

*PRME Steering Committee
Approved as per January 2010 (New York/USA) SC meeting and
amended as per SC meetings on 22 Jan 2011(Lyon/France) and on 8 June 2011 (Brussels/Belgium).*

PRME Governance

This paper is based on the exchanges between several PRME Founding Members and the Global Compact Office in 2009, the agreements reached in those conversations and the accord reached by the PRME Steering Committee in its meeting on 22 January 2010.

PRME is a global UN-supported initiative whose mission is to inspire and champion responsible management education, research and thought leadership globally.

PRME STEERING COMMITTEE¹

- 1. The PRME Steering Committee (PRME SC)** is the governance body of PRME.
- 2. The role of the PRME SC** is to give strategic direction to the initiative, to review PRME's priorities with a commitment to make them visible to business schools, to review and provide guidance on the PRME budget and to contribute to the funding of the initiative. The PRME SC votes on all changes to the Principles before signatories. A simple majority is needed for regular decisions; a two-thirds majority is needed for governance or Principles related issues.
- 3. Voting Rights:** Only those Steering Committee members current in their financial obligations to PRME can participate in votes of the Steering Committee. Steering Committee members in the level 4 funding tier (see below "Funding of PRME") have a full vote in the SC, with the exception of votes related to funding (and governance, if related to funding). If a Steering Committee member drops off or takes a year off of the Steering Committee, it does not absolve them from paying their dues in arrears if they want to return as a voting member or as Chair of the Steering Committee.
- 4. Origins of the PRME SC:** PRME Founding Members voted in the inaugural meeting on 8 September 2007 to constitute themselves as the *PRME Steering Committee* with the option to invite other organisations to be part of PRME Steering Committee at later stage.
- 5. Members of the PRME SC:** include the Founding Members, and can include other associations that wish to join the Steering Committee.

¹ See Annex for Steering Committee Members.

6. PRME Founding Members are those institutions who drafted and submitted the PRME to the UN Secretary General in July 2007. They comprise the United Nations Global Compact, AACSB International, EFMD, GMAC, GRI, EABIS, Aspen Institute (BSP), and Net Impact.

7. Role of PRME Founding Members: they provide extensive PRME related services to their members; they design changes to the principles and issue new drafts and initiatives for comment. They have the right to be members of the PRME Steering Committee and the right to take a first vote in the Steering Committee on proposals to change the PRME principles and on changes to the governance of PRME.

8. Enlargement of the PRME Steering Committee: New global/regional associations can be invited to join PRME Steering Committee to broaden the regional reach of PRME, after an application review and a formal vote concerning their participation is conducted among existing members of the SC (majority of two thirds), and under the condition that new members commit to PRME principles, develop new activities within their sphere of influence, and contribute financially to PRME initiative. If they are accepted, they become a member of the PRME Steering Committee. The size of the PRME Steering Committee should be limited to maximum of fifteen organisations, to complement the current composition and ensure geographical balance of 3 to 4 additional regional membership associations which will be invited to join.

9. Meetings of the PRME Steering Committee: convene at least once per year.

MANAGING THE DEVELOPMENT OF PRME

1. Management arrangements: For its daily activities, PRME works through PRME coordinators of each Steering Committee member, and a PRME Secretariat appointed by the United Nations Global Compact.

2. Role of PRME Coordinators: The role of PRME coordinators is to manage the activities of each Steering Committee member in support of PRME, and to maintain a PRME-related data resource centre, with relevant links including the PRME website.

3. The role of the PRME Secretariat is to manage day-to-day operations: drive and register recruitment of new signatories, conduct proper brand management, coordinate PRME activities in cooperation with Steering Committee members, and to communicate on progress of the PRME initiative to signatories, the Steering Committee, and external partners, based on strategic guidance by PRME Steering Committee.

4. PRME Secretariat and coordinators liaise in order to coordinate daily activities and for the purposes of preparation of Steering Committee meetings and keeping their respective institutions updated on relevant developments of the initiative.

5. Complementary roles: One crucial aspect in managing the development of PRME is the complementary role that individual Steering Committee members and the PRME Secretariat play in relation to the implementation of PRME. A decentralised governance structure and co-

ownership is in agreement with the overall goal of the initiative. PRME is not designed to crowd out membership-based organisations. On the contrary, as a value-based open-source platform, it provides the additional space and opportunity for membership-based organisations to thrive. In this respect, coordination efforts through frequent contact between the coordinators of the Steering Committee and the PRME Secretariat, and the role of the PRME Secretariat providing leverage to activities undertaken by Steering Committee members are essential for the good governance of the initiative.

GLOBAL FORUM FOR RESPONSIBLE MANAGEMENT EDUCATION

1. The Global Forum for Responsible Management Education is a Forum organised by the PRME Steering Committee with the participation of signatory institutions with the goals of taking stock of the initiative, ensuring that the voice of signatories is heard as genuine owners of the initiative, to generate traction and outreach, and to give overall direction to the initiative. Changes to the PRME principles should be ratified by the Global Forum.

