



EGYPTIAN CORPORATE RESPONSIBILITY CENTRE (ECRC) ANNUAL REPORT JAN - DEC 2013

DATE: December 22nd, 2013

AWARD ID:00049649 NATIONAL CORPORATE RESPONSIBILITY CENTRE

DESCRIPTION: CREATING A CSR & GLOBAL COMPACT CENTRE

Implementing Partner: Industry Modernization Center

Period Covered: Jan 1st, 2013 - Dec 31st, 2013

Overview on Egypt situation in 2013

The situation in Egypt is getting serious and critical as time passes. Albeit increasing real GDP growth, there's agreement that the economy is in an unsustainable condition. Tourism, regularly said to account for more than 10% of GDP, is still down from its 2010 peak, and August violence cut tourist arrivals from Europe by 95%, according to government figures. Foreign direct investment - a strong engine for growth in Egypt, in particular- has been straggling.

Meanwhile, statistics continue to show to signal the alarms on unemployment (up to 12.7% in 2012 compared to 9.4% in 2010), poverty (up to 26.3% according to the latest HIECS 2012/2013 compared to 25.2% reported in 2010/2011) and inflation (Up to 10.15 in September 2013 compared to 9.74 in the previous month).

Despite the fact that the business environment is affected by political uncertainty, the project is moving ahead to perform its planned activities; motivated by its belief that Corporate Responsibility has a core value in creating market stability.

This report summarizes the progress achieved by the ECRC during the fourth quarter of the year of 2013, according to the action plan of 2013.

Project Key Achievements:

CAPACITY BUILDING & SERVICES TO THE PRIVATE SECTOR

Despite the gloomy business environment in 2013, the environment that pushed private sector away from CSR activities, ECRC could present 13 training and awareness days in 2013. About 116 participants benefited from these trainings and awareness session, including 17 journalists.

AWARENESS AND POLICY ADVOCACY

Two consultation meetings were conducted for the SDG-Post 2015, in addition, after reviewing the ECRC mandate and planned activities for the coming two years, UNDP/ECRC have agreed on the specific activities where UNDP/ECRC can partner in the Consortium initiative in Egypt over the 2012/2013 fiscal year. ECRC partnered in the consortium's activities that are more linked to the business context rather than

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the academic one. Outputs would include: case studies, study tour, students competition and internship.

The ECRC in his role in this partnership took on the responsibility of sponsoring 13 Egyptian students to travel to Washington DC to attend CSR courses and study tour.

PARTNERSHIP MOBILISATION :

The ECRC finalized the partnership with the Arab African International Bank, In addition, In addition to a two other of MoU's with World Economic Forum and GIZ.

GLOBAL COMPACT

Main activities included The workshop titled "GC Management Training Model" that was attended by 26 participants UNGC local Network from different sectors as banking, Automotive, NGOs, telecommunication and others.

In addition, to "GC Management Training Model" and holding the CSR Lebanon forum.

CSR SECTOR STUDIES (FINANCIAL, AGRICULTURE AND TEXTILE):

The final reports of both financial and agro-business sector studies we delivered. ECRC conducted awareness sessions and trainings related to both sectors.

Regarding textile sector study, the final strategy was delivered. Awareness and training activities will be held in 2014.

Outcome 1 : ECRC LOGISTIC SET UP, ECRC HUMAN RESOURCES

Sub Activity 1: Recruitment of ECRC staff (Mid June till Mid-August)

Deliverable

The ECRC team developed TOR for the following positions:

- Global Compact Officer,
- CSR Specialist

% Progress to date: 100 %

Outcome 2 : ECRC Governance:

Sub Activity 1:

Changing the implementing partner to be the Industrial Modernization Center in May 2013.

Sub Activity 2: Board Meeting 12th of May, 2013 – EFSA Meeting room:

During the project board meeting, EFSA expressed their interest to transfer the project under a new implementing partner given that ESFA's main mandate is regulatory while ECRC mandate is more of a Service and knowledge provider. Given that ECRC mainly works on serving the private sector, it was noted that this might have conflict with EFSA mandate.

Points discussed in the meeting:

- EFSA's position toward ECRC project and the necessity of an exit plan by end of 2013 or the transfer of project to another implementing partner.
- ECRC achievement of 2012, and the ECRC annual working plan of 2013
- Challenges facing ECRC, including UNDP Lengthy Procurement, volatile Business Environment, timing versus activities, the need to focus, and ECRC Sustainability

Comments:

1. The EFSA made it clear that it hopes to see the arrangement for ECRC's transfer move forward ASAP. Dr. El Sharkawy mentioned that he will not sign any budget extension revision for the project post 2013.
2. UNDP will continue supporting the ECRC through its additional contribution.
3. Embassy of Netherlands will phase out from the project by the end of 2013 as per the signed agreement with UNDP.
4. UNDP will come back to EFSA and MOFA with options for the transfer and will take the necessary action to complete this process ASAP, as per EFSA's request.

In conclusion, it was agreed that UNDP will work within the coming days on identifying the best implementing partner for ECRC and will work with EFSA and Ministry of Foreign Affairs on a smooth transfer within the next month.

In this connection, and following discussion and meetings with the Industrial Modernisation Center (IMC), it was agreed that the project will be transferred to IMC since ECRC's main activities fit better under IMC's mandate which focuses on working with the private sector through availing business development services and capacity building.

Sub Activity 3: Changing Implementing Partner:

Officially changing implementing partner to an institution that has a similar mandate as ECRC to better serve the private sector. Industrial Modernisation Centre (IMC)

Sub Activity 3: Develop the new extension Dutch program 2014 annual budget ,work plan, Liquidity plan

Following the ECRC meetings with the Dutch to discuss and approve a 6 month extension to the program

ECRC developed the following reports :

- 1- Budget report to cover the period from July-Oct with an estimated expenditure report to cover the period from Nov-Dec-2013
- 2- A narrative action plan to cover the period from Jan-June explaining the activities and the expected output
- 3- The financial Budget for 2014
- 4- The Annual Work plan 2014
- 5- The Liquidity plan for Jan- June 2014

The documents were sent to the Dutch Embassy and amendments were made to the documents based on their guidance.

Final approval on the activities and budget was taken 27/11/2013

Last instalment was received on 8/12/2013

ECRC also developed the following documents

- 1- Expenditure report covering the period from July-Dec 2013
- 2- Revision of the CDRs received from Head quarters

% Progress to date: 100 %

OUTCOME 3 : CAPACITY BUILDING & SERVICES TO THE PRIVATE SECTOR

Sub Activity 1: Training of trainers level 2 on ISO 26000

Mr. Jonathon Hanks (acting as international expert) and Eng. Osama El Meligi (acting as a local expert) gave the second level of the TOT training course based on the ISO 26000 materials. It was conducted from the 26th to 28th of February, 2013 in the ECRC premises. Only 12 participants completed the second level out of the 15 participants enrolled in the first level of the course.

The second level aimed to:

1. Share learning and feedback on the assignment each participant undertook since Module One
2. Deepen understanding of the application of ISO 26000, focusing on implementation and integration.
3. Develop skills on effective presentations and training.
4. Further participants' knowledge on stakeholder mapping, identifying material issues and SR communication.
5. Review available integration tools and techniques on social responsibility.
6. Deepen participants' skills regarding the development of practical action plans on ISO 26000.
7. Provide an opportunity to develop co-ordinated individual follow-up actions.

