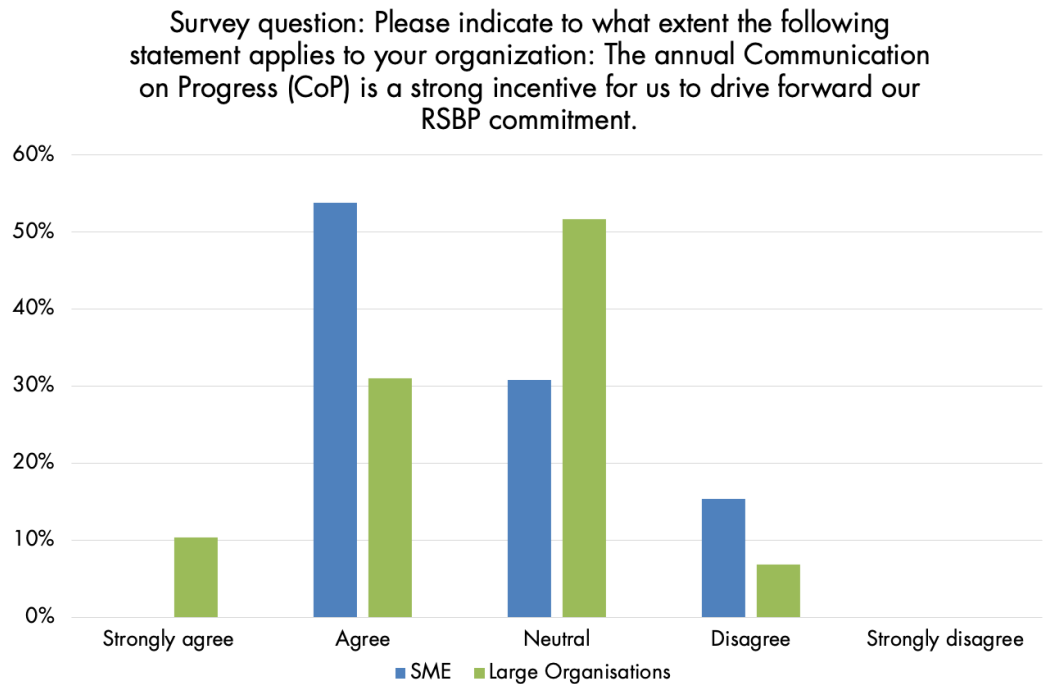
## 82 Communications on Progress

All GCNSL members commit to submitting an annual Communication on Progress in accordance with UN Global Compact requirements. The format of these reports is flexible, and content requirements are minimal: these documents only need to reaffirm the members' commitment to the Global Compact, outline the practical actions taken during the past year, and an outcome measurement. These CoPs can include a varying level of detail and differentiation, and may therefore fall under three distinct categories: Advanced (outlining the company's implementation of advanced criteria and best practices), Active (which include members that

meet the above-mentioned minimal requirements) and Learner (including members whose CoPs do not meet all minimal requirements). Figure 7 below shows that most of the survey respondents' CoPs fall under the GC Active category.



**Figure 7: Distribution of CoP levels among GCNSL members**



**Figure 8: The Communication on Progress as incentive for RSBP**

According to our survey (Figure 8, above), 45% of the responding members consider that the annual CoP is a strong incentive when it comes to driving forward their company's RSBP commitment. This percentage was at 54% for SMEs and at 41.4% for large organisations. Annual reporting puts some pressure on members to act and to reflect on how they can improve – and on how they have improved. The individual feedback provided is especially appreciated by SMEs.

However, as CoP requirements are not particularly demanding, outsiders view this form of reporting as lax, vague and superficial from the outside. Moreover, there appears to be insufficient oversight over the reporting process. Adding a CoP focal point to the administrative team would ensure that members get more support during the reporting process and more individualised feedback, and that the GCNSL has a clearer oversight over the process. According to the internal document “Annual planning GCNSL 2020” (p. 3), feedback to members will start to be organised on a more systematic basis (using the UNGC Data and annual quality report). The relevant indicator is: “15 feed-backs given to members” and it is rated B-priority. Making this an A-priority and focusing on the feedback to “critical” member companies, with the use of RepRisk data, could render this process more impactful. This focus is also well aligned with the new strategic shift of the UNGC, which strengthens accountability and impact measurement.<sup>7</sup> In its assessment of COPs, the Secretariat could also check to what extent business participants are in fact complying with the new reporting (on non-financial matters) and due diligence (in terms of child labor and conflict minerals) obligations outlined in the RBI counterproposal.

## 83 Partnerships and outreach

In order to achieve its goals, the GCNSL relies not only on its governing bodies and members but also on a series of partnerships, which carry varying levels of commitment, engagement and cooperation while allowing the network to maintain its strategic independence. The following sections outline the main levels of partnerships and outreach that allow the GCNSL to work towards its goals.

### 831 Cooperation with the UNGC

The cooperation between the GCNSL and UNGC appears to be smooth and productive. The Switzerland and Liechtenstein local network is seen as an exemplary network in terms of the

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<sup>7</sup> United Nations Global Compact: UN Global Compact Strategy 2021-2023. [https://ungc-communications-assets.s3.amazonaws.com/docs/about\\_the\\_gc/UN-GLOBAL-COMPACT-STRATEGY-2021-2023.pdf](https://ungc-communications-assets.s3.amazonaws.com/docs/about_the_gc/UN-GLOBAL-COMPACT-STRATEGY-2021-2023.pdf)



quality of its cooperation with the UNGC headquarters, and as an instrumental player in building partnerships and facilitating collaborations among and with other local networks.

Despite the challenges, the GCNSL is perceived by the UNGC as having played a uniquely constructive role in promoting the Global Compact initiative on a global scale by building and fostering alliances and actively cooperating with other LNs. They are viewed as an excellent interlocutor for the UNGC, going above and beyond to ensure cooperation is smooth and conflict-free.

Though there is clear alignment between the vision and goals of the UNGC and the GCNSL, the ecos research and interview with the UNGC has shown that there are two areas where the Swiss and Liechtenstein network could improve. Firstly, the GCNSL lags slightly behind when it comes to the implementation of global initiatives. It is understood that this is due to a lack of resources; increasing or diversifying funding could allow the network to unlock their ability to implement global programmes faster.

Secondly, the GCNSL has not yet evolved into the multi-stakeholder platform that the UNGC (and, of course, the SDC) would expect. By implementing a multi-stakeholder strategy, the GCNSL could be even better aligned, from a strategic perspective, with the UNGC, which currently has on its board five members from civil society and trade unions and six members from other key stakeholders. However, as discussed in the summary workshop, UNGC itself is working on its approach towards civil society organisations and other non-business stakeholders. Once that approach has been determined, the GCNSL should work on aligning itself with it.

### **832 Comparison with other advanced local networks**

The GCNSL is seen as a model network, enjoying a prominent role, as Switzerland played a key role in establishing the UNGC in 2000. Some comparable networks are better at penetrating the business community – there is still room for growth, outreach and impact in Switzerland and Liechtenstein. The network has a really good position, is well trusted and has a strong governance structure, which enables it to take that next step into programmes with a focus on impact.

France and Spain were mentioned as more visible, and representatives of the UK network as very engaged. Switzerland is in the range of the German local network which is supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). As stated in the GCNSL Annual report of 2019, there is a solid cooperation with the German network, which provides tools in German, an important resource for SMEs in Switzerland and Liechtenstein.

In comparison with other advanced networks, the influence of the Swiss and Liechtenstein network within Switzerland – on a business level – might be more limited as there is a lack of human resources, even though the budget is bigger than comparable networks' budgets. Other networks have been able to grow their teams more over the past few years, with staff working on specific topics. A comparison with networks with a similar maturity (with a starting

date around 2015 and a professional structure) could be helpful to draw additional conclusions.

In reality, all the local networks face a similar shortage of resources. The GCNL is advised to work towards becoming self-sufficient, but the question of what the path to self-sufficiency looks like is still open, as is the question of the SDC's continuing involvement. This issue is directly associated with the value added that the SDC support brings to the table for the GCNSL: there is, as can be expected, a risk that if the SDC withdraws, this will weaken the GCNSL's role as a counterpart to big business and associations like *economiesuisse*. This would not be so much a matter of funding as associated with the added value this partnership carries for GCNSL: working closely with SDC legitimises the work of the network and enhances its credibility and visibility.

### **833 Cooperation with civil society organisations**

The question of GCNSL's cooperation with civil society organisations is a difficult and yet crucial one. As we have seen above, the UNGC's ambition for the GCNSL is that they pivot towards a more systematic cooperation between the network and civil society organisations. Even though GCNSL membership is open to non-business actors, and indeed the GCNSL has 17% non-business members, the role and function of these organisations within the network is not well-defined.

A key element of the SDC Credit proposal was stakeholder engagement: "Through selective engagements with universities, business schools and NGO the GCNS shall also engage in concrete joint initiatives such as sustainable business in curricula or the monitoring of responsible practices in sensitive sectors, such as the commodity, financial or agricultural sectors." While several joint activities with business schools and universities already take place, joint initiatives with NGOs and a focus on the agricultural and financial sector seem to be lacking.

Giving a voice to non-business actors within the network is indeed a controversial topic. Our interviews indicate that business members view the participation of non-profit, non-governmental organisations with a certain degree of reluctance. One of GCNSL's unique selling points is that it creates a safe space for businesses to exchange, learn, seek support and advice on real and concrete issues that they face in their operations. Civil society organisations are viewed as the "blamers and shamers", whose presence within the network could endanger this safe, and to a certain extent confidential, space. On the other hand, NGO members also appear uncertain about their role in such a business-oriented environment, expressing concerns that their presence legitimises certain business practices or that they are not allowed to be as vocal or as active as they may want in order to have a real impact on business members.

The GCNSL is tasked with a difficult balancing act in trying to both support and challenge its business members to improve. It has to remain a trusted partner for its business members while allowing for constructive criticism – it has to remain a safe space without morphing into an echo chamber. To ensure that, it is important to give non-business stakeholders, and especially civil society organisations, a clear role within the network and add transparency.

China has been mentioned as one possible area of interest and a could be a place for exchange with NGOs.

Research has shown that a combination of factors calls the impact of NGO participation into question. As a global initiative, the Global Compact has a relatively low membership threshold for NGOs, which may be tempted, like some of their business counterparts, to join for reputational, networking or acquisition purposes. For most of the civil society organisations that join with the intention of making a difference, the power imbalance between them and the organisation's business members is so profound that they can only have a limited impact.<sup>8</sup>

Once again, this is at its core a strategy issue. It is important for the GCNSL to decide on and implement a coherent stakeholder outreach strategy, and to communicate this strategy to its business members in such a way as to get them on board with the network's gradual growth towards a multi-stakeholder convening platform. By making a clear case for the advantages of this multi-stakeholder approach, the GCNSL can help its business members overcome their reluctance and become more open to this outreach effort.

