



Global Compact Network
Iraq



United Nations Global Compact Iraq Network

Annual Report 2012

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Introductory Note from the Secretariat

Dear members and supporters of the UN Global Compact Iraq Network,

We are pleased to welcome you to the first annual report of the Iraq UN Global Compact (GC) Network. The report will share the achievements and activities of the Iraqi members during their first year. Despite being relatively new, the Iraq UNGC Network and its members have been engaged in several activities at the national and international level and have promoted the UNGC principles and their integration in local business operations in Iraq.

The first year featured exciting developments in the promotion of corporate sustainability and the private sector's role in development, particularly with the Rio+20 Conference on Sustainable Development held June, 2012 in Rio. This has been an historic event especially for businesses and their increasing engagement in the global development agenda and their support to sustainable development goals. The participation of Iraqi companies, members of the UNGC Iraq Network, marked also a significant step towards the integration of the Iraqi private sector in the global markets.

A number of activities were conducted by the Iraq UNGC Network at the national level, under the guidance of the recently elected Steering Committee whose members held meetings on a monthly/bi-monthly basis to ensure implementation of the Network's work plan. Significant steps were taken in the formation of thematic groups to focus on priority areas and promote dialogue between Government and international organizations in order to voice the opinion of Iraqi businesses.

In particular, it is worth to highlighting the active engagement of the Iraq GC Network in preparing the first Private Sector Development Strategy for Iraq, in collaboration and close consultation with the Government of Iraq and UNDP organizers.

We hope you will benefit from these stories and apply the UNGC principles in Iraq to your business experiences.

With best wishes,

The UNGC Iraq Secretariat

Highlights of Iraq UNGC Network Activities in 2012

Workshops on Corporate and Social Responsibility Practices - February 2012, Baghdad

In cooperation with the Swedish Embassy in Baghdad, the Swedish International Development Cooperation Agency (SIDA), and UNDP, the UN Global Compact Iraq took part in two sectoral workshops on Corporate Social Responsibility (CSR) held in Baghdad in February 2012, aimed at building capacity on CSR implementation as well as raising awareness, among Iraqi public institutions, state-owned enterprises, and the private sector, about the UNGC and encourage future membership.

The two workshops, held on 13 and 15 February at the Swedish embassy in Baghdad, focused on the sectors of industrial service and transportation, with interventions and experiences shared by experts from Swedish organizations and leader companies in these sectors (i.e. Volvo Trucks, Scania, and Sandvik) who presented some CSR practices that have been applied to their companies.



Workshop on CSR and exchange with Swedish companies, Embassy of Sweden – Baghdad, February 2012

Members of the Iraq UN Global Compact Network who attended the workshop provided a background of the Iraqi context to the discussion and benefitted from exchanges with Swedish counterparts.

UNDP/Shell Iraq partnership for private sector development in Basra – March 2012, Basra

On 13 March 2012, Shell signed an agreement with UNDP Iraq to implement a wide range of development projects in Southern Iraq over four years. The partnership aims to increase local area development activities, promote local small and medium enterprises and provide vocational training that responds to the private sector's needs. International oil companies are some of the largest investors in Iraq and also have the propensity to create a large number of jobs. Given Iraq's high unemployment rate coupled with the 450,000 job seekers that enter the market every year, partnerships like this are key to boosting the economy by ensuring local workers are properly trained for the types of jobs that become available.

UNDP Iraq Country Director, Mr. Peter Batchelor, noted that "this partnership is part of UNDP's support for the local network of the Global Compact, which was launched in Iraq in October last year to promote responsible business practices in the areas of human rights, labour standards, environment and anti-corruption. The Global Compact, and these types of partnerships, also provide a useful framework for international oil companies who are operating in Iraq to meet their Corporate Social Responsibility obligations." Through UNDP and the Global Compact, this partnership will help ensure that oil companies are utilizing business practices that are in line with UNGC Principles while helping to spur Iraq's local economy and workforce. Shell is a member of the UNGC internationally and through this partnership it will support the Local Network in Iraq.