The training was generally received in a good manner as:

Good interaction between the participants, with some good questions and discussion.

Explicit focus on developing training and presentation skills.

The use of practical exercises on implementation and integration, including: a focus on the process associated with assessing material core subjects and issues, an exercise on stakeholder issues, a detailed review of an SR report, and the development and presentation of an SR action plan.

Providing greater time than in the first module for individual and small group work

% Progress to date: 100 %

In addition, ECRC conducted the third level of the TOT training course based on the ISO 26000 materials. It was conducted on the 11th and 12th of June, 2013 in ECRC premises. Ten participants completed the third level out of the 12 participants enrolled in the second level of the course. At the end of the course there was an exam to test the participant's understanding of the subjects presented through the 3 levels. Afterwards the participants received a certificate from ECRC and EOS for the completion of the course.

The third level aim to:

1. Qualification and certification of Egyptian Social Responsibility Trainers, who can coach organizations of different sectors, sizes, private public, NGO to integrate SR and recognizing
2. Engaging a number of Egyptian Organizations (Preferably Training, Consulting, Education, Marketing, Promotion,...etc.) to integrate SR in their activities and services.

% Progress to date: 100 %

Sub activity 2: ISO 26000 training funded by ISO international:

Also, Training was conducted on ISO 26000 funded by ISO international and EOS in ECRC for 10 participants. Expert, Martin Flaherty, Dr. Osama EL Meligy and Sherine El Shorbagi were instructing the training.

Sub Activity 3: Corporate Social Responsibility and Inclusive Banking Training course outcome of financial sector study

The ECRC in collaboration with the EBI conducted a 2 days training course on CSR & Inclusive Banking for the banking sector. The course was held on the 12th and 13th of June, 2013 in Marriott, aiming to describe new ways of providing access to affordable and responsible financial products and services to vulnerable populations and small businesses. Capacity building addressed the wide range of financial products and services that some financial institutions are experimenting, including savings, credit and insurance.

The course started with analysing CSR in the banking sector then inclusive banking was addressed with a specific focus on assessing participants in developing programmatic tools for designing and implementing successful inclusive banking program.

This training course was held as one of the recommendations of the CSR diagnostic Study in the financial sector. The instructor was Mr. Geoffrey Mazullo – Principal of Emerging Markets ESG and Adjunct Professor at the School of American Law in Gdonsk and in Wroclaw, Poland-and the training was attended by 14 participants from the banking sector including:

- Central Bank of Egypt
- Arab African International Bank
- Audi Bank
- Al Ahly Bank
- Alexandria Bank
- Commercial International Bank (CIB)
- Misr Iran Development Bank

% Progress to date: 100 %

Sub Activity 4: 1st awareness session for the Agro-Food industry sector

The Egyptian Corporate Responsibility Center (ECRC) organized and conducted the 1st awareness session for the sector titled “Developing a shared framework for CSR and Sustainability management “on September 29th in Marriott Hotel Zamalek , This course is an integral part of the efforts of UNDP & ECRC to raise awareness and knowledge of stakeholders on how to integrate this strategy into their businesses and in relationships with government bodies & business partners as an important factor for their competitiveness. This session was held as one of the recommendations of the CSR diagnostic Study in the Agro-Food sector.

The instructor was **Mr. Maximilian Abou El Eish** - Sustainable Development Manager – Social innovation centre Heliopolis University with 21 participants attended the meeting representing 18 entities from the private sector representing agro sector and USAID, NGOs, GIZ, Knowledge Economy Foundation.

The objectives of this course :

To introduce participants to the outlines of the CSR strategy for Agro food Industry, particularly

- Egypt’s burning issues and main drivers
- The link between CSR, Sustainable development and competitiveness
- Action plan for strategy implementation

% Progress to date: 100 %

Sub Activity 4: Raising awareness about the implementation of CSR KPIs in Agro-business based on the results of the agro-business sector study:

- ECRC organized and conducted the first Training course for the Agro sector based on the outcomes and recommendations of the CSR sector study during the period October 27th and 28th titled “CSR integration in agro-business.” The training was held by Dr Osama El Meligy

The training aimed at:

- Raising awareness and knowledge of stakeholders on how to integrate a CSR strategy for the Agro-Food Industries in Egypt into their businesses.
- Participating in the on-going discussion about the mutual relationships among government bodies & business partners, as an important factor for competitiveness.



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- The course was attended by **16 participants** from the Agro food companies in Egypt.
 - Al Ahram beverages
 - Mafa agriculture
 - SGS
 - Tasty misr
 - Honeywell
 - Raiat
 - Horreya
 - CFI
 - Areej
 - Riyada
 - El Wadi
 - Mass food
 - Wadi holdings
 - Daltex
 - GMG Assurance

Sub Activity 5: Human rights and labor issues training in Agro business:

- ECRC organized and conducted a Two- days course” Coaching Business, Human Rights & Labor Issues for the Agro Food industries” on 18th &19th of November 2013. The training was held by Dr Osama El Meligy
- This course is an integral part of the efforts of UNDP & ECRC to raise awareness and knowledge of stakeholders on how to integrate a CSR strategy for the Agro Food Industries in Egypt into their businesses and in relationships with government bodies & business partners, as an important factor for competitiveness, based on the outcomes and recommendations of the Agro-food sector CSR Study
- The course was attended by 12 participants from different agricultural companies in Egypt as:
 - Belco,
 - Elwadi,
 - Arma,
 - FinBi ,
 - ECOA,
 - GMG,
 - Horreia 2000,
 - Honeywell, E
 - GY Swiss food,
 - CFI



Sub Activity 6: One-day Awareness session for the Agro Food Industries

- ECRC organized and conducted the second CSR awareness session (Exchange of Sustainable Development CSR) for Agro Food Industries on Dec 3rd. the session was conducted by Mr Maximilian Abouleish.- CSR consultant
- The topic of the session was “**Implementing Sustainable Development Management Framework**”

The awareness session aimed at:

- Giving empirical example about the application and implication of CSR components in the field of agro-business based on Sekem experience.
- Introducing the “Sustainability flower” and conducting a quick assessment about its pillars in the agro-business

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in Egypt.

The session was attended by 21 participants from 17 participants, including:

1. Daltex
2. El Wadi
3. ECOA
4. Kraft Foods
5. Honeywell
6. Cesam
7. Horreya 2000
8. Tasty Misr
9. GMG
10. Fair trade
11. Egyptian Business Development Associations
12. GIZ
13. Chamber of Food Industries
14. Knowledge Economy Foundation
15. In addition to, a number of private sector companies representing agro sector.
16. USAID
17. IMC



Sub Activity 7: CSR Awareness Training Course for Journalists:

- The Egyptian Corporate Responsibility Centre (ECRC) hired a lead journalist expert to coordinate the journalists training on CSR. He succeeded in mobilising 14 journalists from the different national newspapers. In addition to, mobilising the trainers and preparing the logistics. The CSR Awareness training course for journalists, was held on 27th and 28th of November, 2013 in Movenpick El Ain El Sokhna.