On the other hand, and from a more practical perspective, more clarity is necessary at the specific role non-business actors can play within the network. By ensuring civil society organisations have a seat on the board, and by clarifying the role and function of the stakeholder council, the GCNSL could reassure both non-business participants and its business members: the former, that they will have a say in shaping the Network's activities, and the latter, that NGO participation will be governed by clear principles.

### **834 Cooperation with the Swiss federal administration**

The cooperation with the SFA is generally seen as active and functional and the presence and participation of SDC is highly valued. SDC support boosts GCNSL's international and national standing, and the joint activities are widely considered as successful. The GCNSL is seen as an important space for the private sector to engage with the SFA, a service other business associations cannot provide.

The fact that the GCNSL is a privileged partner of the Swiss government is a unique advantage, which could be made more use of. Nevertheless, some interviewees have stated that the SFA could be more active when it comes to its advocacy activities. The SFA could cooperate more actively to shape policy upstream and better coordinate the contact between the GCNSL and different government agencies, as potential synergies are not fully explored. The work on joint advocacy activities should be strengthened.

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<sup>8</sup> Source: Hengevoss, Alice. 2021. "Assessing the Impact of Nonprofit Organizations on Multi-Actor Global Governance Initiatives: The Case of the UN Global Compact" *Sustainability* 13, no. 13: 6982. <https://doi.org/10.3390/su13136982>

The coordination between SDC, SECO and the Peace and Human Rights Division (PHRD) is good but could be improved, as that would strengthen their stance towards the private sector, and it would ensure that Switzerland speaks with one voice internationally when it comes to matters of sustainability. At the moment, the GCNSL secretariat needs to reach out to different federal offices separately, which is a time-consuming process. Naming one person as a focal point for all RSBP-related activities would enhance coordination and efficiency but unfortunately this approach would not take into account the reality that these are different offices and services with different and complementary responsibilities related to responsible business conduct, business and human rights. However, coordination could be improved by trying to avoid overlaps and duplications in communication. There is more contact on a practical basis between GCNSL and SECO, and PHRD compared to the work GCNSL does in connection with the SDC. GCNSL helps to implement the CSR Action Plan 2020-2023 of the Federal Council and the National Action Plan on Business and Human Rights and links businesses to these government guidelines and actions plans. The SFA expects the GCNSL to increase the communication on the action plans even though it already takes place to a good degree.

More communication on a local level is required, as it appears that Swiss local governments are often unaware of many SECO/GCNSL run programmes. As stated in the document “Planning Tracking tool 2020”, no activities were planned or implemented in association with cantonal administrations, and the “initiatives involving both SDC and GCNSL members” have not been established. There is a potential for the network to play a role as an interface between federal and local administrations on the side and businesses on the other which could be explored more actively.

It is important to clarify and align the strategic goals of the SDC and the GCNSL and use the next strategic framework to introduce some clarity. The prioritisation of the goals of the GCNSL Board and the SDC are not always aligned [e.g. focus on Swiss companies and their work in Switzerland (Board) vs. focus on the cooperation with networks of the South (SDC)]. This alignment must also expand to issues of vocabulary: the technical language used by the SDC is sometimes too obscure for GCNSL members, who are used to a business and not development terminology. The cooperation between the GCNSL and SDC could be enhanced by ensuring that the two structures are on the same page and speak the same language.

Despite the fact that this is admittedly a well-functioning cooperative relationship, it is crucial that the GCNSL work on diversifying its funding base in order to become more self-reliant. This would allow the members to take more ownership of the network once federal funding plays a smaller role in its operations. As things stand, the GCNSL would be able to continue its work without SDC funding, but it would not be able to add additional staff and expand.

### 835 Cooperation and complementarities with other similar initiatives

The cooperation with other SDC-funded initiatives could be improved. There is the will to cooperate with B Lab and other similar networks, but the right form of cooptition (collaboration with competitors) has not been achieved and the agreements (Memorandum of Understanding, MoUs) are not properly implemented. A prevalent complaint seems to be that there is insufficient communication between the GCNSL and other such initiatives, and that the synergies between them are not fully explored.

The main point of contention is an underlying competition over SMEs. B Lab (partly), öbu and GwÖ focus on SMEs and perceive GCNSL as a competitor when it comes to working with that target group. Their common wish is that GCNSL would focus on larger corporations rather than on SMEs. As GCNSL receives the largest share of federal funding, there are concerns (stemming mainly from non-SDC-funded initiatives) that it is getting an unfair market advantage, considering the fact, that öbu is not funded at all.

There could be a stronger cooperation with certification providers to strengthen the credibility of GCNSL members. The certification could be a second step after a self-assessment like the one carried out through the annual CoPs. Through the mandate of the UNGC the local networks are not allowed to create certifications, so a cooperation with certification providers would be advisable. The SDG Ambition Manager, developed by B Lab and UNGC, is a tool for evaluating a company's actions against the SDGs. It is also a self-assessment tool and there seems to be no transparent certification process or third-party assurance system attached. According to STIs progress Report 1.3.2020- 30.9.2020, the planned cooperation with GCNSL during the Tour de Suisse events did not work out due to Covid-19 restrictions. GCNSL and B Lab could work together towards a common purpose, but this study has shown that there are fewer synergies than anticipated. However, GCNSL could learn from B Lab's approach, which is seen by some interview partners as very dynamic, modern and communicative.

The Annual planning 2020 target to establish, by 2022, partnerships for measurement and monitoring needs to be prioritised as the cooperation with B Lab seems to be not fully implemented. It would be useful to align the SDG Action Manager and the "Gemeinwohl-bilanz" to decrease the confusion in the market. As the analyses of ecos shows (ecos has developed global sustainability standards and has done assessment of sustainability standards for BAFU and others), there is no broadly recognized and transparently certified standard for the SDGs in Switzerland. Companies use ecovadis and Sedex, for their supply chains which are internationally recognised ratings.

As SDC provides funding to GCNSL, B Lab, and GwÖ, it could challenge them and demand impact data especially in developing contexts. The new approach could be to task all SDC-funded networks to demonstrate impact on the ground, though this would require a long process and additional funding.

### 836 Cooperation with local networks in developing countries

In line with the SDC/GCNSL logframe, in 2021 the SDC and the GCNSL Secretariat made a significant effort to reach out to two selected UNGC local chapters in SDC partner countries (Ukraine, Bangladesh), with the involvement of the Swiss Embassies on the ground.

The research has shown that the GCNSL is often praised as one of the most proactive and responsive local networks (LNs) when it comes to cooperation and partnerships on a global level. The Swiss and Liechtenstein network supports several emerging LNs by providing content and support, and by facilitating the contact between local and Swiss companies. The GCNSL is in contact with a number of local networks, such as the Lebanese, Democratic Republic of Congo, Tunisian, Indian, Indonesian, Ukrainian and Bangladesh networks.

Though cooperation with individual networks is good, there is a less intensive exchange between European and other LNs as there is between European and American LNs via regular meetings of their Executive Directors. There is a biweekly meeting between European/US networks and only two global exchanges a year. As an active and responsive European network, GCNSL is viewed – both by UNGC and by its partner LNs – as a potential focal point and anchor for more systematic exchange between LNs of the Global North and South.

Despite the great difference between local sensibilities and contexts, there is a solid alignment between the GCNSL and other LNs, where the support provided by the Swiss and Liechtenstein network is greatly appreciated. As a network with significantly more experience and more mature sensibilities, it is well placed to provide knowledge and know-how to younger LNs.

In particular, this evaluation has found that the work carried out in Bangladesh with the support and cooperation of the two LNs has had a noticeable impact on the Bangladesh side of the supply chain, especially in the health and agricultural sectors. The cooperation, focused on joint brainstorming and workshop sessions of Swiss and Bangladeshi companies, included the involvement of the Swiss embassy and chamber of commerce, as well as of SECO, and the involvement of the administration was greatly appreciated by the local partners. As actions carried out in cooperation with LNs in developing contexts have so far been focused on issues affecting the supply chain of Swiss companies abroad, our research has found that less advanced networks would appreciate additional support on locally relevant topics, especially in areas where Swiss businesses may have more experience, which would make them ideally placed to share learnings and best practices with businesses operating in less advanced contexts in terms of sustainability. It must be noted that the cooperation with Ukraine is more advanced and developed than with the Bangladesh LN, but has not been evaluated for this report.

This type of support to other LNs is, once again, a question of strategy and communication as it is a strategic output for the SDC logical frame but not the most important strategic focus of the GCNSL Board. Our interviews have revealed that the support provided to other LNs is a divisive issue among the Network's business members. The question of whether the GCNSL should be an inward- or outward-facing network remains unresolved, and it needs to be addressed as an integral part of the development and implementation of a consistent

strategic vision for the network. One potential way to strengthen and deepen the support provided to selected other networks and to assuage members' concerns about the resources associated with such pursuits would be to explore the possibility of SDC providing ear-marked funding for specific projects aiming to support other networks in developing contexts.

## 84 Communication

Communications is an area where the GCNSL needs improvement, though it must be acknowledged that substantial improvements have already been made. The new communications specialist in the Secretariat has already contributed significantly to this. Though it is admittedly a very active network, not enough information is available regarding its actions and implemented programmes. The research has found that members find it difficult to access information regarding the programmes and actions available to them, and non-business members are not particularly aware of what the GCNSL does. Several interviewees mentioned that the website could be clearer about these aspects. One interviewee suggested video communication as a good means to engage with stakeholders, as practised lately due to pandemic restrictions. The newsletter is overall well-received.

Moreover, the research has found that the members and stakeholders (and of course the wider public) do not get enough information on relevant activities and initiatives implemented by the Swiss Federal Administration. Interview subjects noted that they would appreciate being kept up to date not only with upcoming GCNSL activities but also with activities implemented by GCNSL partners – including the Federal Administration –, as well as with foreseeable and upcoming changes in regulation.

GCNSL might also find that it is beneficial to the network itself if it were able and willing to provide support to its members in their efforts to communicate their progress and achievements pertaining to their sustainability commitment as members of the GCNSL. This form of communication could prove to be an advantageous communication strategy, both for the members and for the network.

In addition to an improved internet and social media presence, it is important for the GCNSL to ensure that its publications, and especially its annual reports, are clear, concise and coherent, with an easy-to-follow structure and containing all the relevant information. Previous annual reports have contained only a very brief outline of GCNSL's own CSR practices and policies; more detail and specifics could carry a significant amount of weight within these documents. It would be appreciated if the annual reports had a section on the actual impact the GCNSL's work on the member companies. This impact could be described in the form of narratives and anecdotes, as a systematic impact measurement process is not yet implemented.

