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**HEADLINE:** U.N. launches **commission** on **private sector** and development

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**BODY:**

The United Nations launched a **commission** on Friday that will seek to harness small business as an engine for economic growth in poor countries.

Former Mexican President Ernesto Zedillo and former Canadian Finance Minister Paul Martin will be co-chairmen of the **Commission on the Private Sector and Development**, which was convened by Mark Malloch Brown, head of the U.N. Development Program.

The **commission** is to report back by the end of the year with recommendations on the role businesses, especially small businesses based in developing countries, can have in creating jobs and fighting poverty.

Secretary-General Kofi Annan announced the initiative, saying he hoped the **commission** would provide "both a fresh analysis of these issues and practical proposals that can have an impact."

Annan called the U.N.-private enterprise partnership essential to achieving the Millennium Development Goals that U.N. member states hope to accomplish by 2015, among them cutting in half the number of people living in extreme poverty, halting the spread of HIV/AIDS and providing universal primary education.

The goals are "simple but powerful objectives," he said, but they cannot be reached without the involvement of private enterprise.

Martin said the **commission** aims to place the ambitions of local, small-scale entrepreneurs at the heart of efforts to spark economic growth.

"The entrepreneurial spirit is everywhere; it doesn't need to be imported," he said at a press conference announcing the **commission**. "People want a hand up, not a handout. They want a fair chance."

Zedillo said the **UNDP** has asked the **commission** to think beyond foreign investment as a catalyst to economic growth and come up with strategies "to allow developing countries to tap the enormous potential in the bottom of the pyramid." The **commission**, which will make practical recommendations and run pilot programs to test them, aims to determine "how to empower people to overcome poverty," he said.

The **private sector** is no "silver bullet" guaranteeing development but can play a strong role

along with democracy, rule of law, free trade, international cooperation and good economic policies, Zedillo added.

Malloch Brown said organizations promoting development consult local non-governmental organizations, but they rarely get to hear the voices of local business people in developing countries. Hearing their views will enable governments and development agencies to change the system so that small businesses can get the financing, laws, infrastructure and other elements they need to grow.

The United Nations has launched other private-public initiatives in recent years, including the Global Compact, which brings together companies, governments, labor, non-profit organizations and U.N. agencies "in support of universal values." The new **commission** aims to make that compact work at the local level in the poorest states, Annan said.

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