Brief on the training:

- Day one: Dr Mahmoud Attia started the session by a general introduction about CSR, followed by Dr Osama El Meligy who focused on the definitions of seven main themes of social responsibility.
- Day two: Mrs. Asmaa Abdel Mohsen (SR national expert, ISO SR MENA project) gave an introduction about ISO 2600 (the purpose, benefits and the specifications of it). Social responsibility and sustainable development and the aspects of the sustainable development.



The training was attended by 14 Participants from different newspapers as

1. ElAhram

2. Youm7
3. ElAkhbar
4. ElWafd
5. Almal
6. AlDostor
7. AlWatan
8. AlBorsa
9. AlAlam
10. El Youm
11. El Mesaa
12. AlMasaiea
13. Al Masry El Youm

The topic of the training was published in several newspapers, the main goal of the training was to raise the awareness of the journalists on definition of CSR, its importance and tools and the

% of progress: 100%

Sub Activity 8: S&P/ EGX ESG Index Assessment

The ECRC was engaged in the first stage assessment of the 100 Companies proposed by the ESG. The evaluation process seeks information relating to companies' disclosure of the ES&G screen indicators available in the public domain, such as a company's annual report, Web site, bulletins and/or the disclosure made on the stock exchanges. The aim is to determine whether a company has made transparent disclosure in such documents, on any of the indicators that are part of the ES&G screening system. Actually, the final calculations for the first stage were delivered to EGX on the 9th of June, 2013.

After that the Index will take its regular stages (negative screening then S&P screening) and the final results for the ESG Index are expected to be released by end July, 2013.

% Progress to date: 100 %

OUTCOME 3: AWARENESS AND POLICY ADVOCACY

Sub Activity 1: Two Consultation Meetings were conducted for the SDG- Post 2015

The ECRC has organized two consultation meetings on the post 2015 development agenda for the members of the Egypt Global Compact Local Network.

The first meeting took place at the ECRC premises on the 23rd of January, 2013. The two hours consultation meeting was attended by 7 members of the Local Network:

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- Arab African International bank
- Etisalat
- METALICO
- Engineering Automotive Manufacturing Company (EAMCO)
- Consukorra
- MOBICA
- SEKEM

The main target of the consultation meeting was to get the input of the local Egyptian businesses on the development agenda and the issues as well as the priorities that need to be addressed in the future post 2015. The UN is drawing up a new plan for global priorities. Targets for achieving the Millennium Development Goals conclude in 2015. MDGs on health, education, advancement of women and on the environment have set the UN's development agenda since 2000. Governments are asking the Secretary-General for recommendations on a new set of priorities, drawing on the strengths of the MDG process and on sustainable development principles agreed at Rio+20.

The second consultation meeting also took place at the ECRC On the 13th of February, 2013 and was steered by Dr.Neamat Geneina – lead expert.

The second consultation meeting was attended by:

1. Siemens SAE
2. CRMET
3. Lobby Egypt
4. Procter and Gamble
5. SBC
6. FEI/ECO
7. Business Women Association
8. UNDP

% of progress: 100%

Sub Activity 2: Social Entrepreneurship and Corporate Responsibility Knowledge Forum of George Washington University:

After reviewing the ECRC mandate and planned activities for the coming two years, UNDP/ECRC have agreed on the specific activities where UNDP/ECRC can partner in the Consortium initiative in Egypt over the 2012/2013 fiscal year. Within this context, ECRC would partner in the consortium's activities that are more linked to the business context rather than the academic one. Outputs will include: case studies, study tour, students competition and internship.

The ECRC in his role in this partnership took on the responsibility of sponsoring 13 Egyptian students to travel to Washington DC to attend CSR courses and study tour.

% of progress: 100%

Sub Activity 3: Engaging in Awareness events :

- 1) **ECRC** presented the role of Business Women in Responsible Business and women empowerment in Egypt during Egypt transition, highlighting the Global Compact Principles on Women Empowerment, in a round table meeting held in the German Chamber for the Egyptian Business Women Association members.
- 2) **CARE** Egypt's second annual Corporate Social Responsibility Conference "**Engage Beyond Charity: the Role and Responsibility of the Civil Society and the Private Sector in Modern Egypt** ", was held on Wednesday January 16, 2013 at the Sofitel Cairo, El Gezirah, Zamalek. This event was officially sponsored by Barclays Bank and Microsoft. The conference aim was to group corporate companies and NGOs to enhance the common language between the two worlds, and improve the collaboration between them. In the new Egypt it is even more urgent to work closely towards building a better society for all. The conference was attended by over 140 participants from a diverse array of professional backgrounds. **The first part of the day held a panel discussion: Successful Working Practices between the Private Sector and the Civil Society in Egypt.** ECRC National Coordinator was one of the panel lists along with Dr. Ahmed Ghoneim, Professor of Economics at Cairo University; Mr. Amr Sheira, Vice Chairman, NGO Egyptian Development Corridors Foundation; Ms. Nahla Zeitoun, Programme Analyst, UNDP Egypt; Mr. Samir Sedky, Agriculture and Natural Resources Program Director CARE Egypt; and moderated by Engineer Amr Lashin, Governance Program Director, CARE Egypt.

Sub activity 4 : Website updated:

Part of the ECRC role is to provide CSR knowledge support to the private sector and different stakeholders. This task was performed by usual update of website and publications issued by the ECRC. For the past three months, the ECRC website has been updated by all the events, trainings and awareness done by the centre.

% Progress to date: 100 %

Sub Activity 5: Translation:

The ECRC used its resources in trying to do some efforts in the field of converting the CSR knowledge always spread in English to move toward translating some documents in Arabic such as:

- Financial Sector Strategy
- G4 Translation
- Translation of ECRC reports.

Sub Activity 6: Sustainable development Prospects and Challenges- -Conference Center – Cairo University Hostel - 1 April 2013

The community service sector - Cairo University - held an Environmental Awareness conference entitled: **(Sustainable Development in the service of society and Egypt's vision in 2020)** in collaboration with the United Nations Development Program, on Monday 1st of April.

The Egyptian Corporate Responsibility Center held a session on the partnership between the private sector and academic in sustainable development. The aim of this session was to shed light on what can the private sector in collaboration with academic institutions do in spreading awareness of the principles and practices of corporate social responsibility and sustainability. This collaboration considered the first step on the road to spreading and deepening the concept of sustainability.

The session's panellist were:

- Mrs..Sherine El Shorbagi , National project Coordinator – Egyptian Corporate Responsibility Centre

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- Dr.Mai El Batran , Chairman of the Committee on Education – Egyptian Junior Businessmen Association (EJB)
- Eng.Osama El Meligy, ISO 26000 Expert
- Mr.Ayman Salah, Secretary General - Egyptian Development Corridors Foundation (EDCF)

The conference includes three main dimensions:

- **The first dimension:** an exhibition of projects for sustainable development projects for the centers and colleges units.
- **The second dimension:** an inaugural meeting attended by representatives of the Government to display their vision for Egypt 2020 in sustainable development.
- **The third dimension:** the quality of the workshops and centers Special Units, namely:

- 1 - Education and capacity development and technical learning.
- 2 - Production (industry and agriculture).
- 3 - Green economy in job creation.
- 4 - Water, health and the environment.
- 5 - Power supply dimensions
- 6 - Communication in the service of sustainable development.
- 7 - Sustainable tourism.

