

Global Compact in Egypt

Annual report Jan. 2006 – Jun. 2007

Introduction

The national network of the GC was formally launched on 9 February 2004 with the Chief of Staff of the UN EOSG representing the UN Secretary General. Some 200 participants from government, the private sector, chambers of commerce, academia and civil society attended the event and 55 companies joined the Global Compact (now 63)

The launch was preceded by a series of workshops and a mega event held at the Bibliotheca Alexandrina, commemorating one year of compact and CSR in Egypt, organized by the Office of the Resident Coordinator with a view to popularize the Compact and the concept of corporate social responsibility.

The Egyptian network is currently working to establish what will be called the **National GC and CSR foundation in Egypt**. The newly created institution will become a vehicle of enhancing and encouraging business contribution into development an internal compliance of the sector in Egypt.

Key interventions and initiatives

Center for Transparency at the Ministry of Investment

Following H.E.'s speech on anti-corruption at the last Global Compact summit in Egypt UNDP in partnership with the Ministry of Investment established a unit on transparency within the Ministry. The Netherlands government donated 1.8 Million Dollars form the funding for the project. The purpose of this project is to support the Ministry of Investment to battle corruption and mismanagement of public resources aiming at improving its relations with private sector and foreign investors. The project will: a) Support the drafting and issuing of the legal document on Freedom of Information; b) Public awareness and stakeholder engagement; c) Capacity building and knowledge management; d) Investment promotion through enhancing transparency. The center have been active since June 2007 and it already produced the first transparent review of the privatization process in Egypt and the status of the companies following the process, and, in partnership with Egyptian and Danish Federation of Industries it translated the anti-corruption manual produced by the Danish Federation of Industries into Arabic. Currently, a number of training sessions for the private sector on the usage of this manual is being arranged.

Matchmaking Event to Raise Competitiveness of Egyptian Textile Industry via Eco-Efficiency (1st of March 2006)

The main objective of this initiative was to raise the competitiveness of Egyptian Textile Industry through Eco-Efficiency by qualifying committed companies for entering the supply chain of selected European Buyers/Retailers. Based on the cooperation between

BASF and the UNIDO Cleaner Production Network, the Egyptian National Cleaner Production Center has started this cooperation with BASF and other partners in Egypt under the umbrella of UN Global Compact network in Egypt. As a first event a national Eco-Efficiency (EE) workshop for Egypt's Textile Industry will be held on 1st March 2006:

1. Technical Seminar on environmental aspects of textile chemicals and the Eco-Efficiency concept and tool
2. Matching environmentally compliant Egyptian Textile Companies with European Buyers/Retailers in small working groups to initiate concrete cooperation projects.

Partnerships for Development

With the understanding that private sector has a vital role to play in the development process in general and to support the achievement of the Millennium Development Goals (MDGs) in specific, UNDP have been engaged, through the network of the compact, in forging a number of partnerships linking the private sector with several UN supported initiatives. Examples of such initiatives are:

Vodafone and Physical Renovation of schools:

Vodafone have undergone an initiative of dedicating 1 minute form every call during the month of Ramdan for developing a budget to be spent on physical renovation of schools. The initiative totaled a budget of 1.5Milion \$. UNDP and Vodafone have agreed to launch a project that will provide support this initiative. The project will cover components of training for the Board of Trustees of the renovated schools, providing awareness on MDGs and volunteerism, and monitoring the implementation of the renovation process.

Vodafone and the MDGs:

The Vodafone Foundation in partnership with United Nations Development Programme (UNDP) is supporting the development of a public awareness campaign with the aim of informing and mobilizing the Egyptian society in support of the Millennium Development Goals.

Report on Business solutions for Human Development: “what business can do for Egypt”

In full partnership with the Ministry of Investment, Vodafone and Mansour Group, UNDP Egypt is currently working on the production a report that would examine the role of Business in fighting poverty and achieving the MDGs in Egypt. Our office is working closely with the team at BRSP to match the work that is currently being done on the global report currently under protection. Report is due out in Mid December.