As with most aspects of GCNSL's operations, the question of English as a working language affects its communication efforts as well. It must be noted that the website of the network, the first point of contact for potential new members, is itself only available in English. Ensuring that GCNSL documentation (policies, internal documents, training materials,



meeting agendas, minutes, annual reports, etc.) and publications are available in the Swiss local languages would clear an important hurdle for participants and other interested parties who do not operate on a global stage and therefore do not necessarily rely on English for their work and could potentially encourage more small and medium businesses to join the network.

Regarding the reporting to SDC and the Board, it would be important to align the reporting KPIs.

## 9 Conclusions

Overall, ecos has found that the GCNSL is an active, efficient and impactful network, which has contributed significantly to making sustainability and responsible business conduct in general and the Global Compact in particular household names in within the business community in Switzerland and Liechtenstein.

Under a competent, proactive, and responsive team, it has grown into a reliable partner for Swiss and Liechtenstein businesses and an ally for other local networks abroad. Both the survey and interviews yielded positive results; members are mostly satisfied with the GCNSL offerings and appreciate the network's approach. The network's role as a convening platform for companies was widely praised by all participants, who appreciate the fact that it creates a space for the sharing of knowledge and best practices and facilitating the contact between first and late movers in the field of responsible and sustainable business practices. As a global but locally anchored initiative, it offers its members a broader range of tools and resources than other networks sharing its purpose.

The support of the UNGC and the Swiss federal administration endows the GCNSL with significant visibility and credibility which, if used correctly, could allow it to play a prominent role in shaping sustainability policy and regulation upstream. However, this support may weigh the network down by making it less agile and less independent in its strategic choices. Diversifying the GCNSL's funding base and allowing its members to take ownership of the network by providing more of the funding required to run it would allow it to become more independent. At the same time, the strategic engagement with the Swiss federal administration is essential, as it ensures a strong focus on the cooperation with emerging local networks of the South and the East, making the GCNSL's impact more tangible.

Besides the lack of sufficient resources to match the network's level of ambition, the main issue currently impacting the GCNSL's performance is the lack of a coherent strategic vision developed jointly between the organisation's Bboard, members, and funding partners. This would allow the GCNSL to focus on achieving specific, long-term and high-impact goals. Without a finetuned and focused strategic vision, there is no clear outreach or expansion policy; should the GCNSL work more on penetrating the Swiss and Liechtenstein business community? Should it target SMEs or can it have a bigger impact by engaging with large organisations? Should it focus on attracting civil society organisations in a bid to grow into a multi-stakeholder network? Should it partner with sectoral associations to provide more sector-



specific support to its business members? Should it put more effort and resources into fostering partnerships with and providing support to other local networks in developing contexts? These are all controversial questions that remain open and must be dealt with by the organisation's governing bodies, as these strategic choices will determine the GCNSL's future direction, including its relationship with the Swiss federal administration and the SDC in particular.

The following recommendations could help the GCNSL address these issues.

## 10 Recommendations

Based on this evaluation process, and in response to the findings outlined above, ecos has formulated a series of recommendations concerning areas where GCNSL could improve its efficiency and broaden its impact. The six overarching recommendations, broken down into smaller, actionable tasks to allow for easier monitoring and implementation, are in one way or another a response to a certain lack of strategic focus which permeates the GCNSL's operations.

### 101 Focus on establishing a solid, coherent, actionable long-term strategic vision

As a basis for sharpening and focusing the GCNSL's strategic vision, it is essential above all to for the GCNSL Board and Secretariat to work together with SDC to harmonise the frameworks applicable to the network's functioning and operations. As noted above, the GCNSL Strategic Framework 2019-2022, the Logical Frame for the SDC-GCNSL Partnership 2019-2022 and the Annual planning 2020 are often overlapping but not sufficiently aligned. Clarifying the network's goals and key performance indicators will allow for better monitoring and progress tracking.

Allowing more time for strategic discussions in Board meetings could also contribute to this effort. The Secretariat could enable this by planning Board meetings in such a way that there is an allocated time slot for strategic planning and discussions and presentations from the working groups, and the Board as a governing body should work towards incorporating regular strategic discussions.

Another potentially valuable contributor to the strategic revision process could be the Stakeholder Council, a body that remains underdeveloped and whose function remains uncertain. By establishing and empowering such a Council, the Board and the Secretariat could help the GCNSL enhance its multi-stakeholder nature (and image) and could have a considerable impact on defining the network's strategic priorities.

## 102 Develop and communicate a coherent impact strategy

In addition to sharpening and refocusing the network's overall strategic goals, it would be important to further develop and communicate a coherent impact – and impact measurement – strategy.

Carrying out or commissioning an impact measurement study (which could be done by the Secretariat with the help of academic or consultancy partners) would enable the network to use the findings to improve its activities and achieve better results; it would also be invaluable from a communications standpoint, as it would allow the GCNSL to use the strength of its impact measurement to attract more members and to leverage more funding. Specific, measurable impact data could also inform and enrich the GCNSL's marketing and communications material.

Moreover, a benchmarking study could allow the members to see how their practices, challenges and improvements measure up to those of other members. This would motivate members to do better, and thus strengthen the GCNSL's impact on the core business activities of its members.

As a first step towards broadening the GCNSL's impact, the Secretariat would need to carry out or commission stakeholder mapping, in order to identify key stakeholders and develop, based on the outcome of the mapping process, a communication and collaboration approach. Stakeholder mapping would help the GCNSL prioritise among stakeholders, select the most relevant ones, and determine which ones need to be kept informed and which need to be actively involved, either as GCNSL non-business members, members of the future stakeholder council or in any other capacity. Formulating a coherent multi-stakeholder communication and collaboration approach would enable the GCNSL to broaden its cooperation with civil society.

Another area where the GCNSL could work towards expanding its impact is the target group of small and medium enterprises. The Board needs to develop a coherent and consistent approach to attracting and involving SMEs in its operations. As part of this rethinking, it is important to work on solidifying GCNSL's cooperation with initiatives and/or platforms with a particular focus on SMEs, like öbu, GwÖ or B Lab. Our research has shown that some members also belong to other networks, and do not think that these memberships are mutually exclusive.

Finally, the Board in association with the Programme Committee needs to decide on the role of GCNSL in developing contexts. The question seems to be controversial among GCNSL members, as there is no clarity regarding the need to collaborate with and offer support to other local networks. This is a matter of strategic priorities, which needs to be clarified by the GCNSL's governing bodies. However, the clarified strategy regarding the collaboration with other networks will also need to be communicated clearly to the GCNSL's members, in order to get them on board with the approach that is decided. Concrete impact measurement data

demonstrating the impact that the GCNSL has – or can have – in developing contexts would be crucial to fight the image problem of blue washing.

### 103 Strengthen the activities' focus on the impact strategy

Once an overall strategy, and an impact strategy in particular, has taken shape, the GCNSL will be able to adapt its services and the activities it organises and offers to its members, to ensure that they are aligned with that strategy.

Initially, the Secretariat could focus on strengthening its networking, peer-to-peer learning and mentoring offerings, which are greatly appreciated by the members. In the same vein, individual coaching and feedback are valuable resources that can be enhanced; the GCNSL could rely more on its expanding network of external experts to offer its members the bespoke individual support that they need, including when it comes to dealing with the ever-changing sustainability regulation landscape.

In order to remain focused on the GCNSL's long-term impact targets, the Secretariat should avoid ad-hoc distractions; though the flexibility and responsiveness of the Secretariat when it comes to providing training on various topical issues upon the members' request, more impact could be achieved by focusing on the network's strategy and ensuring that its most prominent activities are aligned with it. External experts can be added for trainings. However, the ad hoc Dilemma Dialogues should be maintained, as they are greatly appreciated by the vast majority of interviewed and surveyed members.

Depending on the strategic decision on the GCNSL's cooperation with civil society organisations – and informed by the results of a potential stakeholder mapping process – the Secretariat ought to consider enriching its services offering by adding relevant and targeted services to its non-business members. That offering is currently scant, and interviewed non-business members were unsure as to what the GCNSL had to offer them. Designing activities specifically targeted to them could significantly enhance their engagement and commitment.

Finally, as the network grows it ought to become possible to focus more on sector-specific services. As members pointed out during the interview process, sustainability requirements differ greatly from sector to sector, and more specialised training – in association, perhaps, with sectoral trade associations, could potentially be more useful to participants from a practical point of view.

### 104 Motivate members to work within a coherent outreach framework

Defining a clear outreach and impact strategy is the first step, but it is also important to motivate members and ensure they are willing to work within a coherent outreach framework. It was evident during our interview process that some of the GCNSL's outreach efforts (such as

towards civil society organisations, or towards other local networks) are met with scepticism by many – mostly business – members, who question the relevance of such approaches. Discussing and promoting the network's outreach strategy to ensure that all members are on board is crucial to that strategy's success. Both the Board and the Secretariat can work on promoting that strategy in such a way that it is fully understood and adopted by the network's members.

This approach would allow the GCNSL to get its members to rally behind its outreach efforts and ensure that they are committed to the same objectives as the network and the SFA. It would also help members to understand that any funding they provide for specific activities or projects cannot come with strings attached, if those strings are at odds with the GCNSL's outreach and impact strategy.

## 105 Focus, delegate, and create a space for strategic vision

On an operational level, tweaking a few details would allow more focus, more efficient delegation and more space for establishing and implementing the network's strategic vision.

With regard to the GCNSL Board, adding standing agenda items focused on strategy and establishing an annual plan for Board meetings would ensure that strategic, long-term planning is at the forefront of the Board's work through the year. Actively engaging working groups regularly in Board meetings would also give the Board a better overview and more insight into the most pressing – or the most important, in the long or medium term – issues that require the Board's attention.

Even though the cooperation between Board and Programme Committee has increased in clarity over the years, more distance between the two bodies is advisable. Clarifying the working procedures of the Programme Committee and eliminating any excessive overlaps with the Board could allow both of these bodies to have the critical distance required to work more efficiently together.

The Secretariat could also work more efficiently by focusing on delegating and sharing responsibility. This would relieve the Executive Director of a certain amount of operational and organisational tasks, and allow the holder of that post to focus more on planning and implementing the GCNSL strategic vision.

Moreover, it would be important to add more detail to the GCNSL annual reporting. This includes both the Annual Reports and the reports submitted to the SFA. These already provide a good outline of the GCNSL's activities, but they could be improved by including specific impact measurement data and a more compelling narrative. Moreover, annual reports are not very easily accessible to members or easy to find on the GCNSL website. Ensuring they are easily accessible and widely disseminated would enhance the GCNSL's credibility.