% of progress: 100%

Sub Activity 7: Global Reporting Initiative (GRI) conference 22nd to 24th May, 2013

Mrs. Nahla Zeitoun - Assistant Resident Representative – UNDP attended the GRI Conference “Global Conference on Sustainability and Reporting” taking place in Amsterdam on 22-24 May 2013.

The conference main highlights were:

How can a sustainable global economy be built? What might it look like in 2020? How can the real value of sustainability information be unlocked? These and other increasingly pressing questions were at the heart of the conference.

% of progress: 100%

Sub Activity 8: Essentials of Corporate Governance for listed Companies workshop in collaboration with EIoD, on of the outcome f the financial Sector studies:

Under the auspices and the presence of Dr. Ashraf El Sharkawy – EFSA Chairman- the ECRC in collaboration with the EIoD held a workshop on the 24th of June, 2013 at the Marriott Hotel.

The purpose of this workshop is to introduce the participants from listed companies to the essential concepts, key principles, importance and the latest trends in Corporate Governance.The workshop covered the following points:

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What is corporate governance?

- The board of directors and its committees
- Disclosure and transparency
- Internal control and audit

This workshop is one of the outcomes of the CSR financial sector strategy recommendations. Mr. Husam Salem - CPA in the State of Ohio –USA and a holder of Master Degree from the University of Toledo – Ohio.

Sub Activity 9: ECRC supported Seminar held by the Netherland Embassy entitled:

“ Evolution of CSR in Egypt & Status of CSR in the textile, agriculture and financial sector and its implications” on the 25th of October at the Sofitel Hotel

Aiming at encouraging Corporate Social Responsibility in Egypt

- ECRC presented the outcomes and the status of CSR in 3 sectors: financial, agricultural and textile sectors. ECRC also introduced to the stakeholders the developed training programs, awareness campaigns and policy debates developed to address the issues identified.

Sub Activity 10: Policy Dialogue focus group :

ECRC is participating in a CSR study on the Arab region, with AUC, AUB and Ahead of the Curve. Actually, ECRC funded the study through AUC with \$10,000 and is hosting and organising focus groups to create policy dialogue. On December 8th, a focus group was held at the ECRC office attended by 9 participants from national institutions representing both the public and the private sector. GIZ, FEI, SFD, AAIB, Social Contract, UNDP, AUC, Ahead of the Curve.



The objective of this meeting was to consult on the following issues :

- Egypt’s burning issues and main drivers
- The link between CSR, Sustainable development and competitiveness
- Action plan for strategy implementation

OUTCOME 4 : PARTNERSHIP MOBILISATION (AAIB, EOS)

Sub activity 1: Arab African International Bank & ECRC Collaboration:

The ECRC finalized the partnership with the Arab African International Bank. This collaboration aims to achieve 3 main goals:

- 1- Promote UN Global Compact & Sustainability standards relevant to the Financial Sector that enhance responsible and inclusive finance.
- 2- Develop a national model for inclusive banking, an appropriate business and delivery model that serve all excluded sections of the society, rural and urban.
- 3- Implement one of the main recommendations that results from the CSR strategy being developed by the ECRC to the Financial Sector.

The concept note was send to the AAIB on the 22nd of September and feedbacks with modifications from both sides (AAIB & ECRC) were made to the concept note. An action plan was sent with the modified concept note on the 3rd of December, 2012.

On 19th March, 2013 the AAIB contract was signed and sent to UNDP to be signed from their side. It's worth mentioning that there was delay in the contract because the legal department in the AAIB had some comments on the contract which did not go with the UNDP rules and regulations. Also the AAIB once more had some amendments on the original concept notes which resulted in additional delay.

% Progress to date: 100%

Sub activity 2: 2nd Edition of the Business Solutions for Human Development Report

The 2nd edition will be produced through the Egyptian Corporate Responsibility Center (ECRC) Project. In this context, ECRC is working with to mobilise partnership for policy advocacy and fundraising. A Lead Author will be recruited to coordinate the process along with a team of authors from national and international consultants. Terms of Reference will be developed to that effect. A survey may also be needed to complement the working papers. Case studies and best practices will be highlighted in boxes across the various chapters.

Steering Committee:

A Steering Committee was formed to oversee the process, provide inputs, propose authors and advise on best practices. The Committee included the following:

- UNDP/ ECRC
- The Lead author
- A representative from Civil Society (CARE International)
- A representative from business chambers (American Chamber CSR Committee)
- A representative from academic institutions (American University in Cairo)
- Government representative (Social Fund for Development)
- IMC Representative
- Private Sector Corporate Partners and Sponsors
- GIZ

➤ Partnership Strategy and Resource Mobilization

Proposed Report Outline

This second edition of the Business Solutions for Human Development Report will focus on the following:

- Update since the last edition of the report

- Governance, Transparency and Compliance
- Evidence-based data on Private Sector engagement in development
- Supply Chain Management
- Labour Issues
- Environmental issues
- Sustainable Business Models - Base of the Pyramid (BOP Models)
- Alternative Business Models (Social Entrepreneurship/Social Businesses)
- The Way Forward (A Vision for Multi-Sectoral Partnerships)

2 Stakeholders consultation meetings, led by UNDP in ECRC, were held in September and October for planning and fundraising. Leading and pioneering Private Sector companies and donors were approached to join the steering committee, to share their excellent work for showcasing in the report as well as for resource mobilization purposes. Those partners will have their logos on the Report and will receive great visibility during the process of Report preparation, launch and post launch events. We are aiming for a very high level launch event with top CEOs and executives as well as with key policy makers and perhaps some international speakers.

70% of the fund needed for the report was successfully raised.

OUTCOME 5: THE GLOBAL COMPACT

The ECRC worked on developing the EGCN annual work plan for 2013 with estimated budget

Sub Activity 1 :

- TOR for the GC officer was uploaded on UNDP website
- New Officer was recruited 1st of Dec 2013

Sub Activity 2: “GC Management Training Model”

The ECRC held a workshop on the 19th of February, 2013 at Marriott Hotel. The workshop was titled “**GC Management Training Model**” and was attended by 26 participants UNGC local Network from different sectors as banking, Automotive, NGOs, telecommunication and others.

Mr. Sean Cruse a lead expert in training and research gave the training course where he started by giving a brief introduction about the GC initiative and principles, then moved to introducing each step of the modelling starting from leadership commitment along the way to the communication step which include submitting the “communication on progress” report.

Arab African International Bank and TMA company gave a short presentation about their experience as global compact members.

% Progress to date: 100 %

Sub activity 3 GC Webinars

- 1) Webinar 14th of January: Update of GC Local networks on GC LEAD.
- 2) Webinar 24th of January : GRI G4
- 3) Webinar 30th of January: For Local Network GC Advanced Criteria
- 4) Webinar 28th of February: On national consultations on post 2015

% Progress to date: 100 %

Sub activity 4 : Reporting on Business and Peace to GC

ECRC worked on a survey developed by KPMG for GC on Business and Peace, the survey included coordinating with GC participants to elaborate on their experience and the local network work on this field.