Training on the UN Global Compact Management Model – May 2012, Baghdad

On 3 May 2012, a training session on implementing and reporting the UN Global Compact Principles was delivered in Baghdad, organised by UNDP-UNGC Secretariat in Iraq and supported by Deloitte consulting firm. The training, conducted in Arabic by an expert from Deloitte -Iraq Office, was attended by 25 business and NGO participants and all members of the Iraq Network. The content of the training is based on the UN Global Compact Management Model designed by Deloitte and UNGC as a tool to help companies create a management system that integrates corporate sustainability across their organization while addressing the broad spectrum of issues that embody the Global Compact's Ten Principles.

The training had the added benefit of allowing members to share experiences, discuss common problems and suggest solutions while playing a key role in addressing business ethics, transparency and human rights. Reporting was also addressed as a key issue for companies, not only to complete the Communication on Progress, as a requirement for UNGC membership but also as a communication and strategic business operation.

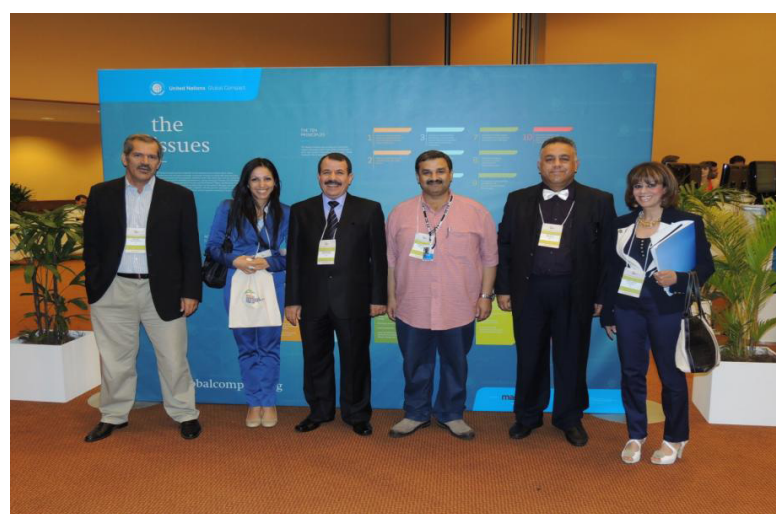
This was the first training focusing on implementation and reporting since the launch of the Iraqi UNGC Local Network in October 2011; it was a great success as it helped improve the understanding among Iraqi organisations of the UNGC initiative and its benefits to business.

Regional Workshop on 'Enhancing Transparency in the Private Sector in Arab Countries and the Roles of Different Stakeholders' - June 2012, Tunis

The regional workshop was organized by UNDP-ACINET initiative for Arab countries in Tunis between 7-8 June, 2012, in the framework of the regional project on "Anti-Corruption and Integrity in the Arab Countries" (ACIAC) with a focus on the role of the private sector. Three participants from the UNGC Iraq Network attended as representatives of Iraqi private sector and civil society, to exchange and learn from experiences among other partners in the region and discuss a common framework for business actions to enhance transparency in Arab countries.

Rio+20 Corporate Sustainability Forum and Annual Local Networks Forum - June 2012, Rio de Janeiro

The UN Conference on Sustainable Development, known as Rio+20, was held in Rio de Janeiro (Brazil) from 20-22 June 2012 and was preceded by the Rio+20 Corporate Sustainability Forum (CSF), a special event organised by the UNGC Office on 15-18 June to discuss the contribution of the private sector to sustainable development. About 2,700 business leaders, government officials, investors, academics and grassroots activists from all over the world participated in the Forum to discuss sustainable business practices and collaboration between companies,



Iraq UNGC members at the Rio+20 Corporate Sustainability Forum, June 2012

government, and civil society, focusing on the six themes central to the Rio+20 agenda: Energy & Climate, Water & Ecosystems, Agriculture & Food, Social Development, Urbanisation & Cities, and Economics & Finance.

A delegation from the UNGC Iraq Network attended the CSF, including the Representative and Government focal point, who had a chance to present some of the activities conducted by the UNGC Iraq Network in the areas of business and peace, sustainable development, women's economic empowerment and green growth in agriculture through public-private collaboration. Iraqi participants had a chance to learn from companies and Local Networks around the world about successful implementation of CSR initiatives at the local and the international level. Exposure to innovative solutions, business models, and

partnership opportunities will help Iraqi members to implement and enhance a sustainable development agenda in Iraq through exchanging knowledge and best-practices with global partners.