Finally, using English as a working language is a potential barrier to the effective participation of, and communication with, GCNSL members. Even the website, first point of contact for potential members and main information portal for current members, is not available

in any other language. As the linguistic context in Switzerland and Liechtenstein is so particular, it would be advisable to consider making at least the website, the annual reports, and other essential materials available in at least some of the local languages. This also applies to the GCNSL offering of events and resources; providing access to more French, German or Italian-speaking resources and events could enhance the impact of the GCNSL offering. In any case, as there is already a limited number of services provided in languages other than English, it would be helpful to allow potential participants to filter for activities by language on the GCNSL website (under <https://www.globalcompact.ch/events>).

## 106 Rethink resources

Rethinking the network's financial and human resources would be an essential step towards implementing the recommendations outlined above. This would involve additional member contributions, reconsidering the allocation of resources within the network, and working towards becoming more self-sufficient in preparation for the disengagement of the Swiss federal administration down the line.

As a more elaborate SME outreach strategy is developed (see above), it ought to be accompanied by a Board decision on resource allocation towards SME members with limited resources. The GCNSL already provides significant support by funnelling contributions from larger business members to cover the needs of SMEs, but this effort needs to be better communicated and associated with a clear SME outreach strategy. It would be advisable to put additional effort to coordinate with other initiatives and networks.

In addition to this, the GCNSL can start diverting member contributions towards staff and operational expenses, as well as long term programmes. As the GCNSL works towards becoming self-sufficient, this would reduce its reliance on federal funding, and would allow members to take more ownership of the network.

However, it is not only the financial resources that need to be diversified and expanded; the network's human resources could also be increased. Adding more staff members could allow for more efficient task-sharing and delegation. This could include hiring a staff member specifically tasked with CoP monitoring and capacity building. Adding regional offices in French-speaking Switzerland, would also be an option; such a step would obviously require additional staff and resources, so it is a step that would need to be carefully evaluated by the Board and the Secretariat.

Finally, in order to ensure better representation, the Board would be advised to work towards adding representatives in and from Liechtenstein and Ticino.

## 107 Observations and Suggestions addressed to the SDC

In line with chapter IV of the ToR, the evaluation team has also made some observations and formulated a few suggestions addressed to the SDC (and the Swiss Federal Administration in general) regarding the cooperation with private sector engagement platforms in Switzerland.

**Relevance and effectiveness of B Lab and Gemeinwohlökonomie, Synergies with GCNSL**

The lack of cooperation and competitive style of communication between SDC-funded initiatives, mainly between B Lab and GCNSL, is evident. Interestingly, the cooperation between öbu and GCNSL seems to be stronger compared to that between GCNSL and B Lab and GwÖ. The main point of contention is these organisations' cooperation with SMEs; here lies the greatest overlap.

B Lab's Swiss Triple Impact programme is seen as relevant for raising awareness of the SDGs and the 2030 Agenda in Switzerland. However, its contribution to impact measurement seems to be limited. In the document "Annual Planning GCNSL 2021 Evaluation 2021" it is stated that STI does not strongly contribute to GCNSL's measurement activities. In general, the cooperation with B Lab seems to be generally viewed with some reservation, even though a Memorandum of Understanding (MoU) with STI has been signed.

GwÖ has a very different approach from GCNSL, especially regarding their wording and communication style; that of GwÖ is judged as less appealing to large corporations and more adequate for SMEs with a purpose-driven business model. Consequently, GwÖ and GCNSL are not in direct competition and share a common vision. According to the agreement between SDC and GwÖ, GwÖ focuses on small SMEs, associations, communities, and educational institutions. The "Gemeinwohlbilanz" is a standard which is regarded as transparent and impactful. Its transparent assessment guideline is publicly available. In this sense, it is a stricter assessment level than the SDG Action Manager. The GwÖ could cater to the smaller SMEs by awarding a confirmation of participation at its webinars.

Other alternative platforms which could be relevant for SDC funding are Swiss Sustainable Finance, öbu, WBCSD, Circular Economy Switzerland, Shift Switzerland and the Sustainable Development Solutions Network Switzerland (SDSN). The latter mobilises universities, research centers, civil society organisations, business and other knowledge centres to create and implement transformative solutions to achieve the aims of the 2030 Agenda and the Sustainable Development Goals in Switzerland and beyond. They were a main driver in setting up a parliamentary working group on the SDGs in November 2021.

Öbu supports company representatives in integrating sustainable management into their corporate strategy and implementing it in order to make their organisation more competitive and fit for the future. There already is a strong cooperation between GCNSL and öbu.

Swiss Sustainable Finance is the leading actor in sustainable finance with a broad membership from the financial sector. As the Finance sector was singled out as a critical sector, this would be a fitting partner to interact with.

Shift Switzerland and Circular Economy Switzerland focus on circular economy and could play an indirect role on the supply chain, as circular economy reduces risks and enforces collaboration in supply chains. It would be advisable for the SDC to think about their strategy concerning circularity.

**Adequate way of reaching RSBP abroad and mobilising for the 2030 Agenda**

Through its participation in the GCNSL, the SDC reaches its goal of having direct contact with Swiss and Liechtenstein business actors. Nevertheless, there is no data available to measure the real impact of reaching RSBP abroad. With the introduction of the new CoP system, a first step in improving transparency is made, but certifications and real impact measurement are out of the scope of the UNGC. Therefore, it would be advisable for the SDC to engage actively with the alignment and strengthening of certification systems as long as there is no stricter law on responsible business conduct, which would achieve much broader impact. SDC could get involved in a standard alignment process, such as the one carried out for the global infrastructure sector by the Global Infrastructure Basel Foundation with the support of the World Bank and the European Bank for Reconstruction and Development, or add impact measurement as the strategic focus of funding requirements. This would enhance the measurement of RSBP of GCNSL business members in developing contexts.

To generate more impact, the SDC could earmark funding to be used towards the cooperation of the network with local networks in developing countries and emerging economies for specific activities and programmes with clear results and impact.

### **Cooperation with SECO, PHDR**

The cooperation between the representatives of the SDC, SECO and PHDR appears to be well aligned internally. The partners coordinate their work very well. From an external point of view, the alignment could be communicated better. The SDC is closely involved in the Programme Committee of the GCNSL, which is a good way to influence the strategic work of the GCNSL. Nevertheless, there could be a risk in getting too close to the project and not maintaining a critical distance.

Moreover, it will be important to align the next SDC/GCNSL contract with the future GCNSL Strategic Framework and the UNGC strategy.

### **Enhancing outreach to Swiss companies**

SDC could use the outreach to companies through the network to directly cooperate with businesses in developing new business models, such as circular economy ones, to reduce mining activities in general. This would be an innovative approach to reducing child labour.

A new way to directly cooperate with companies is “developpp”,<sup>9</sup> a programme used by GIZ. Under this programme, companies wishing to invest sustainably in a developing or emerging country and expand their operational activities locally can receive financial and technical support. These activities could include training local professionals, improving

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<sup>9</sup> <https://www.developpp.de/>



environmental and social standards in the supply chain, or coming up with innovative business ideas to improve the livelihood of people living in developing contexts.

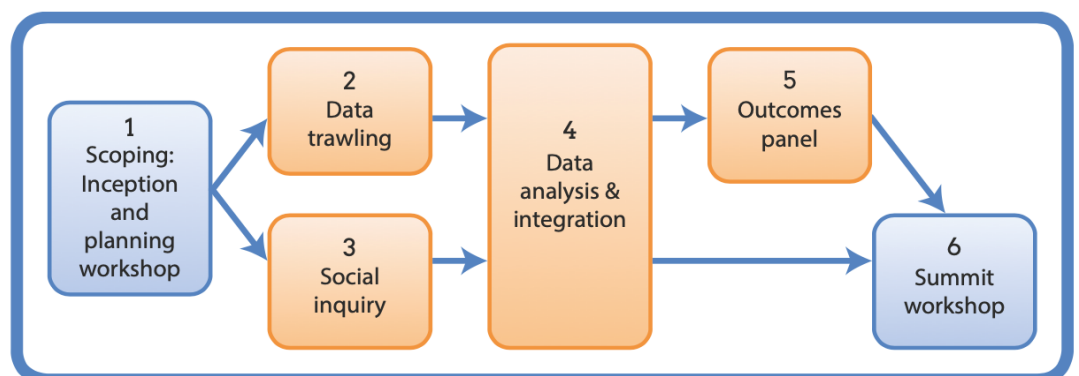
## 11 Annexes

### 111 Methodology

The evaluation was based on a combination of two impact evaluation approaches: Collaborative Outcomes Reporting (COR) and Contribution Analysis (CA). Additionally, a document-based governance analysis to assess the efficacy of the GCNSL governance, decision-making processes and level of transparency has been carried out.

COR is a “participatory approach to impact evaluation based around a performance story that presents evidence of how a programme has contributed to outcomes and impacts [...]”<sup>10</sup>. COR includes the logic of CA that consists of verifying the Theory of Change (ToC) of the evaluated programme, paying attention to other factors that may have influenced the outcomes (unanticipated outcomes), to provide reasonable evidence about the contribution being made by this program. This iterative, mixed-methods approach is adequate in situations where the programme has been designed based on a ToC or logframe and implemented based upon this, with emergent and complex outcomes or impacts, and where the participation of key stakeholders and programme staff is desired to ensure capacity building and performance improvement.

In the following, the steps of the methodology are outlined. They are illustrated in the following graph, which shows the typical process of a COR. In our case, the COR is slightly simplified, omitting step 5 (“outcomes panel”).



**Figure 9: Steps of a Collaborative Outcomes Reporting**

<sup>10</sup> <https://www.betterevaluation.org/plan/approach/cort>



At the inception meeting on the 20 September 2021, interactive facilitation methods were used to ensure that the perspectives and knowledge of all participants were considered. By this means,

- the programme logic or ToC was clarified, including results chain, assumptions behind the links in the chain, the risks to those assumptions (plausibility of causal links), and other factors that may influence the outcomes (unanticipated outcomes),
- evaluation questions were defined and reduced, focusing on those where robust results could be expected with reasonable effort,
- the information required was identified, including sources of information and procedures for data collection.

After the inception meeting, a short inception report was prepared, as outlined in the ToR.

**2) Data trawl:** A literature research and discussions with programme managers were carried out with the aim to gather:

- Evidence on results and activities,
- Evidence on the implementation of the program as planned,
- Evidence on other influencing factors.

The collected data was used to assemble and to critically assess the contribution story. In parallel, a **governance analysis** was carried out by reviewing official documents, such as the GCNSL statutes or codes of conduct, and by asking clarifying questions to programme managers.

**3) Social inquiry:** An online survey addressing GCNSL member companies and other stakeholders with an external view on GCNSL's work, as well as interviews with 20 experts were carried out to gather additional evidence on the contribution story. This combination of quantitative and qualitative methods helped to gather statistical evidence (survey results) on certain questions, and to gather statements providing some background and potential explanations of the survey results (interview statements).