Sub Activity 5: CSR Lebanon:

Third CSR LEBANON FORUM: “Corporate Social Responsibility in Times of Uncertainty “March 18-19, 2013 Phoenicia Intercontinental Hotel- Beirut.

Thirty international, regional and local experts gathered for a two-day networking event in [Lebanon](#) to highlight the importance of corporate social responsibility in addressing the challenges businesses face today. The third CSR Lebanon forum comes at a time when the region is facing a deteriorating political and security situation. The event was held in collaboration with the [United Nations](#) Global Compact. The event featured a series of high-level panels and roundtable discussions on the emerging role of governments in the conduct of CSR on the one hand and the role of social entrepreneurship in bridging the gap between the public and private sectors on the other.

Global Compact Egypt Local network was invited to this forum in order to participate in one of the main session to show case Egyptian responsible business models. **Promoting Responsible and Investment in High –Risk Area**

Sub Activity 6: Annual Local Networks Forum:

Ms. Sherine El Shorbagi was invited, as the contact person of the local network , to the Annual Local Networks Forum that took place in Geneva during the period of 24th till 26th of April 2013.

The ALNF bring together representatives from Local Networks and companies to share their experiences and network. Local Networks representatives emphasized on the importance of revising the fundraising policy and the risk of add a mandatory contribution fees to the GC global foundation instead they recommend to ask for contribution by the members in the local context through partnership activities and direct donations

Mission report was submitted

% Progress to date: 100%

Activity 7: Silatech Consultation event:

ECRC in collaboration with Silatech, a regional non-profit organization, have organized a multi-sectorial consultation event entitled (it Takes a Nation; Action for Youth-Inclusive Economic Growth)

Almost 100 Participants from different corporate, private sector, public sector and civil society attended this event. The event started with a plenary session conducted by: Mr. Wael El Fakharany; Regional Manager Google Middle East, Ms. Ghada Waly; Managing Director Social Fund for Development, Ms. Neveen El Tahri; Chairwoman Delta Shield for Investment and Mr. Hisham El Khazindar; Managing Director Citadel Capital. They presented their thought on how organizations should tackle youth economic empowerment

After the session, three working groups held in parallel in which each focuses on a particular topic of significance to Egypt today. The topics of focus were:

- Inclusive Business Models

- Entrepreneurship
- Employability

At the end of the consultation, each working group identified a number of potential initiatives that can be implemented through collective action that can be presented and taken forward by an identified task force.

% Progress to date: 100%

Sub Activity 8: GIZ Inclusive Business Hub roundtables:

ECRC was planning to have 4 roundtables during this year to address one of the Global Compact issues. However to keep the momentum and to raise peer learning between GC members and other interested and potential organizations, ECRC in collaboration with GIZ Inclusive Business Hub has planned to conduct 6 roundtables till the end of the year, once per month except for July.

The first roundtable held in the 12th of June in Semiramis Intercontinental hotel, with 21 participants. ECRC was represented by Mr.AkramMarwan; the new hired GCNE Officer, who briefly introduced the Global Compact Network activities and mandate. Afterwards Mr.Maximillian Aboueleish, Sustainable development Manager – Sekem, presented the Sustainability Flower; a self-assessment tool developed by Sekem followed by a cooperative discussions between participants on how such tool could be customized to their industry and enterprises

Sub Activity 9: Members' COP follow up and recruitment:

One to one meetings and communications were conducted, in addition to following up with members who are reaching the deadlines of submitting their annual COP. It should be noticed that a number of contact persons have left their organizations and accordingly there is difficulty in reaching some GC members.

Five new members have joined the local network this quarter (as per our plan) and there are 5 more entities are now in communications to join the network; Citadel Capital, Price Water House Coopers, ECG, Agha Khan Co. & Rotaract El-Obour club.

ECRC is currently engaged in a couple of initiatives in order to outreach and get connected to more business community to increase the awareness on the Global Compact and the centre services:

- University To Work, with ECG (Egyptian Consultants Group)
- Societal taskforce, with UNV (UN Volunteers)
- GSB successful Business models
- Five participants (Alfa Misr For Industrial Investment, Aero Services Egypt (ASE), Modern Bakeries, Etisalat Misr & The Egyptian Company For Metallic Construction MetalCo) were listed as “non-communicating”. The officer succeeded to contact four companies regarding their COP:
Aero Services Egypt (ASE): the responsible person left the company and a new contact person handled the file and he is going to submit their COP by end of October
Modern Bakeries: The contact person was struggling to access to the GC website to submit the COP.

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The officer send the login info for the company and they should submit their report before the feast 15 October

Etisalat Misr: The officer contacted the responsible person. They were busy with some internal issues, so they submitted a grace letter but unfortunately during the grace period, the responsible person left the company. The officer sent reminders for the other delegated person but no replies

MetalCo: The responsible person is reluctant to finalise the COP, although the network officer is communicating with him from 4 months ago. Based on a phone conversation this week, the company's responsible person will send the COP to the officer to revise and upload on their behalf

- No participant was delisted in this quarter. Five participants (Arab African International Bank, Egyptian Transport & Commercial Services Co S.A.E. (EGYTRANS), Sekem Group, IT Synergy & Blue Moon Ltd.) were requested to submit their COP during this quarter. The GC Network Officer followed up with AAIB, Blue Moon & IT Synergy contact persons to ensure proper submission of their COP on time

- The Global Compact Local Network succeeded to attract Five New enterprises (Orban Advisory, Mediasci, WINK, Save The Children Egypt & Egyptian Banking Institute Social Contract Center) to join the LN

These enterprises submitted their Letter of Commitment (LOC) to join the local network this quarter.

But Orban Advisory was rejected as it is micro enterprise with less than 10 direct employees.and

Social Contract Center was willing to join the GC local network but as they are a UNDP project, they were advised to work through MOU with ECRC.

It should also be highlighted that Price Water House Coopers Egypt has submitted their LOC to join the GC local network, but GC office rejected their application as PWC HQ asked two years ago to register only PWC HQ as a member and all subsidiaries shall report to PWC HQ and they will report to GCO on their behalf

The network officer established good communications with a number of companies that are willing to join the Global Compact in the near future. Below are the potential prospective: Alex Bank, Citadel Capital, Wasla Outsourcing Company, Paradise Capital, Vodafone, Cemex, Shaduf, Rotary El Obour, Rotary Kasr El Nile & Rotaract Heliopolis Club

The network officer followed up with 5 companies (ASE, Orascom Telecom, Sobh For Food Industries and Coldstore, Sadko group & Americana Group) to update their database

Activity 10: Regional & Global Networks interaction:

The Global Compact Local Network was keen to engage in different regional and global activities. Below are the activities the GCNE engaged in:

- Contribution to the Local Network section of our new Resource Package which showcases why and how GC Local Networks around the world are engaging their corporate members in activities and initiatives that help to advance peace in order to encourage and inspire others
- Send Invitations and encourage an Egyptian delegation to attend the UN Global Compact Leaders Summit
- GCNE was passionate to join the GC Local Network Partnership Champion Group and to exchange our local partnership experiences with other local network
- The Network Officer attended a webinar on the UN Business partnership hub in 9th of September 2013

and he disseminated the outreach letter for interested companies

- The Network officer attended in 30th of July a consultation conference call on the Business for Peace (B4P) initiative
- GCNE submitted statement of support to the UN Global Compact Office Business for Peace and encouraged five potential members (Mansour Group, Blue Moon, Sekem, Social Fund for Development & Arab African International Bank) to sign the statement of support.
- Ms Sherine El Shorbagi attended the Leaders summit Local Network Meeting on 18th of Sept in New York with the meeting aimed to discuss the collaborative funding model and its criteria
- Ms. Sherine El Shorbagi was invited, as the contact person of the UN Global Compact Egypt Network to participate in the UN Global Compact Leaders Summit that took place in New York 19-20th of September. Ms. Sherine attended the Business for Peace Launch event and the Signing Ceremony along with Sir Mark Moody Stuart, Georg Kell and other signatories.