Iraq UNGC Network with other Local Networks and Iraqi Government at the Rio+20 Corporate Sustainability Forum, June 2012

Among the decisions taken at the 15-18 June Forum:

- An offer by business leaders to be a part of a new Sustainable Development initiative

Goals:

- A communiqué signed by 45 CEOs of major corporations outlined ways that Governments can do better on water management and can set up frameworks that will help business to scale up its own role in reducing usage and restoring natural sources.
- Nearly 300 institutions of higher learning endorsed a plan to place sustainable development at the heart of college and university curricula.



Iraq UNGC Network with other Local Networks and Iraqi Government at the Rio+20 Corporate Sustainability Forum, June 2012

The final text of the outcome document, 'OVERVIEW AND OUTCOMES: Innovation & Collaboration, Public Policy Recommendations, Commitments to Action', was presented to UN Secretary-General Ban Ki-moon during the Rio+20 summit. The can be downloaded at: http://www.unglobalcompact.org/docs/news_events/upcoming/RioCSF/RioCorpSustForum_Outcome_21June12.pdf

The Annual UNGC Local Network Forum was also held in June in Rio, preceding Rio+20 meetings. Iraqi UNGC Network members took part in this annual event for the first time, benefitting from the dialogue with other Networks and the UNGC office about strengthening UNGC implementation at country level and the next steps towards strengthening the role of Local Networks in UNGC governance. During the Rio+20 Summit, a session on "Iraq's Experience in Sustainable Development" was also held to present the national report on sustainability, prepared by the Iraqi Ministry of Planning. The session, attended by delegates from the Iraqi Government, UNDP

and UNGC Network businesses, provided an opportunity to discuss public-private partnerships and translate the Rio+20 commitments on sustainable development into actions on the ground taking the Iraqi context into account.

Webinar on 'Responsible Business in Iraq' - September 2012

A Webinar on 'Responsible Business in Iraq – How to build constructive relations with the Government' was held on Thursday 20 September, 2012 jointly organised by the UN Global Compact New York Secretariat, the Principles for Responsible Investment (PRI) initiative and the Iraq Global Compact Network with the support of UNDP. Speakers and participants included Iraqi and foreign businessmen and women as well as senior experts from international organizations, notably IFC Iraq Country Manager Mr. Ziad Badr and UNDP Director of the International Centre for Private Sector Development Dr. Simona Marinescu.

Major challenges for conducting responsible business in Iraq were discussed, it highlights that most of the difficulties for both local and foreign companies were related to the poor dialogue and lack of trust and support by the Government. At the same time Iraq offers great potential and substantive opportunities for business development. The role of the Iraq Network was highlighted as a catalyst for the Iraqi private sector to enhance its role as a development partner and restore trust within the Iraqi Government and people as well as foreign investors. International organisations and companies stated their readiness to support and collaborate with the Iraq GC Network to enable it playing this crucial role.

Conference on Women Economic Empowerment in Iraq – October 2012, Baghdad

Under the patronage of Deputy Prime Minister Dr. Rowsch Shaways and in cooperation with UNDP Iraq and the UNGC Iraq Network, the first Women's Economic Empowerment Conference was held in Baghdad on 7-8 October under the slogan "Equality Means Business". The conference was organized with support from UN Women, ILO and IOM. The conference was attended by Dr. Ibtihal Al-Zaidi, Minister of Women's Affairs, Dr. Ali Al-Allaq the Secretary General of the Council of Ministers in addition to representatives from the Iraqi Council of Representatives, the Head of the High Council of Women's Affairs in the Kurdistan Region, civil society and the private and public sectors.



Conference on Women Economic Empowerment and working group discussions, Baghdad - October 2012

The past three decades in Iraq have been characterized by war, conflict, violence, sanctions and civil strife. In this context Iraqi women have had to bear a heavy burden. One in ten Iraqi households is female-led and 90% of these women are widows. Unemployment among Iraqi women remains one of the highest in the Arab region. Only one in every ten Iraqi women is employed or actively seeking work.

