

## **United Nations Industrial Development Organization (UNIDO) collaboration with the Private Sector**

The role of industry in fighting poverty and achieving progress towards the Millennium Development Goals (MDGs) is of critical importance. UNIDO as the UN specialized agency for industrial development deems that poverty reduction can be achieved by empowering the private sector to invest within an enabling policy framework, thus promoting wealth creation. There can be no sustained poverty reduction without capacity building, productivity growth and the development of competitive production structures. In this regard, industry has the potential to contribute to many of the Millennium Development Goals (MDGs), through generating employment, raising income and providing essential products for the poor such as processed food, pharmaceuticals, shelter, fertilizers, irrigation and low-priced consumer products. It is also important to emphasize the significance of domestic entrepreneurship in developing countries and the need to reduce the widespread informality of economies. The challenge presents itself at two levels: first the need to dynamise economic development in a bottom-up process, especially through small enterprise development, and secondly, the need to engage global business players through developing effective linkages and broader partnerships for development.

In accordance with its mandate, UNIDO is actively engaged in promoting entrepreneurship and private sector development in developing countries and transition economies through the provision of policy advice and institutional capacity-building services. These include:

i) **The UN Global Compact**, of which UNIDO is one of the six core agencies. Within this context UNIDO supports SMEs in their endeavor to adhere to the principles upon which the Global Compact is based. UNIDO has developed the Responsible Entrepreneurs Achievement Programme (REAP) – a practical CSR based management and reporting tool that helps smaller companies to adapt environmentally and socially responsible business practices. It does this by providing a structured framework in combination with an analytical software, which can be used to gather, process, evaluate and report data to track progress in implementing CSR in SMEs. Furthermore, UNIDO's CSR programme encompasses policy advice. Capacity building and a thematic focus on anti corruption in partnership with UNODC.

ii) **Measures to integrate SMEs into global value chains**, therefore enabling them to achieve compliance with quality and social standards prevailing in international markets. A visualization of these activities are the partnerships formed with the Automotive Component Manufacturers Association (ACMA) and FIAT in India, and the Automotive Industry Development Centre (AIDC) and Ford in South Africa.

iii) **Public Private Partnerships** to facilitate a bottom-up growth process. In recognition of the barriers in achieving sustainable economic development, many of which fall beyond the core competencies of the organization, UNIDO has vigorously pursued a policy of building partnerships with other entities within the UN system, the private sector, academia and civil society. In doing so, it has sought to generate complementarities and increased coherence in the services provided by these partners, and thereby to enhance the developmental impact of these services. Along these lines, with a focus on Information Communication Technologies (ICTs), UNIDO's strategic partnerships with Microsoft and Hewlett-Packard have boosted local economies through the provision of skills and opportunities for youth, women, entrepreneurs as well as SMEs. Specifics of UNIDO's technology focused activities include its Business Information Centre (BIC) network, computer refurbishment

centres of excellence, e-waste recycling, local software development and ICT training curricula for young entrepreneurs.