Coalition of private sector for youth development

In response to the escalating problem of youth, and on the basis of both group and individual discussions, the UNDP, Egyptian Global Compact Network and IBLF

(International Business Leader Forum) propose to support the formation of a *National Private Sector Coalition for Youth Development*. The vision of this Coalition is to enable the private sector in Egypt to achieve, through improved coordination and targeting of efforts, greater impact on the key challenges of youth unemployment and skills development. It is envisioned that this will be achieved through activities in three broad areas:

- Capacity-building existing youth NGOs: Mobilizing company human and other resources to enhance the effectiveness of existing civil society organizations working in areas such as vocational training, entrepreneurship, education, civic engagement and volunteering. Potentially this could also encompass the establishment of a *National Fund for the Institutional Development of Youth NGOs* (Contributions will start from USD 10,000 and above) Implementation of such activity will be through the Egyptian Youth Federation (EYF).
- Projects for youth skills development: Evaluating and scaling up existing business-led programmes focused on developing skills for the workplace (budget will be decided upon case-by-case based on the volume of resources and research needed)
- Implementing additional collaborative projects where opportunities or gaps are identified. After formulation, the project would require private sector companies to contribute with needed resources (funding will be finalized upon agreement on projects)
- A business advisory group: Influencing government policy and feeding into the National Action Plan on Youth Employment (free of charge for coalition members)

Growing Sustainable Business Initiative

Following the hosting of a HQ mission on GSB and the work of two dedicated Masters Students from Harvard and MIT, UNDP is currently finalising the project document to launch the GSB activity in Egypt in partnership with CIDA and the Global Compact Network in Egypt. The GSB center in Egypt is expected to launch in January 2008. Currently, co funding in joint researches have been secured from the private sector in areas of retail, Food manufacturing and telecommunications.

CSR summit in the making December 2007

A joint effort of the American Chamber of Commerce in Egypt (AmCham Egypt), one of the largest and most active overseas affiliates of the U.S. Chamber of Commerce and the leading association of corporations in Egypt, and the United Nations Development Program (UNDP).

By bringing together global and local leaders from all sectors, the “CSR: Engagement for a Better Future” conference will create a platform for the concise exchange of knowledge, ideas, experiences, and linkages to build a system of CSR which improves the competitiveness and sustainability of the private sector and ultimately contributes to the development of the region as a whole.

Major themes include:

- Creating strategic stakeholder partnerships
- Applying standards and CSR management tools

- Enhancing the enabling environments

The two-day program will include a comprehensive plenary session as well as parallel break out sessions encouraging dialogue on the topics of health, environment, and education. An exhibition hall will feature CSR success stories presented from the business perspective. The event is going to witness the launch of UNDP's business solutions for Human Development report. At the conclusion of the conference, recommendations emerging from conference proceedings will be discussed.

Retreat On the Establishment of the National Global Compact and CSR center

Description of Activity

Retreat on the Establishment of a Global Compact and Corporate Social Responsibility Centre took place on January 14, 2007. The event was attended by representatives from the following sectors:

- Private sector(19)
- NGOs & Foundations(5)
- Academia(1)
- Business Associations & Federations(4)
- Donors(2)

After the presentation of the overall vision of the Establishment of the Egyptian Global Compact & CSR Centre, the three discussion sessions were followed. Each session suggested recommendations to the establishment of a GC and CSR Centre:

- Session A: Organizational Structure and Mandate for the Global Compact Centre
 - Focusing on the GC & CSR's role of reforming core business;
 - Discussing the form of legal institution to be used for the establishment of centre;
 - Providing a CSR agenda to keep members updated on ongoing initiatives;
 - Raising awareness to help companies spread internal compliance;
 - Providing members with information about development priorities and experiences with NGOs;
 - Focusing on partnerships and the inclusion of Federations and Business Associations;
 - Providing the members with a toolkit for supporting CSR activities;
 - Acting as a policy dialogue forum for all stakeholders;
 - Stressing annual CSR reporting system and auditing tool to monitor and evaluate companies' work;
- Session B: Priorities for Private Sector Engagement in Development
 - The role for the GC & CSR Centre to collect all available reports, research and statistics and make them available to the private sector;
 - Focus on the importance of peer support through the transfer of knowledge from MNCs with advanced CSR systems to SMEs and national companies;
 - The need for having accurate indicators for measuring poverty.
- Session C: Forums of Institutional Registration
 - Favoring establishing the centre in the form of a foundation

Benefits of Activity

All participants shared the visions for a new GC&CSR Centre in Egypt and this event was advantageous to consolidate the establishment of a new GC & CSR in Egypt as an

independent entity, focusing on the organizational structure and mandate, priorities for private sector engagement in development and the legal institutional registration.

Follow-up to activities

Following the retreat several working groups have been created to work on setting the mandate of the center. A partnership is being finalized with the Ministry of Investment to host the center. Fundraising efforts have been initiated and already some resources have been allocated.