

FAST FACTS

United Nations
Development Programme



UNDP and the Private Sector

UNDP recognizes that many of the world's development challenges can be overcome with the help of vibrant economic growth, driven by private enterprises that create jobs, generate tax revenues and provide vital goods and services for the world's poor. Towards this end, UNDP works with the private sector to harness the transformative power of market forces for the benefit of disadvantaged people globally.

Our mission, working alongside UN specialist agencies, other partners in the international development system, and the private sector is to tackle inequality and social exclusion. Our priorities are to:

- Provide policy advice to governments that wish to establish legal and regulatory frameworks for rule-based and non-discriminatory markets;
- Help develop opportunities in market sectors that offer the prospect of sustainable growth;
- Promote investment opportunities and sustainable business models;
- Advocate for corporate social responsibility initiatives that contribute to the development of inclusive markets.

UNDP's Private Sector Portfolio:

UNDP's current private sector portfolio consists of 530 programmes in more than 100 countries, with a value of over US \$100 million a year. The impact is far-reaching and underlines UNDP's commitment to achieving the Millennium Development Goals (MDGs). Some highlights:

- With a \$1 million grant from Microsoft, UNDP's Global ICT Skills Building Programme is helping to narrow the digital divide in 10 countries in Africa, Asia, Latin America and Eastern Europe by widening access to information and communications technology among underprivileged groups. A spin-off project with UNDP Turkey will deliver IT training to 100,000 people.
- In partnership with Coca-Cola, UNDP is working to give rural schools and villages access to sustainable water and sanitation services in nine countries. This partnership is supporting community-based water and sanitation reconstruction efforts in tsunami-affected areas of Indonesia, Maldives, Sri Lanka and Thailand. In some of the worst-hit villages in

Indonesia, thanks to a new pipe network, some 8,000 people have access to tap water for household use, for the first time.

- In Pakistan's Punjab province, UNDP and Nestlé are engaged in a three-year project to train 5,000 women in livestock management. Once trained, the women will provide veterinary services at the village level and advice on milk production. The project is helping to boost household incomes and generate employment opportunities for rural women.

Growing Sustainable Business

The Growing Sustainable Business (GSB) initiative is UNDP's flagship partnership platform for pro-poor investment. It enables the private sector to make a greater contribution to poverty reduction and sustainable development by brokering pro-poor, commercially viable activities with corporate partners. GSB's offer includes:

- Full-time advisers in selected countries;
- Access to global knowledge and research;
- Ability to leverage the institutional networks and convening power of the UN;
- Direct support for feasibility studies, training and technical assistance to participating projects.

Since it began in 2004, UNDP has established local programmes in more than 15 countries. GSB is currently involved in more than 50 projects worldwide - in energy, agriculture, water, ICT, financial services and manufacturing. To date, GSB has worked with more than 75 companies - from northern multinationals to local small- and medium-sized enterprises - supporting investments of between \$10,000 and \$23 million.

- In Tanzania, GSB and Unilever have established a locally-owned supply chain for Allanblackia seed oil which has a variety of commercial uses, giving farmers a promising new source of income. In the coming years, it is envisioned that several thousand additional farmers will join the scheme, earning up to \$400 a year in addition to their regular income.
- In Turkey, a GSB adviser helped establish the country's first ever bank-led microcredit initiative which allows young entrepreneurs to set up their own business. With an \$11 million loan portfolio, the project can support 1,000 young people a year for three years to set up new enterprises.

- In Malawi, GSB is supporting 3,200 smallholder coffee farmers maximize their revenue potential by helping them find ways into new markets, contributing to the financial sustainability and expansion of the smallholder coffee farmers model.

Growing Inclusive Markets

Growing Inclusive Markets (GIM) is a unique initiative, which raises awareness and provides information on how businesses, governments and civil society can create opportunities for the poor through market-based approaches. The private sector is the greatest untapped resource for both investment and innovation in the race to achieve the MDGs. GIM studies and shares ways in which profit and human progress can work to the benefit of both the development and business communities.

GIM's Advisory Group comprises an extensive network of development agencies, global business organizations and some of the world's foremost research institutions. Its first global report, to be published in 2008, identifies five key constraints which can deter companies from doing business with the poor:

- Poor market information;
- Lack of infrastructure;
- Absence of a sound regulatory environment;
- Lack of the necessary knowledge and skills;
- Limited access for the poor to financial services.

Using evidence from 50 case studies, and based on solutions that entrepreneurs have used to overcome these constraints, the report is intended to encourage the development of more inclusive business models.

Corporate Social Responsibility

Corporate social responsibility has opened up new business opportunities for the private sector as global stakeholders – consumers, investors, employees, governments and others – demand that companies take responsibility for their impact on society and the environment. UNDP is translating this concept into action by supporting and developing multi-stakeholder partnerships, which engage the private sector in support of the MDGs.

UNDP also facilitates Global Compact local networks in 52 developing countries and countries with transitional economies. These voluntary networks bring together the local private sector, civil society groups, labour organizations and academia to discuss corporate concerns about human rights, labour standards, the environment and anti-corruption issues.

Energy and Environment

Climate change is the defining human development issue of this century. UNDP's *Human Development Report 2007/2008* (HDR) highlighted the urgent need to meet this challenge – failure to do so will consign the poorest 40 percent of the world population to a future of diminished opportunity.

UNDP's private sector expertise is helping to further efforts on mitigation by increasing the ability of countries to access carbon markets, in particular the Clean Development Mechanism (CDM) and the Joint Initiative (JI). To date, UNDP has implemented CDM and JI capacity development activities in over 20 countries. In 2007, in partnership with international banking group Fortis, UNDP established the MDG Carbon Facility to help developing countries leverage carbon finance for clean energy development and sustainable land use practices.

With financial and technical support from steel giant Arcelor Mittal, UNDP China's MDG Carbon programme - a joint venture with the Chinese government - is working to develop the renewable energy sector in 12 provinces in western China. Over a three year period, the \$1.7 million initiative seeks to use carbon trading as a means of generating income for impoverished communities in the region, increasing investment and creating jobs by promoting "green" industry.



At the Kevian factory in Kenya, an employee tests mango juice. GSB has helped the company strengthen links with local suppliers to improve livelihoods.

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