The conference aimed to address key issues hindering women's participation in the Iraqi economy and identify potential sustainable and inclusive solutions through public policies and innovative business models. The private sector actively participated in the conference, expressing support to women's empowerment as part of the commitment to the United Nations Global Compact principles of corporate responsibility. Several members of the Iraq UNGC Network attended, stating the readiness of the Network to help implementation of successful practices of women's integration in sustainable development, in line with the outcomes of Rio+20.

The Women's Empowerment Principles, a set of international guidelines formulated by the UN Global Compact and UN-Women, were launched to offer guidance to the private sector on how to empower women in the workplace, marketplace and community. A key outcome of the conference was an announcement from the Banking Association (representing nine banks) to establish special facilities to provide soft loans up to US\$ 250,000 for women entrepreneurs. A committee to follow up on the conference's outcomes was established with representation from the Deputy Prime Minister's Office, UNDP and civil society organisations.

Training workshop on the Communication on Progress – October 2012, Baghdad

A workshop was held at the Council of Ministers Secretariat on 11 October in Baghdad, and attended by 15 participants to provide guidance to members of the Iraq UNGC Network on preparation and submission of their Communication on Progress (COP). The COP is a requirement that is mandatory for all UNGC business members to report annually on their commitment and implementation of the UNGC principles; this is the only mandatory action for UNGC members, aimed to ensure transparency – as COPs are published on the UNGC website and accessible to all - and



Training on COP for Iraq UNGC Network members, COMSEC Baghdad - October 2012

also to promote translation into practice of the UNGC principles. Delay in submitting the COP upon the yearly deadline results in downgrading the status of members to 'non active' and can be eventually delisted. Iraqi members attended the webinars offered by the UNGC on COP preparation and the workshop in Baghdad was the first 'in-person' activity to build capacity of Iraqi Network members to report on sustainable business practices and UNGC implementation.

Workshop on Corporate Social Responsibility and Inclusive Business – November 2012, Istanbul

A successful workshop on Corporate Social Responsibility (CSR) and inclusive business models for the UNGC Iraq Network was held in Istanbul from 19 to 21 November, in cooperation with the UNDP Istanbul International Center for Private Sector Development (IICPSD) and the UNGC Turkey Network. The workshop was attended by a delegation of Iraq Network members, 11 businesses and one member of academia – including six members of the Network steering committee and the representative – as well as two high level officials from the Government, Dr. Hameed Al-Anbari from the Prime Minister Advisory Board and Dr. Hadi Hussain Ali from the Deputy Prime Minister Office, both engaged in issues related to private sector and partnerships building in Iraq.



Iraq UNGC Network and IICPSD team at the workshop on CSR, Istanbul November 2012

A number of experts from relevant organisations in the region shared experiences and brainstormed solutions to social and environmental issues generated by extractive industry expansion and oil and gas export based growth that are being promoted at the expense of local and domestic jobs. CSR experts, university and private sector leaders shared their experiences in sustainable inclusive business and social entrepreneurship as successful models to improve both social and economic performance. Speakers included representatives from Microsoft Middle East and Africa, Vodafone Turkey, CSR Europe, Ethics and Reputation Society of Turkey, Yingli Solar, CSR Turkey Association, Istanbul Bilgi University, Mikado Consulting – many of whom are members of the Turkey UNGC Network; their presentations showed how CSR and inclusive business models have become strategic tools for growth promotion and for securing a long term social license for Foreign Direct Investors and domestic entrepreneurs worldwide.

The workshop also provided an important occasion for joint consultation between the Iraqi Government and private sector representatives to discuss the first Iraq Private Sector Development and Engagement Strategy, which is being finalised with the support of UNDP Iraq and IICPSD and aims to provide a roadmap to improve the business environment and private-public partnerships in the country.

www.iq.undp.org

Expert Group meeting on Business & Peace – November 2012, London

The UN Global Compact Expert Group on Responsible Business and Investment in Conflict-Affected and High-Risk Areas convened in London on 27 November 2012 to discuss the challenges of operating and investing in fragile contexts, and to advance the implementation of responsible business and investment practices around the world. Organised by the UN Global Compact and the Principles for Responsible Investment (PRI) initiative, the meeting brought together over 60 companies, investors, academics and expert participants. The Iraq UNGC Network coordinator, Ms. Arouna Roshanian, was invited to present on the experiences of Iraq as a Local Network that has been successful, despite being only recently established, in bringing together local and international companies, as well as the public sector in promoting dialogue, awareness and practices of responsible business despite the difficult conditions of the country. The Iraq Network can provide hope to international investors that doing responsible business in high-risk areas like Iraq is possible.