2. The UN Global Compact organises the Global Forum on Responsible Management Education once every three years as a big event at the UN, possibly within the framework of the UNGC Leaders Summit. Between the Global Fora the other PRME Steering Committee members will – on an alternating basis - organise one main PRME event (“PRME Summit”) annually. These events could be organised in conjunction with existing events of PRME Steering Committee members.

FUNDING OF PRME

The current budget model for PRME is based on:

- a) The UN Global Compact Office covering the core costs of the PRME initiative by providing office space and infrastructure, the salary of the Head of the PRME Secretariat and other related costs.
- b) The contributions by the remaining PRME Steering Committee members cover at least partially the costs of an additional person at the PRME Secretariat as well as some basic operational costs of the PRME Secretariat.
- c) It implies a willingness to empower signatories, or supporting organisations, on the basis of clear criteria, to take on the leadership of certain activities – such as the working groups and other activities – at their own cost.

The annual budget and related working plan will be discussed and approved by the SC.

2. Steering Committee members contribute to the funding of the PRME Secretariat through an annual contribution based on the organisation’s annual total revenues/turnover:

- Level 1: Minimum of USD 20,000 annually for organisations with annual revenues/turnover above USD 5 Mio.
- Level 2: Minimum of USD 12,500 annually for organisations with annual revenues/turnover of USD 500,000 to 5 Mio.

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- Level 3: Minimum of USD 7,500 annually for organisations with annual revenues/turnover of USD 200,000 to 500,000.
- Level 4: In-kind contribution of at least USD 7,500 annually and no direct financial contribution for organisations with annual revenues/turnover below USD 200,000.

All organisations are asked to consider contributing a higher financial amount if possible and in-kind contributions.

In case that the Steering Committee decides to change the contribution levels in the future all funding tiers will be changed simultaneously.

Exceptions to the funding level for an individual SC organisation can be made upon request and by decision of the SC.

Student organisations (e.g. Net Impact) will continue to be by negotiation with a guideline that they do not pay annual contribution.

The UN Global Compact Office will continue to support the main part of the initiative's budget by providing office space, resources and capacity through the Global Compact Office and by covering salary of Head of PRME Secretariat.

Annual contributions by PRME Steering Committee members are asked to be made during the first quarter of the year payable on invoice.

3. Other funding sources:

- a) Supporting Organisations:** Specialised initiatives or networks which work in support of PRME. As per the decision of the Steering Committee in the January 2011 meeting, a Supporting Organisations contributes with a financial or in-kind contribution of at least USD 7,500 annually.
- b) Annual Service Fee for PRME participants:** Introduction of a small service fee (not a membership fee) from signatories of USD 270 annually to cover the services PRME offers to signatories: costs of maintaining and operating the online database of signatories, storing and making the Sharing Information on Progress (SIP) reports publicly available as well as a yearly or biennial analysis report that illustrates best practices based on the SIPs. The service fee can be waived upon request in exceptional circumstances. The Foundation for the Global Compact serves as the financial vehicle for processing the invoices and receiving of payments of the service fees. The Annual Service Fee will be introduced at the 2012 PRME Global Forum as per the PRME Governance framework the Global Forum is the venue to give a voice to individual PRME participating schools.
- c) Corporate sponsorship and corporate partnership:** Corporate sponsorship will be sought for dedicated PRME work streams (such as PRME Working groups or projects aimed at improving communication and collaboration between the corporate and management education world), reports or conferences (such as the PRME Global Forum), organised either by a SC member or by the PRME Secretariat.

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- d) **Surplus of Global Forum for Responsible Management Education:** The aim is to produce a surplus of minimum USD 50,000 per Global Forum for the PRME Secretariat through participation fees and sponsorship. (Note: Any surplus of a PRME Summit goes to the organiser/host who takes full financial risk).

4. Other provisions

- a) PRME will not introduce membership fees for schools, but the Global Compact reserves the right to come back to the idea of a cost covering contribution at a later stage if present funding model does not work.

STEERING COMMITTEE MEMBERS AS OF 1 February 2016

Institution	Steering Committee Member Representative	Steering Committee Member Alternate	Coordinators
AACSB	Dan LeClair	TBD	Christine Cuenin-Wilson Kaya Jill
AABS	Edward Mungai	Sherif Kamel, Enase Okonedo	Corne Carolan
AMBA	Andrew Main Wilson		Amy Young
CEEMAN	Danica Purg	Irina Sennikova	Olga Veligurska
CLADEA	Alberto Zapater	Olga Pizarro	Mariella Olivos Rossini, Alberto Zapater
ABIS	Joris Lennsen	Simon Pickard	Ruth Garcia
EFMD	Eric Cornuel	Matthew Wood	Helke Carvalho
GRLI	John North		Dagna Rupieta
UN Global Compact	Ole Hansen	Jonas Haertle	Sigrun Skudem

Founding Member Status:

Aspen Institute	Judy Samuelson	Nancy McGaw	Laurie Ginsberg
Net Impact	Liz Maw		Britta Durtsche