Mission report has been submitted

In addition to, Iraqi Study Tour November 18th – 21th, 2013

- The GCELN hosted a visit from the Iraqi global compact network (Mr, Thaira Al kaflawi – UNGC - GoI focal point (Senior staff in Prime Minister Office) and Maan Al Maree – UNGC - UNDP focal point (UNDP National Officer) for a study tour to enhance the Iraqi local network information related to the global compact management, structure and activities.
- ECRC prepared a programme for the Iraq Team with different available stakeholders in this period as:
 - Field visits to the initiatives implemented by the ECRC
 - Visit ECRC and meet the board members, collect data and documents about the structure of ECRC and its linkage with UNGC, UNDP and government
 - Meet with NGOs represented in the ECRC or NGOs engaged with the social responsibility initiatives
 - Field visits to the initiatives implemented by the ECRC / pilot projects led by ECRC
- The Network officer reviewed the draft “UN Global Compact: Growth and Engagement in Africa” strategy and provided his feedback and suggestions to the representative of the African region in the UNGC

Sub Activity 11: Collective actions:

The Global Compact Local Network team was passionate to work closely with different organisations to achieve common goals:

- The Network officer invited GC members and participated in the third EJB-Anti corruption Taskforce Consultation Meeting. (2/7/2013)
- The GCNE team hosted the consultation meeting for the 2nd edition of UN Business report (8/9/2013). Participants from different organisations engaged (Care foundation, Mansour foundation, Mansour distribution group, GIZ Inclusive Business Hub, Silatech, and Ahead of the Curve)
- The GCNE signed MOU with GIZ Responsible and Inclusive Business Hub on the 16th of September to develop a handbook for sustainable start-ups and SMEs. The Network Officer provided success stories from GC members and participated in the review and translation of the handbook

The global compact local network team was passionate to work closely with different organizations to achieve common goals:

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- The GCNE team established a new partnership with the American University in Cairo represented by Ms. Ghada Howaidi. The partnership include four main activities; (1) Internship program for AUC students for GC COP training, (2) Consultation on an international move for sustainability literacy test, (3) Training program for Corporate Governance and (4) Training program for Women in Board. The Network Officer developed a concept note for the internship and it is expected to start by next semester
- The GCNE Officer participated in an interview with Ms. Lucy Amis, Research Fellow at the Institute for Human Rights and Business, who was doing a mapping project on Business & Human Rights awareness and training (where it exists) in 6 countries: Colombia, Egypt, Indonesia, Kenya, Nepal and Peru. The project is commissioned by GIZ on behalf of the German UN Global Compact Network and BMZ (German Ministry for Economic Cooperation and Development). Mr. Akram provided an overview on the general efforts of the Global Compact Network around the 10 principles including those on human rights and labour practices.
- Based on GCNE signed MOU with GIZ Responsible and Inclusive Business Hub (to develop a handbook for sustainable start-ups and SMEs), we provided success stories from GC members and contracted Mr. Mohamed El husseiny to provide translation of the handbook. The handbook was launched in our Sustainable Business Circle that took place on the 9th of October at Semiramis Intercontinental
- Both the Network Contact person and the Officer met on the 7th of November at IMC premise Mr. Hans Christian, Head of Economic Department at the Embassy of Germany, who was investigating the Corporate Social Reasonability behaviour of companies in Egypt. Ms. Sherine El Shorbagi shared her knowledge and experience regarding CSR in Egypt and the potential further activities as well as the findings of ECRC's CSR diagnostic studies. While Mr. Akram Marwan followed the discussion by presenting the previous activities of the GSB project and the current Global Compact Members challenges in CSR
- The Network Officer participated in the consultation meeting for the launching of Sharek project. ECRC is one of the co-founders of the project. GCNE Officer participated in this meeting as a representative to ECRC team
- The GCNE signed MOU with WEF Work Environment Foundation on 15th Dec 2013 to deliver a blue collars' WORK ETHICS training for 10 members of a capacity of 120 trainees to raise related awareness to labor issues that support sustainability of business.

Four participants (Sobh For Food Industries and Coldstore, MOBICA for Advanced Industries, Aero Services, Cairo for Investment and Real Estate Development) were listed as "non-communicating". The officer contacted the four companies regarding their COP:

- Sobh For Food Industries and Coldstore: The officer contacted the responsible person. They were busy with some internal issues. The officer sent reminders
- Mobica for Advanced Industries: The contact person was struggling to access to the GC website to submit the COP and he asked for an extension. The officer send a grace letter template for the contact person but he still delayed in submitting his grace letter
- Aero Services: The officer contacted the new responsible person. They submitted a Grace Letter more than a month after their COP was due when they were already non-communicating. They are currently preparing their COP to be submitted before the new deadline
- Cairo for Investment and Real Estate Development: The Officer contacted the responsible person and he promised to finalize the COP by end of November
- No participant was delisted in this quarter. Three enterprises (Ability Contact Center, Working Environment Foundation WEF & Borhan Law Firm) submitted their Letter of Commitment (LOC) to join the local network this quarter. However the application of Borhan Law Firm was declined due to administrative constrains as companies with less than ten direct employees (micro enterprises) will not be entered into the database of participating companies
- The Network Officer established good communications with a number of companies that are willing to join the Global Compact in the near future. Below are the potential prospective: Wasla Outsourcing Company, Paradise Capital, The Bakery Shop TBS, Association for Protecting Environment APE, Agha Khan Foundation & Polaris Parks

Sub Activity 12: Seminars & roundtables:

The Global Compact Local Network succeeded to organise 2 events for its members and other enterprises interested in topics of sustainability in collaboration with GIZ responsible and inclusive business hub. The first sustainable business circle/event took place on the 14th of August at Icecairo venue in which the officer was able to introduce the GC principles to the attendees and followed by a brief session on inclusive business models in Egypt and a presentation of three successful models already implemented. The second sustainable business circle/event took place on the 18th of September at Icecairo venue in which we had presentations on corporate volunteerism from different prospective.