The survey was run from 13 to 26 October 2021 as an online survey on survey-monkey.de. It was addressed to all GCNSL members. Forty-four persons completed the survey, resulting in a response rate of 17.5%. This is a somewhat good response rate. However, higher response rates were achieved with other surveys among GCNSL members. According to GCNSL programme managers, there is some fatigue among members due to a high number of requests for survey participation that they are facing in general.

Firms in the sample belong to a wide range of industries and can be categorised into 32% SME and 68% large organisations. 86% of participants indicated that they are business members, and 14% are non-business members. This corresponds well to the general GCNSL member distribution, so we can assume a certain degree of representativeness of the survey. However, representativeness is limited due to the small number of survey participants, and reflections about survey results should take this into account.

The expert interviews were carried out as planned. Twenty persons were interviewed for 30 to 45 minutes. Four persons were interviewed in two group interviews with two persons each to increase the efficiency. A wide variety of opinions from different stakeholder groups was captured. However, internal views on the GCNSL programme prevail, as 11 out of the 20 interviewees are closely linked to the GCNSL, either as programme managers, funders, or Board members. This choice was justified by the necessity to interview persons with a profound knowledge of the GCNSL. Moreover, the choice of interview partners was supported by GCNSL programme managers. Therefore, there is the risk of a bias towards positive opinions which has to be taken into account while interpreting the evaluation results.

**4) Data analysis and integration:** Quantitative and qualitative data, resulting from the initial literature search and discussions, the online survey, and the expert interviews, were analysed together, using statistical methods (online survey) and a simplified, pragmatic qualitative content analysis (expert interviews). The aim was to revise and strengthen the contribution story and to develop recommendations for the future programme strategy and its implementation.

**5) Summit workshop:** At a summit workshop on the 16 November 2021, key findings and recommendations were presented and reviewed, giving room to discuss rival hypotheses that could explain the data. Programme managers, funders, and members of the GCNSL Board participated.

After the workshop, the evaluation report was prepared.

A detailed list with all evaluation questions has been delivered as excel file together with the inception report. Therefore, the questions will not be included here.

## 112 List of Interviewees

Interview group	Person	Function, Organisation
Group 1: Swiss Federal Administration	Christian Frutiger	Head of Global Cooperation, SDC
	Guido Beltrani	Competence Center for the Engagement with the Private Sector (KEP), SDC
	Christian Disler	Policy Advisor, SDC
	Natasha Fröjd	AWN
	Alexander Kunze	SECO
	Rémy Friedmann	PHRD
Group 2: GCNSL Secretariat	Antonio Hautle	Executive Director, GCNSL Secretariat
	Alice Harbach-Forel	Project Manager, GCNSL Secretariat
Group 3: GCNSL Board & Members	Ruth Blumer	President of the GCNSL Board
	Matthew Kilgariff	Vice-President of the GCNSL Board, Chair of Programme Committee
	Ursula Finsterwald	Member of the GCNSL Board

	Melchior Lengsfeld	Helvetas, non-business member of GCNSL
	Catherine Bagnoud	Caran d'Ache, SME member of GCNSL
Group 4: Implementing Partners	Jonathan Normand	CEO, B Lab
	Ralf Nacke	Member of the Board, GwÖ Switzerland
Group 5: UNGC	Ole Lund Hansen	Executive director, UNGC copenhagen office, representative of UNGC in Europe
Group 6: Civil Society & Academia	Laurent Matile	Senior Policy Advisor, Alliance Sud
	Prof. Dr. Christine Kaufmann	Professor, ETH Zurich
Group 7: Private Sector Associations	Julia Burkhalter <sup>11</sup>	SwissHoldings
Group 8: Local GC Chapters	Shahamin Zaman	UNGC Bangladesh

## 113 Assessment Grid

### Assessment grid (version July 2021)

**Note:** this assessment grid is used for evaluations and internal assessments of SDC or SECO financed projects and programs (hereinafter jointly referred to as an "intervention"). It is based on the OECD Development Assistance Committee evaluation criteria.<sup>1</sup> If specific results are not yet measurable at the time of the assessment, it requires analysing the likelihood of achieving impact and sustainability. All applicable sub-criteria should be scored and a short explanation should be provided. Additional sub-criteria may be added.

Select the corresponding number (0-4) representing your rating of the sub-criteria in the column "score": 0 = not assessed; 1 = highly satisfactory; 2 = satisfactory; 3 = unsatisfactory; 4 = highly unsatisfactory

- **Highly satisfactory (HS)** – there were no shortcomings in relation to the intervention's relevance, coherence and efficiency; the objectives at outcome level were fully achieved or exceeded and are likely to have a significant impact, which will be sustained in the future.
- **Satisfactory (S)** – There were moderate shortcomings in relation to the intervention's relevance, coherence and efficiency. Most intended objectives at outcome level were achieved (or for mid-term: are likely to be achieved). The likelihood of achieving intended impact or sustainability of the intervention's benefits is reasonable.
- **Unsatisfactory (U)** – There were important shortcomings in relation to the intervention's relevance, coherence and efficiency, in the achievement of its objectives (N.B. if outputs are achieved, but do not result in the expected outcomes, consider rating relevance and/or effectiveness as unsatisfactory). The likelihood of achieving intended impact or sustainability of the intervention's benefits is questionable.
- **Highly unsatisfactory (HU)** – There were very severe shortcomings in relation to the operation's relevance, coherence and efficiency. Intended objectives have not been achieved, achievement of intended impact or sustainability of benefits are highly unlikely.
- **Not assessed (na)** – The criteria statement cannot be assessed. Please explain and provide details in the justifications section.

Title of the evaluated intervention: SDC's contribution to the Global Compact Network Switzerland and Liechtenstein

Evaluation type: External evaluation

Evaluator(s): ecos, Katharina Schneider-Roos, Hedwig Scharlipp, Vicky Vouleli

Date of the evaluation: 08.12.2021

<sup>1</sup> For more guidance see: Better Criteria for Better Evaluations, Revised Evaluation Criteria, Definitions and Principles for Use, OECD/DAC Network on Development Evaluation, 2019.

<sup>11</sup> Instead of Denise Laufer, as outlined in the inception report.

Key aspects based on DAC criteria	Score	Justification (Provide a short explanation for your score or why a criterion was not assessed)
<b>Relevance</b> <i>Note: the assessment here captures the relevance of objectives and design at the time of design and at time of evaluation</i>		
1. The extent to which the objectives of the intervention respond to the needs and priorities of the target group.	2 - satisfactory	Swiss private sector's (Multinationals and SMEs) needs are met. The needs of the SME's might be less met than the needs of Multinationals.
2. The extent to which the objectives of the intervention respond to the needs and priorities of indirectly affected stakeholders (not included in target group, e.g. government, civil society, etc.) in the country of the intervention.	3 - unsatisfactory	The needs of civil society are not met adequately. The needs of the government are met (satisfactory).
3. The extent to which core design elements of the intervention (such as the theory of change, structure of the project components, choice of services and intervention partners) adequately reflect the needs and priorities of the target group.	2 - satisfactory	There are certain elements which could be strengthened, like the outreach to non-business members, formats for C-Suite, etc.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
<b>Coherence</b>		
4. Internal coherence: the extent to which the intervention is compatible with other interventions of Swiss development cooperation in the same country and thematic field (consistency, complementarity and synergies).	3 - unsatisfactory	There is a lack of consistency between GCNSL and B Lab, GWÖ funding.
5. External coherence: the extent to which the intervention is compatible with interventions of other actors in the country and thematic field (complementarity and synergies).	3 - unsatisfactory	Cooperation with other networks is not complementary. There are overlaps with obu and B Lab. Partnerships are sought but not always implemented in a coherent way.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
<b>Effectiveness</b>		
6. The extent to which approaches/strategies during implementation are adequate to achieve the intended results.	2 - satisfactory	Approaches and strategies should be rethought and aligned.
7. The extent to which the intervention achieved or is expected to achieve its intended objectives (outputs and outcomes).	2 - satisfactory	The business membership has grown, but there are some aspects concerning cooperation with cantons and NGOs, which have not been fully achieved.

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Key aspects based on DAC criteria	Score	Justification (Provide a short explanation for your score or why a criterion was not assessed)
8. The extent to which the intervention achieved or is expected to achieve its intended results related to transversal themes.	2 - satisfactory	There is a gender policy and a good governance structure.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
<b>Efficiency</b>		
9. The extent to which the intervention delivers the results (outputs, outcomes) cost-effectively.	2 - satisfactory	The team works very efficient. There could be a better alignment with other experts and actors in the field.
10. The extent to which the intervention delivers the results (outputs, outcome) in a timely manner (within the intended timeframe or reasonably adjusted timeframe).	1 - highly satisfactory	The outputs are achieved
11. The extent to which management, monitoring and steering mechanisms support efficient implementation.	2 - satisfactory	The management and steering mechanisms work well. There could be additional coherence on the KPI level to improve monitoring.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
<b>Impact</b>		
12. The extent to which the intervention generated or is expected to generate 'higher-level effects' as defined in the design document of the intervention. <i>Note: when assessing this criterion, the primary focus is the intended 'higher-level effects'. In the event that significant unintended negative or positive effects can be discerned, they must be specified in the justification column, especially if they influence the score.</i>	0 - not determined	<i>The implementation of responsible and sustainable business practices reduces negative impacts and enhances positive effects of Swiss business, notably on poorer and vulnerable population groups in developing contexts. - There is no data to verify the achievement of the "real implementation of those practices and the impact in developing contexts.</i>
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
<b>Sustainability</b>		
13. The extent to which partners are capable and motivated (technical capacity, ownership) to continue activities contributing to achieving the outcomes.	1 - highly satisfactory	The efficiency and engagement of the secretariat of the GCNSL was highly praised by all interview partners.
14. The extent to which partners have the financial resources to continue activities contributing to achieving the outcomes.	2 - satisfactory	There are sufficient financial resources but the future after SDC's exit is not fully planned for. There should be additional fundraising for additional member contributions.

3/4

Key aspects based on DAC criteria	Score	Justification (Provide a short explanation for your score or why a criterion was not assessed)
15. The extent to which contextual factors (e.g. legislation, politics, economic situation, social demands) is conducive to continuing activities leading to outcomes.	1 - highly satisfactory	The topic of RBC is highly important to the public, even though the Responsible Business Initiative was not accepted and there is no Climate law so far. There are topics within the counterproposal which will need guidance and trainings by GCNS, which is positive for GCNSL...
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.

Additional information (if needed): Click here to enter text.

# 114 Inception Report



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## 1. Conceptual Framework & Methodology

### Conceptual Framework

We propose an evaluation methodology that **combines** the **Collaborative Outcomes Reporting (COR)** with **Contribution Analysis (CA)** approaches to ensure a pragmatic yet robust implementation. Additionally, we suggest a document-based **governance analysis** to assess the adequacy and efficacy of the GCNSL governance, decision-making processes, and level of transparency.