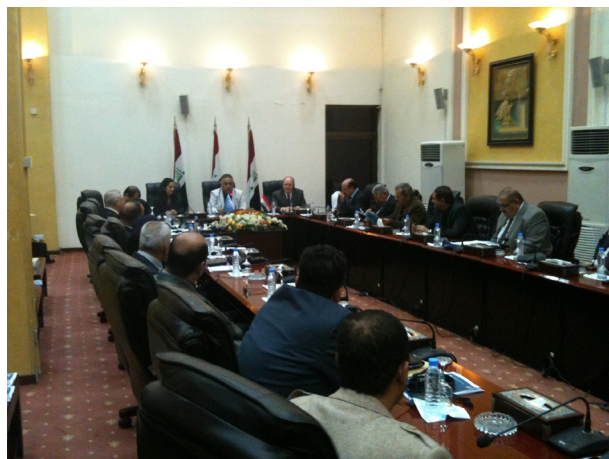
Participants discussed a range of topics including responsible business and investment in Myanmar and enhancing transparency and corporate disclosure in mineral rich countries. Additionally, two consultative sessions were held to identify ways in which the private sector can help shape the post-2015 development agenda. In particular, participants addressed the "Conflict and Fragility" dimension, and specific actions that companies and investors can undertake with Global Compact Local Networks to facilitate the implementation of responsible business and investment at the country level.

Roundtable consultations on the Iraq Private Sector Development Strategy – November and December 2012, Baghdad

In an effort to develop the first strategy for Private Sector Development in Iraq, the UNGC Iraq Network was approached to provide feedback to UNDP Iraq and Government of Iraq on a number of issues and reforms that the country will need to improve its business environment and to enhance the role of the private sector in social and economic development. A number of meetings were held in Baghdad to facilitate consultations and collect the inputs of the business members and the Government.

Annual Meeting Iraq UNGC Network – December 2012, Baghdad

The annual meeting of the Iraq UNGC Network was held on 9 December 2012 in Baghdad at the Council of Ministers Secretariat Hall. The meeting celebrated the UNGC Network's first anniversary, as well as its achievements and its priorities for the next year. About 40 participants from different parts of Iraq (including Basra, Anbar, Babylon, Mosul) representing companies, business associations and NGOs attended the meeting, together with high-level representatives of UNDP and the Government (Prime Minister Advisory Commission, the Deputy Prime Minister's Office, Council of Minister's Secretariat). The meeting provided an overview of the major activities completed by the Iraq UNGC Network, in line with the action plan that was established at the previous general meeting under the guidance of the Steering Committee. This included training on Corporate Social Responsibility (CSR) and UNGC principles; strengthening partnerships with Government and other stakeholders in private sector development; mobilising collective business strategies in the priority areas identified including environment, anti-corruption and the empowerment of women; integration into the regional and international business community; supporting initiatives by member companies to integrate CSR and UNGC into business operations.



Annual meeting of the Iraq UNGC Network, Baghdad, December 2012

Suggestions and ideas for strengthening the work of the Iraq UNGC Network in the coming years were also discussed and an action plan for 2013 will be developed with the support of the PMAC, the Government entity appointed to aid the private sector and UNDP in further strengthening the UNGC Iraq Network. The annual meeting also featured the Tamayouz Award Ceremony, an initiative supported by the Network and its members during the year to promote youth skills and job creation for emerging Iraqi talents in architecture and construction.

Iraq UNGC Network Steering Committee Meetings

During the first half of 2012, the UNGC Iraq Network Steering Committee met on 16 January, 7 February and 4 April. Discussions centred around an upcoming workshop and training activities for the group members, public-private partnerships and cooperation with the Government and international organisations, including the UN and USAID, on economic reforms, engagement and exchanges between the Iraq Network and other Networks. A major decision taken by the Steering Committee was the creation of thematic Working Groups led by volunteer members of the Network to focus on key areas of the UNGC mandate in Iraq, specifically: Environment, led by Mr. Imad Salih, Anti-corruption, led by Mr. Saad Mousa with Mr. Aziz Nassiri, Labour, led by Mr. Mohammad Al Dulaimi, Women empowerment, led by Ms. Thaira Al Kafliwi and Ms. Arouna Roshanian.



