

# **UN Global Compact Report**

## **Communication on Progress 2016**



## **National Confederation of Entrepreneurs (Employers') Organizations of the Republic of Azerbaijan**

National Confederation of Entrepreneurs (Employers') Organizations of the Republic of Azerbaijan (ASK) is a non-profit, a self-governing public union that pursues socially effective objectives and contributes to the development of business environment in the Republic of Azerbaijan.

ASK was established on March 5, 1999 in Baku. It unites the biggest groups and holdings such as SOCAR, AZPETROL, Gilan, Azersun Holding etc., as well as more than 70 sectorial and regional business unions, association of SME-s in all over the country. As the largest business support organization of Azerbaijan, ASK is a member of such distinguished international bodies as IOE, ILO, International Congress of Industrialists and Entrepreneurs, Business Councils of Black Sea Economic Cooperation and Turkic States Council, Islamic Chamber of Commerce, Industry and Agriculture (ICCIA), World SME Forum, Silk Road Chamber of International Commerce etc. Nowadays, it has already representative offices in more than 16 countries such as Great Britain, France, Spain, Ukraine, Germany, Turkey, Georgia, Russian Federation, Italy, Hungary, Czech Republic, Poland etc.

Moreover, since 2001 the General Collective Agreement has been signing in every two years between ASK, the Cabinet of Ministers of the Republic of Azerbaijan and the Trade Unions Confederation of the country in order to define the main social-economic policy priorities of the country and labor regulation issues in our country.

**The confederation provides the following services to its members:**

- Defending entrepreneurs' interests before the courts, central and local state authorities;
- Providing participation of entrepreneurs at business forums
- Organizing conferences, trainings, seminars etc.
- Education of entrepreneurs in Europe
- Inviting international experts
- Organizing business trips, B2B meetings, round tables etc.
- Rendering legal consulting services
- Providing participation of entrepreneurs at exhibitions and fairs in Azerbaijan and abroad
- Raising legal awareness of entrepreneurs
- Distributing business proposals as well as finding business partners abroad
- Publication of "Business life" magazine

Besides, Working commissions operate under the auspices of the ASK in order to promote business networking among its members and provide collegial management:

1. Working commission on the development of [women entrepreneurship](#)
2. Working commission on industry and construction enterprises

3. Working commission on vocational education and training
4. Working commission on financial institutions
5. Working commission on Information and Communication Technologies
6. Working commission on Cooperation with legislative bodies, working with law and consulting enterprises etc.

## **United Nations Global Compact**

The UN Global Compact is the world's largest [corporate sustainability](#) (aka corporate social responsibility) initiative with 13000 corporate participants and other stakeholders over 170 countries with two objectives:

**"Mainstream the ten principles in business activities around the world"** and **"Catalyse actions in support of broader UN goals,** such as the [Millennium Development Goals](#) (MDGs) and [Sustainable Development Goals \(SDGs\)](#)"

The UN Global Compact was announced by then UN Secretary-General [Kofi Annan](#) in an address to the [World Economic Forum](#) on January 31, 1999, and was officially launched at [UN Headquarters](#) in New York on July 26, 2000. The **Global Compact Office** works off of a mandate set out by the UN General Assembly as an organization that "promotes responsible business practices and UN values among the global business community and the UN System."

## **The Ten Principles of the UN Global Compact**

Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour,

environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Global Compact principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

### **ASK and UN Global Compact**

Azerbaijan Entrepreneurs' Confederation (ASK), joined United Nations Global Compact in 2007, supports Ten Principles of Global Compact and takes actions in this regard.

- Establishment of sectorial and regional Associations and Public Unions by joining entrepreneurs is one of the priorities of Azerbaijan Entrepreneurs' Confederation. With the support of the Confederation, approximately 10 such kind of Association and Public Unions have been founded and this issue is in process. Most of the Associations and Public Unions, cooperating with ASK have been a member of ASK and got membership certificate.

### **Corporate Social Responsibility**

- One of Government's priorities is to enlarge women's socio-political and economic role in the country. Now, women work in the different sectors of economy and make their contributions. Azerbaijan Entrepreneurs' Confederation (ASK) has made motivating and promotional actions to

improve the activity of women in the economic sphere. Commission on the development of women entrepreneurship of ASK has conducted some meetings, seminars for women in order to involve them to the entrepreneurship activity. As well as, we have organized a visit for women to Turkey, Georgia, Germany and Switzerland.

- Employees of ASK have conducted trainings on Finance awareness for women in the regions of Azerbaijan. The aim of the training was to help participants managing their family budget better and provide them appropriate knowledge and skills in order to use financial services efficiently.



**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.

- “Cooperation with legislative bodies, working with law and consulting enterprises” Commission of ASK protects the rights of entrepreneurship subjects, creates relevant condition to improve national economy of the country, offers entrepreneurs legal services on their interested laws and legal issues.
- Azerbaijan Entrepreneurs’ Confederation (ASK) cooperates with the Commissioner for Human Rights (Ombudsman) as a representative of entrepreneurs. As well as, ASK participated in the roundtable dedicated “Business and Human Rights” and made a speech on “The role of Azerbaijan Entrepreneurs’ Confederation in protection of entrepreneurs’ rights”.

Authorized person of ASK is the member of the working group under the Board of Experts operating in the Ombudsman institution where the following is implemented:

- Duties arising from the Order of the President of Azerbaijan Republic on Confirmation of National Action Program to improve effectiveness of the law and freedom in Azerbaijan Republic
- The implementation of the main principles of entrepreneurship activity to the national legislation.

## 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.

- During 2015, Azerbaijan Entrepreneurs' Confederation took some necessary actions on **labour protection and improvement of labour condition** together with Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan and International Labour Organization (ILO). With the support of ILO and organization of ASK, the project "Strengthening opportunities opportunities of entrepreneurs organizations in the field of eliminating child labour" has been executed. Within the project, ranges of seminars and conferences have been conducted on "**Child labour: the role of entrepreneurs in the elimination of it**" and over 100 entrepreneurs have been enlightened.



- We participated at the “Global Forum on Exchange of Knowledge – Transition from informal to formal economy” held by ILO in Turin ( Italy). As well as, ASK has participated at the meetings on eliminating informal employment and put forward some suggestions.
- In 2014, ASK organized trainings for member and non-member entrepreneurs on presentation and application of Electronic information system on notification of labour contract prepared by Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan. Over 100 entrepreneurs participated in each training.



## 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.

Confederation is the member of Supervisory Board on Resource and Energy efficiency component of United Nations Industrial Development Organization (UNIDO) and participated all conferences of UNIDO held in Baku. Within this project, ASK has made its own efforts on delivering of free consulting services by UNIDO's experts for several companies.

### **Anti-Corruption**

[Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

ASK President Mr. Mammad Musayev had a meeting with Mrs. Enery Quinions, chairwoman of Anti-corruption Action Plan, Organization for Economic Cooperation and Development. Over 20 entrepreneurs have also participated at the meeting.

During this meeting, some issues such as eliminating barriers in the development of private sector and entrepreneurship, and prevention of interventions to their activity.



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