COR is a “participatory approach to impact evaluation based around a [contribution] story that presents evidence of how a program has contributed to outcomes and impacts [...]”\*. COR includes the logic of CA that consists of verifying the Theory of Change (ToC) of the evaluated program, paying attention to **other factors** that may have influenced the outcomes, to **provide reasonable evidence about the contribution being made by this program**. This iterative, mixed-methods approach is ideally suited to situations where the program has been designed based on a ToC or logframe and implemented based on this, where outcomes or impacts are emergent and complex, and participation of key stakeholders and program staff is desired to ensure capacity building and performance improvement.

\*<https://www.betterevaluation.org/plan/approach/cort>

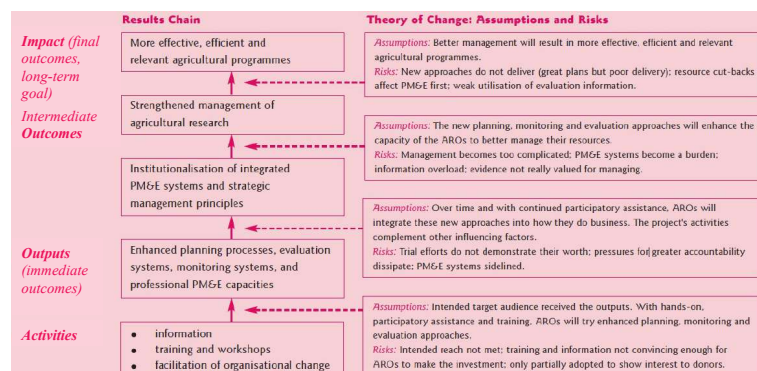
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## 1. Conceptual Framework & Methodology

### Conceptual Framework

**Evaluation process:** identify the **expected contribution (contribution story)** of the entities to be evaluated by verifying the Theory of Change (ToC) that the program is based on and determining other factors that may influence the outcomes. This provides reasonable evidence about the contribution being made by the program. A ToC consists of a results chain starting from activities that lead to immediate outputs, intermediate outcomes and long-term impacts, and the assumptions that underlie each step in the results chain.

Example of a Theory of Change, [betterevaluation.org](http://betterevaluation.org).



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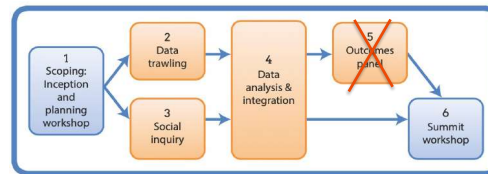


## 1. Conceptual Framework & Methodology

### Methodology

- 1) **Scoping:** identify the expected contribution of the entities to be evaluated (GCNSL logframe, strategic framework...)
- 2) **Data trawl:** assemble and critically assess the contribution story, carry out the governance analysis
- 3) **Social inquiry:** gather additional evidence on the contribution story
  - online survey addressing all GCNSL members
  - around 18 expert interviews (internal & external perspectives)
- 4) **Data analysis and integration:** using statistical methods (online survey) and a simplified, pragmatic qualitative content analysis (expert interviews). The aim is to revise and strengthen the contribution story and to develop recommendations for the future program strategy and implementation.
- 5) **Summit workshop:** key findings and recommendations will be presented and reviewed, giving room to discuss rival hypotheses that could explain the data. Afterwards: Preparation of the evaluation report.

In our case, the COR is slightly simplified, omitting step 5 «outcomes panel».

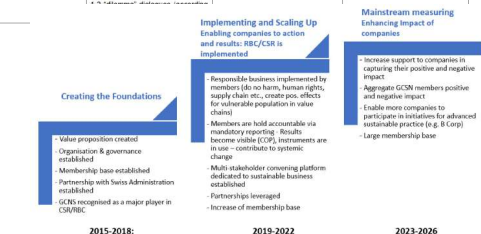
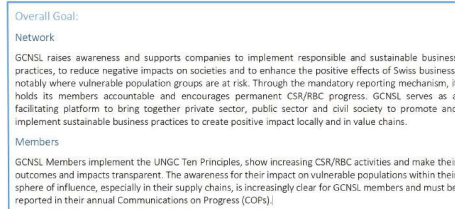


## 1. Conceptual Framework & Methodology

### Scoping: Identify the Expected Contribution of GCNSL

We will focus on GCNSL's strategic framework 2019-2022 as base for the evaluation. This will help us to identify planned activities, outcomes and impacts, which will guide the comparison of target and actual. One of the outcomes of the evaluation process will be a recommendation for the clarification of the framework.

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	
<b>Impact (Overall Goal)</b>	<b>Impact Indicators</b>		
The implementation of responsible and sustainable business practices reduces negative impacts and enhances positive effects of Swiss business, notably on poorer and vulnerable population groups in developing contexts.			
<b>Outcomes</b>	<b>Outcome Indicators</b>		<b>External Factors (Assumptions &amp; Risks)</b>
<b>Outcome 1</b> The GCNSL is consolidated as a convening platform for sustainable business and engages as a credible broker between business and other stakeholders on sustainable development and on the SDG.	The active membership base has grown and is more diversified (more SME), NGO sector and academia engage on a regular basis with GCNSL.	Yearly updated membership list Corresponding documents (minutes, GCNSL yearly report)	Incentives and interest of business, in particular SME, to engage Political Willingness of NGO to engage
<b>Outcome 2</b> Responsible and sustainable business frameworks and practices are promoted by strategic partners of the GCNSL, and are increasingly implemented by members.	Strategic partners actively engage in researching sustainability frameworks with the GCNSL. Members show increased dedication to sustainable development and implementation of sust. practices has increased.	Corresponding documents Sustainability reports of members, additional documentation provided by businesses	Academia is increasingly interested and engaging in this field Businesses truly engage in integrating sustainability into their operations



Snapshots from GCNSL's strategic framework 2019-2022



## 1. Conceptual Framework & Methodology

Scoping: Simplified Contribution Story for the Evaluation Purpose

**Impact/long-term goal:** The aim of GCNSL is to reduce the negative and to increase the positive effects of Swiss businesses, notably on poorer and vulnerable population groups in developing contexts, according to the SDGs, the 10 UNGC principles and other international frameworks.

### How? (GCNSL's contribution)

- By establishing a vibrant multistakeholder convening platform for the promotion & support of sustainable business: stronger collaboration, better knowledge transfer, more implementation partnerships, advocacy for RBC/CSR.
- By offering trainings, exchange, consulting and monitoring instruments to support the implementation of RBC/CSR\* by member companies.
- By holding members accountable via mandatory reporting (Communication on Progress, COP).

\*RBC = Responsible Business Conduct, CSR = Corporate Social Responsibility

## 1. Conceptual Framework & Methodology

Scoping: Assumptions (from GCNSL's strategic framework and the evaluators' first impressions) on how GCNSL's contribution is happening – to be verified during the evaluation

1. GCNSL members are mostly companies operating in developing and fragile contexts, with global value chains.
2. More members means more impact.
3. The UNGC mandatory reporting mechanism motivates businesses to implement RBC/CSR practices throughout their value chains based on the UNGC Ten Principles.
4. GCNSL feedback to the mandatory reports helps companies to improve their sustainability performance.
5. A multistakeholder platform creates synergies that help to advance a common goal.
6. A multistakeholder platform guarantees transparent governance.
7. Peer-to-peer-learning and interdisciplinary exchanges help to overcome barriers to RBC/CSR.
8. GCNSL offers trainings and tools adapted to the needs of SMEs.
9. RBC/CSR activities of member companies effectively reduce negative and enhance positive effects with regard to the SDGs and the related 2030 Sustainable Development Strategy of the Swiss Federal Council, the UNGC Ten Principles, the OECD Guidelines for Multinational Enterprises, or other frameworks like the National Action Plan on Business and Human Rights (NAP) and the CSR Action Plan of the Swiss Federal Council.
10. The credibility and international reputation of UNGC is an incentive for companies to become members and implement RBC/CSR practices.
11. The GCNSL can leverage knowledge from other local chapters around the world.
12. The 10 UNGC principles and membership at GCNSL allow a low threshold of entry into RBC/CSR activities and therefore attract companies that wish to enhance their sustainability reputation with manageable effort.
13. Starting with minimal RBC/CSR activities helps fuel interest and increase know-how regarding this topic, leading to a growing commitment to RBC/CSR among and within member companies.

## 1. Conceptual Framework & Methodology

Scoping: Risks (from GCNSL's strategic framework and the evaluators' first impressions) to GCNSL's contribution – to be verified during the evaluation

1. UNGC member companies are involved in scandals, damaging the credibility of UNGC and GCNSL.
2. The UNGC new strategy and GCNSL's proposals fail to attract new Swiss members.
3. The new fee structure endangers the existence of the UNGC and GCNSL.
4. UNGC membership is used for greenwashing/bluewashing purposes and fails to induce substantive RBC/CSR action among its members.
5. A growing number of sustainability initiatives and platforms in Switzerland is reducing GCNSL's visibility and influence.
6. GCNSL member companies are committed to RBC/CSR anyway ("first movers"). GCNSL fails to attract "late movers" and SMEs without resources for RBC/CSR activities.
7. Reporting according to the SDGs and the UNGC Ten Principles is a source of confusion.

## 1. Conceptual Framework & Methodology

Scoping: Other influencing factors (from GCNSL's strategic framework, its annual report 2020, and the evaluators' first impressions) – to be verified during the evaluation

1. Public and political debates regarding RBC/CSR of Swiss companies abroad, notably in developing countries, have gained momentum (Agenda 2030, Responsible Business Initiative, climate politics, Fridays for Future...). There is a growing public interest for RBC/CSR in Switzerland and Liechtenstein. Companies are under critical public observation. If they improve their performance and disclosures, this will be an advantage for them. (+)
2. Swiss climate policy failure is a step back and lowers incentives for RBC/CSR engagement. (-)
3. The global pandemic is causing severe economic problems that might lead to dropouts of members and reduced RBC/CSR engagement of some members. (-)
4. Respect for human rights is declining worldwide. (-)
5. Political instability is increasing, dictatorships (Asia, Russia, Belarus...) are on the rise. (-)

In brackets: assumed effect on the impact GCNSL is aiming to contribute to.

## 2. Evaluation Questions

See Excel file "data collection framework"

How to read the "data collection framework" excel file:

- Column A: categories aligned with the Theory-of-Change-levels
- Column B and C: categories from SDC's Terms of Reference (ToR) for the evaluation
- Column D: final evaluation questions, either taken from the ToR, or adapted and transformed into different wording
- Column F to M: an "x" indicates the interview partner group(s) the respective question(s) are addressed to (see interview partner groups on next slides or on 2<sup>nd</sup> excel sheet).