Meeting with Dr. Thamir Ghadban and Iraq UNGC Network delegation, Baghdad March 2012

On 5 April, the Steering Committee met with some of the Network member companies namely, Taha Partner Group, Al Ataba, Rits Company to discuss projects related to environment, anti-corruption, women's economic empowerment – to be conducted individually or jointly by Network members – as well as organisational support to the Network.

The Steering Committee met again on 3 September. Major decisions were taken concerning the key activities for the rest of 2012, these included the conference on Women's Economic Empowerment in Iraq; training workshops for Iraq members on Communication on Progress reporting and inclusive business models; furthermore exchanges with other Local Networks were promoted to learn best practices on Corporate Social Responsibility.

During a workshop in Istanbul on 20 November, which was attended by a number of Steering Committee members, a number of significant steps were taken to make the governance section of the Network stronger, as well as its role in the Iraqi business environment. These steps were based on lessons learnt from other Local Networks during the Istanbul workshops. The idea of establishing a CSR Centre in Iraq, as an independent entity to host the Iraq Network, was discussed again as a strategic goal for 2013.

On a number of occasions this year, the Iraq UNGC Network Secretariat met with Government representatives to present the Network officially and initiate dialogue on behalf of its members about private sector-Government partnerships and opportunities to improve business development in Iraq. This included:

- Participation of the Programme Steering Committee at the Private Sector Development Programme for Iraq (Baghdad, 12 March 2012)
- Meeting with Dr. Thamir Ghadban, Chairman of Prime Minister Advisory Commission (PMAC) (Baghdad, 19 March 2012)
- Meetings with Ministry of Science and Technology about partnerships between the private sector/UNGC Iraq Network and the government in the area of environment (March 2012)
- Workshop for the Task Force for Economic Reforms (Istanbul, 20 May 2012)
- Meetings with Baghdad Provincial Council members to discuss projects for urban environmental protection (September 2012)
- Initial discussions with District Council of Al Mansour about educational projects to promote and integrate CSR principles in school's programmes (December 2012)
- Workshop on CSR and Inclusive business for Private Sector Development Strategy (Istanbul and Baghdad, November-December 2012)

Stories on Iraq UNGC Network on Best Practices

Tamayouz Award: Members of the UNGC Iraq Sponsors Iraq's First Design Excellence Award

Members of the Iraq UNGC Network supported the Tamayouz Award, an academic excellence award for architectural graduation projects in Iraqi universities. Tamayouz is an independent initiative with no political affiliation. In only a few months, Tamayouz became an important academic award in the architectural community for its strong panel of 12 judges, including high profile architects and academics such as Zaha Hadid, the Priktzer Architecture prize winner, the Dean of Engineering and Computing Faculty at Coventry University, Professor Paul Ivey, Ayad Al-Tuhafi Owner and Director of Ayad Al-Tuhafi Architects and the CEO of The Forma Group, the Iraqi award winning architect and researcher at The Royal Academy of Fine Arts in Denmark Dr. Khaled Al-Sultani.

Iraqi companies and members of the UNGC Iraq have shown an unprecedented support for Tamayouz as two of Iraq's major construction and architecture firms - Al-Dulaimi Group and Dewan Architects and Engineers - offered jobs to the winners. Other members also offered support to promote the initiative and host the Award ceremony, in coordination with the organisers.

Tamayouz is sponsored by Zaha Hadid Architects , Al-Dulaimi Business Group, Dewan Architects and Engineers, Iraqi Business Council in Jordan, The United Nation's Global Compact – Iraq, Ayad Al-Tuhafi Architects, Coventry University and Architecture For Humanity.



Awards ceremony for the Tamayouz Initiative, October 2012

The Ten Principles

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

The Universal Declaration of Human Rights

The International Labour Organization's Declaration on Fundamental Principles and Rights at Work

The Rio Declaration on Environment and Development

The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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