It was notable that the number of attendees had increased tremendously to reach 45 participants in the second round. The aim of such sessions is to create value to GC members and encourage others to engage and participate

- The Global Compact Local Network succeeded to organise 2 events for its members and other enterprises interested in topics of sustainability in collaboration with GIZ responsible and inclusive business hub. The first event was the 4th sustainable business circle/event that took place on the 9th of October at Semiramis Intercontinental in which the officer was able to introduce the new launched platform for UNGC business partnership hub to the attendees and accompanied with two brief sessions on EJB Anticorruption Taskforce project and Ice_rihb project activities. The fifth sustainable business circle/event took place on the 18th of November at Icecairo venue in which we had presentations on inclusive models in the handicraft sector.
- The GCNE organized the GCNE roundtable at ECRC on 2nd Dec, attended and moderated by Mr, Walid Nagy – Head of Local Networks, Global Compact Head Office-, Mrs Sherine El-Shorbagi –National Coordinator GCNE- and Mrs Nahla Zeitoun-UNDP Egypt-. The roundtable discussed the updates of the GC, engagement opportunities, and the new launched platforms and an open discussion on GCNE opportunities of member's partnerships and support to the new launched platforms.
The GCNE managed the 5th SBC (sustainable business circle) at Ice_rihb on 16th Dec. In which we had interactive sessions on some focus areas and got peoples' input along the theme 2014 year of sustainability



Sub Activity 13 : B4P Web Conference:

The GCNE officer went into a web videoconference with Mr, Jeffrey French – Project manager, Business 4 Peace, UNGC Head Office. The conference discussed the current opportunities for B4P in Egypt and the steps to be taken to enlarge the expansion of B4P initiative for more participant with a recommendation for awareness raising event to take place in 2014 with a support Arabic version of B4P initiative to be sent from the head office

Sub Activity 14: Feasibility study for BPO model in upper Egypt:

- The Global Compact Network contracted the Nielsen Company to conduct a feasibility study on establishing the first BPO centre for inshore and offshore services in Upper Egypt. Aiming at creating an inclusive business pilot model that create job opportunities for youth and upon success, this model could be replicated and up scaled.
- Kick off meeting took place on Wednesday 30th of October at ECRC premise with the presence of Mr. Saeed Reyad from

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WASLA Outsourcing company our technical partner in the project and Mr. Mohamed El Kalla the BOP consultant and Mr. Rajib Dasgupta from Neilsen and his team.

Mr. Akram Marwan started the meeting by a brief about the history of the study and its purpose and the main responsibilities of the consultant and other stakeholders. Neilsen discussed its methodology and action plan and confirmed that they understood our expectations. It is expected to finalize the study by the end of January 2014

On other Hand, Mr. Mohamed El Fouly, The new hired Officer, contacted Megacom the previous consultant of this study to finalize the termination procedures of their contract by signing termination agreement MOU with no financial commitments on both parties

OUTCOME 6: CSR SECTOR STUDIES (FINANCIAL, AGRICULTURE AND TEXTILE)

- Sub Activity 1: Diagnostic for the Financial Sector

Upon developing the TOR by ECRC team, it was posted on the UNDP website on the 19th of July and the deadline for sending the proposals was August 2, 2012

Six offers were received between 31st of July and 2nd of August, 2012. On the 8th of August evaluation of offers was done and Incite won the bid.

There was a delay in the process of the contract because of some requirements by the CAP to approve the process and it was approved on the 26th of September, 2012. Accordingly, the contract was signed 1st of October, 2012 by the UNDP and 3rd of October, 2012 by Incite.

A kick off meeting was conducted with the experts to agree on the main steps and the time frame for the study. A schedule of the interviews and the mix of stakeholders was determined.

On October 24th, 2012 an online survey was uploaded on the ECRC website and sent to the ECRC database. We conducted this online survey to have insight on the current standards and practices of financial institutions in Egypt, and how companies are dealing with challenges such as market instabilities, climate change, resource supplies, public health, labour standards, education, governance and business ethics.

On the 29th of October to 1st of November, 2012 Mr. Cornis (the international expert) visited Egypt to conduct a one to one interviews with different financial stakeholders, his schedule was:

- 30th of October: Meetings with Arab African International Bank and Egyptian junior Businessmen Association
- 31st of October: Meetings with Al Watany Bank, Concord and Export credit guarantee fund
- 1st of November: Meetings with the Egyptian Banking Institute, Madar and Misr Life.

However, the team recognized a need for the international expert to conduct another visit to Egypt to conduct further meetings with important stakeholders. Due to the current circumstances in Egypt, taking into consideration that it was difficult to set meetings with stakeholders who were engaged in issues related to their core business rather than sharing interest in taking part in this study which caused a low rate response in both the setting of the meetings and the survey.

Accordingly, Mr. Cornis visited Egypt for 4 days from the 5th -9th of December during which he conducted interviews with:

- Dr. Ashraf El Sharkawy (EFSA)
- Hans Raadschilders – Dutch Embassy
- The Lead Foundation
- HSBC Bank

Deliverables:

Final Study was submitted in April 2013!

Results of the study:

Financial institutions that are seeking to be “socially responsible” should be able to demonstrate a clear

commitment to:

1. Compliance with applicable laws and regulations.
2. Good corporate governance.
3. Incorporating ESG considerations in all decision-making.
4. Integrating ESG criteria in risk management.
5. Developing new ESG-labeled products and services.
6. Integrating ESG goals and objectives in internal operations.
7. Collaborating along the value chain.
8. Monitoring and reporting verified progress in implementing ESG commitments.
9. Conduct regular and principled stakeholder dialogue.
10. Governance beyond shareholders and management, and applying recognized practices such as free, prior and informed consent of affected communities and grievance mechanisms.
11. Collaborating with others in the same industry.

Research about international standards and normative requirements of social responsibility in the financial sector shows that most of the initiatives covered set out with a core industry group in collaboration with public institutions – UN agencies in eight of 15 cases – which were instrumental in establishing the initiative.

Governance of the initiatives is typically reserved for industry members, whereas stakeholder organizations are engaged ad hoc in initiative activities. Companies in most countries, including the financial sector in Egypt, are likely to prefer to start collaboration on complex social responsibility and sustainability issues with a core group that has a strong influence by industry and the relevant business segment. External parties such as UN agencies are seen to play a useful potential role as co-facilitators, while also helping to develop key research areas and organize policy dialogue with governments and NGOs.

The presented CSR strategy for the sector should build on:

Moving beyond the very basic phases of CSR strategies embedded in the financial sector in Egypt require financial institutions in Egypt to scale up their competencies in areas that go beyond the basic focus on compliance, cost reduction and conventional governance.

Improving on conventional corporate governance requirements will require steps to improve the quality and skills of leadership, starting at Board Director Level and addressing the level of understanding for an ESG agenda with a longer term, strategic business perspective. This will require activities to address the ability of directors and senior managers to exercise good and/or independent judgment as well as reasonable care, skill and diligence in dealing with key ESG issues that Egypt faces.

Study showed that the main challenges that need to be faced include:

- Credit allocation still focused on large corporate clients, failing to address the challenge of inclusive finance (including small business development and micro-finance). In this, Egyptian banks are failing Egyptian society and the Egyptian economy.
- Growing unemployment and especially low female Labour participation, in addition to labour issues of productivity, skills and formalized engagement. (One would imagine that educated women could more easily be employed in the financial and other services industries.)
- A growing youth component of the population that is urban and using the Internet extensively, yet with poor understanding of finance and low appreciation for savings, but with high attraction to the apparent luxuries of consumer cultures abroad (Europe, Gulf). This raises the challenge of Internet banking services.
- Potentially dramatic impacts of climate change on the economy, the agricultural sector in particular – yet this is a domain where financial institutions in Egypt appear to pay little interest. The one or two exceptions are responsible investors and insurers that are taking signals from their peers in other emerging markets. Will Egypt and its financial institutions miss the boat of investment in renewables,

cleaner technologies and ecosystems-based adaptation?