### 3. Interview Partners

Group	Person	Organisation/Function
Group 1: Swiss Federal Administration	interview 1	Christian Frutiger
	interview 2	Guido Beltrani
	interview 3	Christian Disler
	interview 4	Natasha Fröjd
	interview 5	Alexander Kunze
Group 2: GCNSL Secretariat	interview 6	Antonio Hautle
	interview 7	Alice Harbach-Forel
Group 3: GCNSL Board & Members	interview 8	Ruth Blumer
	interview 9	Matthew Kilgariff
	interview 10	Ursula Finsterwald
	interview 11	Melchior Lengsfeld
	interview 12	Catherine Bagnoud
Group 4: Implementing Partners	interview 13	Jonathan Normand
	interview 14	Ralf Nacke
Group 5: UNGC	interview 15	Ole Lund Hansen
	interview 16	Laurent Matile
Group 6: Civil Society & Academia	interview 17	Christine Kaufmann
Group 7: Private Sector Associations	interview 18	Denise Laufer
Group 8: Local GC Chapters	interview 19	Ms. Shahamin Zaman

The originally agreed number of 15 interviews was raised to 18 to accommodate as many and diverse views as possible. 2 interviews are planned as group interviews (2 persons each). Duration: 30 minutes are scheduled for the individual interviews, 45 minutes for the group interviews.

### 4. Timeline

After the inception meeting, we will send out a doodle to find the date of the summary workshop out of these 3 options:  
 3.11., 9:30-12:00  
 15.11., 14:00-16:30  
 16.11., 9:30-12:00

Month	August	September	October	November	December
calendar week					
Award of contract					
Signing of contract					
Submission of written documentation to consultants					
Inception meeting		20.9.			
Preparation of a short inception report					
Execution of evaluation (desk study, online survey, interviews)				23.9.-29.10.	
Summary workshop				3., 15., or 16.11.	
Preparation of the draft evaluation report					25.11.
Written feedback on draft evaluation report by the SDC and GCNSL					2.12.
Final evaluation report					8.12.

## 5. Key Take Aways from the Inception Meeting

- The participants agree with the evaluation methodology.
- It is preferable to avoid using the acronym "GCNSL" in interviews; it is best to use "Global Compact Switzerland and Liechtenstein" (for convenience, we will use "GCNSL" throughout the inception and evaluation report).
- There is a difference in membership between the UNGC and the GCNSL, which is a business association.
- 60% of GCNSL's members do not have value chains in fragile and developing regions. GCNSL is not active in developing countries. Add focus on GCNSL's influence on Eastern European and border countries (Austria, Germany) during the evaluation.
- Credibility of GCNSL is more relevant than before, there is a serious risk of scandals of member companies.
- NGO criticism of GCNSL: not enough sanction mechanisms to hold member companies accountable on RBD/CSR.
- For the moment, GCNSL is not a proper multi-stakeholder initiative, as NGOs are not part of the governance. Needs reflection during evaluation.
- Bluewashing sometimes is a topic of concern among GCNSL members.
- There is a need to point out clearly the connection between the UNGC Ten Principles and Agenda 2030/SDGs.
- There are competing initiatives. Competition is perceived as positive.
- Besides the UNGC Ten Principles, the following frameworks are relevant for GCNSL (and vice versa): Agenda 2030/SDGs, 2030 Sustainable Development Strategy of the Swiss Federal Council, the National Action Plan on Business and Human Rights (NAP), OECD Guidelines for Multinational Enterprises, and the CSR Action Plan of the Swiss Federal Council.
- The new membership fee and management will allow the organization to distinguish between members who only want the name from the ones who are really involved.
- Peer-to-peer learning is the most important and most appreciated part provided by GCNSL.

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## **Management Response to the External Evaluation regarding SDC's contribution to the Global Compact Network Switzerland and Liechtenstein and related initiatives**

### **I. Introduction**

In the summer of 2021, the Analysis and Policy Division (A&P) at SDC Head Office commissioned an external evaluation of its ongoing contribution to the Global Compact Network Switzerland and Liechtenstein (hereafter GCNSL or "the Network"). Based on an invitation procedure, the Basel based consultancy firm ecos<sup>1</sup> was selected to conduct the evaluation with a team of three consultants combining complementary thematic skills and experiences.

The evaluation was implemented in the period of September until November 2021 and included a desk review, interviews with 20 GCNSL members and stakeholders, and an e-survey with 44 participants. In the second half of November, a draft version of the evaluation report was presented and discussed both at a workshop and at the annual retreat of the GCNSL Board and Programme Committee. The final report was submitted to the SDC on 13 December 2021.

The present Management Response (MR) states the position of A&P on the recommendations of the evaluation team as outlined in chapter 10 of the evaluation report. It sets forth concrete measures to be taken, including proposed responsibilities and deadlines, and shall therefore be used as a guidance for the planning of the subsequent phase of support to the GCNSL by the SDC.

The MR takes into account the written feedback on the evaluation report provided by the GCNSL Board and Secretariat, which is largely in line with the thinking of the SDC.

### **II. General appraisal of the evaluation**

The evaluation was conducted in accordance with the established terms of reference (ToR) and in line with international standards. The evaluation process was well managed and smoothly implemented, with regular exchanges between the ecos team and the A&P programme manager in charge.

The main objectives of the evaluation as set out in the ToR (cf. Annex 1) have been met by the evaluation team as the evaluation report

- contains recommendations allowing the SDC to make an informed decision about its further cooperation with the GCNSL with a view to promote responsible business conduct (RBC<sup>2</sup>), and in that regard it proposes certain conditions reflecting the SDC's interest in the work of the Network, e.g. measuring impact in developing contexts or building the capacity of emerging local networks of the UN Global Compact (UNGC); and
- provides useful guidance to the GCNSL Board in defining the Network's future strategy beyond 2022 and in setting the right priorities taking into account available resources.

The SDC appreciates the comprehensiveness of the evaluation report and the inclusiveness of the process. As it was desired by the SDC and therefore planned from the outset, the GCNSL Secretariat and Board were closely involved and consulted, which led to a remarkable degree of ownership on their side for the final evaluation results and recommendations.

The active participation of the representatives from the SECO and the Peace and Human Rights Division (PHRD), both members of the GCNSL Programme Committee, throughout the process

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<sup>1</sup> <https://ecos.ch/>

<sup>2</sup> The SDC uses the term responsible business conduct (RBC), which is internationally recognized and used by the SECO and the OECD. The evaluation report mentions the term RSBP = responsible and sustainable business practice.

was important to ensure transparency and a mutual understanding of the way forward.

The evaluation eventually only very briefly touched upon the two other organisations supported by the SDC, i.e. B Lab Suisse and the Gemeinwohl-Ökonomie Schweiz (GwÖ), mainly due to a lack of time.

### III. Main observations and recommendations

The evaluation was conducted with great care and within the established timeframe. The evaluation team reached the set objectives and managed to deliver a report with a set of thought-provoking, actionable recommendations. There are a few ambivalent paragraphs in the main text that are subject to interpretation, though.

Hereafter the key overall findings as paraphrased from the evaluation report<sup>3</sup>:

- The GCNSL is an active, efficient and impactful network, which has grown into a reliable partner for Swiss and Liechtenstein businesses and an ally for other local networks abroad.
- The GCNSL is seen as highly relevant, in particular due to its hybrid global/local nature and its unique convening power based on the UN affiliation and the support extended by the Swiss Federal Administration.
- In future emphasis shall be placed on increasing impact measurement at both the Network and company levels, and to strengthen accountability of participants through more in-depth and compulsory reporting (communication on progress), which needs to be monitored and followed-up more consistently.
- The targeted support extended by the GCNSL to selected local networks in SDC partner countries is widely appreciated and helps to demonstrate the Network's impact in terms of RBC abroad.
- The Network's role as a convening platform for companies is widely praised. It offers its members a broad range of relevant tools and resources.
- Among the things to be improved in the work of the GCNSL are the inconsistency between certain strategic documents, the efficiency of Board and General Assembly meetings, the role of the Programme Committee, and the involvement of non-business members and other stakeholders.

Out of the 7 recommendations, 5 are 'fully agreed' (green), 2 is 'partially agreed' (orange) and none is not agreed ('disagree' - red) by the SDC – see table below:

1. Focus on establishing a solid, coherent, actionable long-term strategic vision	
2. Develop and communicate a coherent impact strategy	
3. Strengthen the activities' focus on the impact strategy	
4. Motivate members to work within a coherent outreach framework	
5. Focus, delegate, and create a space for strategic vision	
6. Rethink resources	
7. Observations and Suggestions addressed to the SDC	
<i>Fully agree</i>	<i>Partially agree</i> <i>Disagree</i>

<sup>3</sup> In particular from chapters 3 (executive summary) and 9 (conclusions) of the report.



#### IV. Overview of recommendations, management response and proposed measures<sup>4</sup>

Recommendation 1		
Focus on establishing a solid, coherent, actionable long-term strategic vision		
Management response		
<b>Fully agree</b>	Partially agree	Disagree
<p>➤ There is indeed a certain degree of inconsistency / duplication between in particular the GCNSL Strategic Framework 2019-2022 and the SDC-GCNSL Logical Framework (Logframe) 2019-2022, which can be explained historically. It is therefore uncontested that for 2023 and beyond there shall only be one strategic document defining the Network's main objectives and working modalities, to which the SDC would align its next contribution to the GCNSL.</p> <p>➤ We agree that more time and space should be reserved for strategic discussions in particular at the level of the Board (cf. also response to recommendation #5). As discussed at the GCNSL retreat in November, non-business participants could be invited to participate in various WGs, incl. reporting to the Board.</p>		
Measures	Responsibility	Timing
1a) Elaborating the GCNSL Strategic Framework 2023-2026, based on the current framework, taking into consideration the SDC's expectations as expressed in this MR and other related communication; present the new Strategic Framework to the GA in June	Board, PC and Secretariat	June 2022
1b) Foresee at least one strategic meeting of the GCNSL Board, without the participation of the PC (representatives of the Federal Administration), thereby allowing for independent reflections	Board and Secretariat	2022 and beyond
1c) Define clear terms of reference for each of the existing <sup>5</sup> and potential new/additional WGs and (re)define participants in those WGs (incl. non-business participants); this should be communicated at the next GA meeting, incl. a call for voluntary participation of business and non-business participants in the different WGs.	Board, PC and Secretariat	Q3 2022

Recommendation 2		
Develop and communicate a coherent impact strategy		
Management response		
<b>Fully agree</b>	Partially agree	Disagree
<p>➤ In terms of efforts to better measure and further improve impact, we believe one should separate between two levels:</p> <p>i) the impact achieved by the Network itself, in terms of the effectiveness of the support extended to its members, the dialogue with non-business stakeholders, the cooperation with other local networks, etc.; and</p> <p>ii) the impact achieved by the Network's business members themselves, in terms of tangible improvements on human rights, environmental and societal issues, due diligence in supply chains, responsible sourcing etc., both at home and overseas, incl. in developing contexts. By disseminating RBC practices of Swiss companies</p>		

<sup>4</sup> PC = GCNSL Programme Committee; GA = GCNSL General Assembly; WGs = Working Groups.

<sup>5</sup> Some existing WGs might no longer be relevant and could therefore be discontinued.

and their subsidiaries and suppliers abroad and assisting its members to comply with new Swiss due diligence and reporting legislation, the Network can further strengthen its relevance and value proposition.

- We agree that the Network should have a better understanding of its key allies, strategic partners and other relevant stakeholders in order to define a more targeted collaboration and outreach strategy. For this the proposed stakeholder mapping could be useful.
- The outreach of the GCNSL to selected smaller local networks in developing countries and emerging economies in the Global South and East is important for the SDC, given its mandate. Recently, the collaboration between advanced and emerging local networks became a priority of the UNGC in general. Moreover, we believe that engaging with selected partner networks does not jeopardize the Network's primary role of assisting Swiss and Liechtenstein companies.
- The assistance to other local networks needs to be transparently communicated and properly reflected in the overall GCNSL strategy and work plan. In this context, we support the idea of earmarking parts of the next SDC contribution to supporting other UNGC local networks and improving RBC of Swiss subsidiaries present in those countries (incl. measuring/documenting such practices). Concrete activities in that regard can be identified and planned together with other parts of the Swiss federal administration.

Measures	Responsibility	Timing
2a) Refine the existing GCNSL results framework and monitoring system by including specific objectives to capture the envisaged impact at the Network and company levels, and to define key indicators to measure the achievement of those objectives.	Board and Secretariat, with the help of the PC (SDC in particular)	June 2022
2b) Conduct a stakeholder mapping to gain more clarity about the Network's key allies and stakeholders; ideally to be combined with measure 1a)	Secretariat and PC	Q1 2022
2c) Further strengthen/sharpen and then consolidate the existing collaboration with the Ukrainian and Bangladeshi local networks; select an additional (third) partner network in Africa	Secretariat, SDC	2022

### Recommendation 3

Strengthen the activities' focus on the impact strategy

#### Management response

##### Fully agree

##### Partially agree

##### Disagree

- We agree that the GCNSL Secretariat with its limited resources should focus its activities on the most relevant and impactful support measures. In that context, we fully support the idea of more sector-specific information, training and peer-to-peer learning activities (incl. "dilemma dialogues").
- When it comes to coaching, particular attention could be paid to the needs of small and medium enterprises (SME).
- The briefings on regulatory developments already in place should be maintained. Here the Secretariat should continue seeking external expertise whenever needed.
- We agree that the Network should clarify its relation with non-business participants and their representation in the GCNSL governing structure. Involving non-business participants in the thematic WGs could be a good approach in that regard. The



representation of a non-business participant (possibly an Association) in the Board should, however, not be excluded for the future.		
Measures	Responsibility	Timing
3a) Review the Network's current range of services offered; a survey could help to better understand the needs of SME participants and come up with corresponding coaching, training and information offers, in line with the new SME Strategy of the UNGC	Secretariat, Board	1 <sup>st</sup> semester 2022
3b) Ensure that the Network and its business participants engage with civil society representatives in a meaningful manner	Secretariat, Board	2022 and beyond

Recommendation 4		
Motivate members to work within a coherent outreach framework		
Management response		
Fully agree	Partially agree	Disagree
<ul style="list-style-type: none"> <li>➤ We believe this recommendation partially overlaps with the content of recommendations #1, 2 and 3 and contains some ambivalent statements (last sentence). Nonetheless, we agree that the Network's overall strategy (and its statutes, in the first place) needs to be endorsed by all current participants, both business and non-business. It is a fact that already now almost one third of all GCNSL participants are not representing business, they are foundations, NGOs and academic institutions. So the Network has always been a multi-stakeholder platform, despite formally being constituted as a business association.</li> <li>➤ The support extended to select other UNGC local networks and the rationale for this approach should be clearly outlined in the Network's future strategic framework.</li> </ul>		
Measures	Responsibility	Timing
4a) Reflect the Network's multi-stakeholder approach and collaboration with other local networks in the future GCNSL Strategic Framework and present it at the next GA meeting	Board and Secretariat	June 2022

Recommendation 5		
Focus, delegate, and create a space for strategic vision		
Management response		
Fully agree	Partially agree	Disagree
<ul style="list-style-type: none"> <li>➤ First of all, we agree with the remark that more space should be reserved by the Board for strategic reflections beyond the Network's annual business. Also, we support the idea of giving more responsibility to Board and Working Group members to provide inputs to Board/Programme Committee meetings, thereby disburdening the GCNSL's Executive Director. Furthermore, selectively disentangle Board and PC meetings could make sense, to give the Board enough space for confidential strategic discussions, without the presence of Swiss Federal Administration colleagues.</li> <li>➤ Indeed, reporting (namely to the SDC/Federal Administration and the General Assembly) can be improved and harmonized. Also, resources permitting, more</li> </ul>		

content could be made available in French and German languages.		
Measures	Responsibility	Timing
5a) Rethink the structure and content of the Board/PC meetings (incl. the annual retreat) and the related role of the WGs; give more responsibility to Board and PC members to support the Secretariat	Board, PC, Secretariat	1 <sup>st</sup> semester 2022
5b) Cf. measure 1c)		

Recommendation 6		
Rethink resources		
Management response		
Fully agree	Partially agree	Disagree
<ul style="list-style-type: none"> <li>➤ As it has already been discussed, the financial support by the SDC to the GCNSL will decrease until the end of 2026 (less core funding and more targeted financial assistance to activities prioritized by the SDC), in line with the relevant Entry Proposal<sup>6</sup>. Further funding by the SDC to the Network would be subject to a revision of the partnership and a new entry proposal. This should be taken into consideration when planning the longer-term funding base and self-sufficiency of the Network.</li> <li>➤ We agree with the evaluators that the network should leverage additional (voluntary) resources from its business participants with a view to allow for the implementation of additional key activities, incl. thematic programmes designed by UNGC New York, and to hire additional staff for the GCNSL secretariat.</li> <li>➤ We also believe that creating a (one-person) liaison office in the French speaking part of Switzerland could be pertinent.</li> </ul>		
Measures	Responsibility	Timing
6a) Discuss fundraising strategy in the Board and define GCNSL activities/specific programmes that could be financially supported by Network participants; possibly use the next GA meeting for an appeal	Secretariat, Board	Q1 2022
6b) Elaborate a concept for a GCNSL liaison office in the Romandie and discuss it at the Board	Secretariat, Board	Q3 2022

Recommendation 7 (Observations and suggestions addressed to the SDC)		
<ul style="list-style-type: none"> <li>▪ Relevance and effectiveness of B Lab and Gemeinwohl-Ökonomie, Synergies with GCNSL</li> <li>▪ Adequate way of reaching RBC abroad and mobilising for the 2030 Agenda</li> <li>▪ Cooperation with SECO, PHDR</li> <li>▪ Enhancing outreach to Swiss companies</li> </ul>		
Management response		
Fully agree	Partially agree	Disagree
<ul style="list-style-type: none"> <li>➤ We agree with the statement that the cooperation between the GCNSL and B Lab around the Swiss Triple Impact Programme (STI) has not met the initial expectations. There might indeed be a certain competition between the two initiatives/platforms, but we do not think that it is because of an overlap in their cooperation with SME. In our opinion, there is ample room for different players to</li> </ul>		

<sup>6</sup> 7F-10084.99, October 2018.

advise the huge SME segment in Switzerland on responsible and sustainable business practices. We believe it is rather the style of communication and the way the STI is marketing itself that are different from the GCNSL's approach. In any case, we welcome the readiness of the Network to engage and further develop working relations with a range of like-minded organisations and initiatives such as B Lab, öbu and the GwÖ.

- The SDC's approach to private sector mobilisation for RBC and sustainable development goes beyond its ongoing cooperation with the GCNSL. It takes into consideration relevant international trends and regulatory developments.
- We thank ecos for the list of proposed new/additional partners in the area of RBC; the SDC is already in touch with most of them.
- It is true that so far that very few evidence has been collected about the impact of the GCNSL and its participants on RBC in developing countries. Indeed, we expect the strengthened UNGC reporting mechanism ("CoP") as well as new regulatory developments in Europe and in Switzerland to lead to more comprehensive and accurate information on how international companies are implementing (or not) the 10 UNGC principles throughout their business operations. In this context we believe that reaching out to the Ukraine and Bangladeshi UNGC local networks, with the involvement of the Swiss Embassies on the ground and selected Swiss companies active in those countries (e.g. GCNSL members Roche and Geberit), is an effective way of both strengthening the UNGC system worldwide and fostering a dialogue with Swiss businesses on how they and their subsidiaries operate abroad. We agree that this collaboration with selected other local networks (the two aforementioned plus an additional network in Africa) should be a priority for the years to come, from an SDC perspective.
- We confirm that the cooperation with both SECO and PHRD works well and helps to ensure a whole-of-government approach towards the GCNSL and the topic of RBC in general. By participating in relevant information and capacity-building events, SECO and PHRD contribute in kind to promoting the Network and enhancing its outreach. In return, they count on the GCNSL to implement certain measures outlined in the two Federal Action Plans on CSR and Business & Human Rights. It therefore makes sense for the three Federal units to be represented in the GCNSL Programme Committee.
- We thank the evaluators for their hints regarding a strengthened outreach to Swiss enterprises and the programme of the German BMZ to support companies that wish to invest sustainably in a developing and emerging country and expand their local operations. We will discuss this further, incl. with our colleagues from the Inclusive Economic Development Team and the SECO.

Measures	Responsibility	Timing
7a) The SDC, in partnership with other entities of the Federal Administration, continues to support the GCNSL (in the framework of the Programme Committee) in its reflections on how impact measurement (in particular regarding positive RBC effects achieved by GCNSL participants abroad, incl. in developing contexts) and related data generation and reporting can be enhanced	SDC	ongoing
7b) The SDC continues and further strengthens the good cooperation with the SECO and PHRD to reinforce the efficiency and impact of the Network	SDC	ongoing
7c) The SDC continues to monitor relevant Swiss RBC initiatives, including the future work of B Lab/STI and the GwÖ. Specific attention will be paid to initiatives	SDC	ongoing

promoting impact assessments and/or documenting and disseminating best RBC practices of companies operating in the global South and East. In this context, potential synergies between the GCNSL and other actors will be explored.		
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SDC, Bern  
31 January 2022