Sub Activity 2 : Diagnostic for the Agriculture Sector

The TOR was prepared by the ECRC team and posted on the UNDP website on the 28th of August, 2012 and the deadline for submitting the proposals was the 20th of September, 2012.

Upon receiving the 3 offers, a panel composed of Mrs. Nahla Zeitoun, Program Analyst, UNDP; Mrs. Sherine El Shorbagi, National Project Coordinator, ECRC; Mrs. Perryhan, Operational Manager, ECRC; met on Tuesday 2nd of October 2012 – ECRC new office to review the proposal received from three firms.

The panel upon scoring the 3 firms agreed on awarding the contract to Heliopolis University for the following reasons:

- They were very sector specific and tackled agriculture sector with a CSR point of view.
- In their methodology, they clearly stated four major areas that were highlighting the elements of CSR and they broke down each element into criteria they will focus on such as (water use, soil quality, pest control, energy use, waste management, traceability, quality management systems,...etc),
- The experts have a very strong back ground/ knowledge in both CSR related issues and in the agriculture area.
- They submitted the lowest offer

Deliverables:

ECRC received the final study in May 2013

Results of the study:

Results from four general stakeholders' consultation meetings, the survey among industry representatives with 42 questionnaires and the online benchmark study on CSR communication practice of local companies clearly show that CSR is not new to the industry but it can be used more strategically and also standard application can be extended beyond the usual application relevant for export.

Revising multiple schools of thought about CSR application in the agro industries sector, the main components of the definition of CSR in this sector can be summarized as follows:

- Incorporate sustainability indicators into company governance and receive assistance and training to do so;
- Come up with integrated Balanced Scorecard System to track development over time.
- Establish platform for stakeholder dialogue based on reporting initiatives;
- Come up with process for industry wide coordination of activities through mutual priority setting based on stakeholder needs assessments.
- Improve CSR reporting and in the best case integrate this into sustainable development reporting scheme on company level;
- Harmonize the reporting standards and frameworks among AFI companies and assure comparability of selected indicators to allow for benchmarking as well as best practice exchange.
- Include supply chain in the awareness and capacity building processes and also report on total social and environmental product footprint.

Moving from theory to application and gap analysis with the international baseline, A comparative study of international and Egyptian companies in the agro-food industry within the scope of the CSR Diagnostics study shows that:

- International companies are dealing with CSR on corporate level regardless the sustainability of their core business model,
- The majority of Egyptian companies have rather a philanthropic approach rather than a strategic CSR approach,

- The majority of Egyptian companies in the Agro-Food industry do not have a published report on social, environmental and economic data,
- The majority of Egyptian companies in the Agro-Food industry do not have any communication about their CSR activities in form of a document,
- Only some Egyptian companies in the Agro-Food industry report on their CSR activities online,
- In general, there is no coordination between companies' CSR activities in one industry,

Based on a more focused analysis using the "Sustainability Flower", a summary of the recommendations for the CSR strategy for the Egyptian Agro-Food Industry is presented as follows:

- A series of awareness raising events regarding CSR are to be held. Specific topics that should be covered include "systemic interrelations of food security challenges" as well as "integrated sustainability reporting schemes", including concepts like ISO 26000, GRI and its supplement framework for food processing, other frameworks used in the industry like the Sustainability Flower framework currently applied by Sekem.
- As indicated in a survey done in the industry, training events for companies that want to adopt or improve their CSR programs should primarily cover the following topics:
 - In the societal dimension of CSR: health and safety (priority A), employee loyalty and motivation, labor rights;
 - In the environmental dimension: energy management (priority A), soil management, animal and plant management;
 - In the economic dimension: product portfolio, customer responsibility and relationship, marketing and brand management.
- The companies of the AFI should be informed about local CSR best practices on a regular basis and share their experiences and knowledge. Hence, a monthly journal on CSR practices as well as sector-wide meetings and visitations are to be introduced.
- An industry wide introduction of the Sustainability Flower framework is recommended based on a developed quick assessment tool on individual company level. The participation is not mandatory and the quick assessment scope can be adapted to the different company need. The quick assessment is linked to the wider scope of the Sustainability Flower Balanced Scorecard and allows for an effective and holistic assessment of company performance with regard to sustainability issues. Based on that assessment future priorities and areas for collaboration can be identified.
- An industry-wide social innovation process is suggested, in order to address societal challenges faced by the AFI. According to the industry survey the biggest challenge for Egypt identified is energy scarcity. A social innovation process integrates key stakeholders from different disciplines, cultures, sectors of society, and layers of organization to solve related challenges within the industry and its related stakeholders. The process ensures collaboration of these stakeholders throughout the four phases of social innovation:
 1. Problem Diagnostics,
 2. Solution Finding,
 3. Solution Testing,
 4. Solution Up-Scaling

Sub Activity 3 : Diagnostic for the Textile Sector

The TOR was prepared by the ECRC team and sent to MOV with no feedback. The Request for proposal was uploaded on the UNDP website on the 1st of October, 2012 and the deadline for submitting the proposals was 21st of October, 2012.

On the 21st of October, 2012 the ECRC did not receive any offers for this study. Accordingly we extended the

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deadline to the 15th of November, 2012. This resulted in receiving four offers from:

- Sustainable business consulting (SBC)/AC Nielson
- CSR Company International
- MEGACOM
- H&L

The panel committee composed of Mrs. Nahla Zeitoun (UNDP), Mrs. Sherine El Shorbagi (ECRC) and Mrs. Perryhan Sultan (ECRC) held a meeting on the 10th of December, 2012 at 1:30 pm to open the bids and evaluate each proposal technically and financially.

According to the technical and financial evaluation format previously submitted by the UNDP the Committee agreed that Sustainable Business Consulting (SBC) AC Nielson was the best proposal offered, UNDP is processing the contract.

Deliverables:

The ECRC received the first draft of the final study report and strategy on the 30th of November, 2013. ECRC reviewed both the Textile CSR report and CSR strategy compared to requests represented through the TOR and comments were sent to the consultant for editing.

% Progress to date: 80 %

Challenges and milestones:

There were a lot of obstacles that led to the deviation from the working plan, on the top of it :

- The change of governmental implementing partner of the project and the movement of the centre to fall under the umbrella of IMC,
- The complete separation between the EIoD and the ECRC, which results in searching for new premises, furnishing it and equipping it from scratch.
- Recruitment of new staff.
- Business recession and shifting business attention to other areas and neglecting sustainability and CSR issues.

Due to the above mentioned reasons there were number of activities that were not accomplished as planned. These activities either were shifted to 2014 working plan or they were removed as they were thought to be not practical or reasonable to accomplish. Those shifted to 2014 include:

- Training:
 - Sustainability Reporting (GRI).
 - CSR to banking & financial sectors issues: ESG issues were moved to 2014.
 - Policy Advocacy.

Whilst the CSR to banking basic introduction activity was removed.

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