



United Nations Development Programme

ONE YEAR IN REVIEW

UNDP ISTANBUL INTERNATIONAL CENTER FOR PRIVATE SECTOR IN DEVELOPMENT

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*Empowered lives.
Resilient nations.*

UNDP and the Government of Turkey established the İstanbul International Center for Private Sector in Development in March 2011 as part of the Partnership Framework Agreement they entered into. The IICPSD's mission is to leverage the role of the private sector in advancing sustainable human development goals worldwide with a primary focus on least developed countries and post-conflict, post-crisis fragile states.

IICPSD Objectives

- Support the development of inclusive and competitive markets and **inclusive business models**
- Foster private sector engagement and advocacy for the achievement of the MDGs and other IADGs
- Become a center of excellence in terms of **capacity development** activities that harnesses **Trilateral Development Cooperation** and **South-South partnership**
- **Convene business and supporting actors** to expand dialogue and create actionable partnerships



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LETTER FROM THE DIRECTOR

“Sustainable development calls for businesses to use resources optimally and responsibly and to offer opportunities to the poor to consume and to participate as employees and entrepreneurs.”

Dear Colleagues and Partners,

We have completed one year of joint efforts in promoting a new model of development that unleashes the positive power of businesses to fight poverty, inequality and social exclusion and to build more inclusive markets.



Established in partnership with the Government of Turkey, the Istanbul International Center for Private Sector in Development stands out today as UNDP’s center of excellence for market-born solutions to poverty and inequality, brokering partnerships and building knowledge in business innovation and human development.

Today, more than ever, nations need to center their growth efforts on people, ensuring that investments generate social value and stability along with financial returns. Sustainable development calls for businesses to use resources optimally and responsibly and to offer opportunities to the poor to consume and to participate as employees and entrepreneurs. To grow inclusive markets, public and private actors should employ wise policies and practices to maximize productive capacities and share benefits.

Our young generations demand education and technical skills that are relevant in the labor market and that give them competitive access to jobs and incomes. There is a role that the private sector can play in building productive human capitals and the IICPSD wishes to open this space for businesses in the current and future education systems. In 2013, we have contributed to the the UN Sustainable Development Solutions Network Thematic Group #4’s report on education and transition to work titled “The Future of Our Children – Lifelong, Multigenerational Learning for Sustainable Development”. The report prepared under the coordination of Prof. Jeffrey Sachs, Director of The Earth Institute at Columbia University, outlines fundamental changes that education will undergo to constantly adjust to advancing technologies and facilitate rapid transition of graduates to work. In parallel, we have established the Global Alliance for Sustainable Employment to launch an open debate on the role of the private sector in skills development. More about that in our One Year in Review Report we submit today for your reading.

From Guyana to Liberia, Somalia, Iraq, Uzbekistan or Mongolia, the IICPSD promotes stronger business linkages between incoming capitals and local enterprises and a more

substantial contribution of foreign direct investors to local content and diversification particularly in commodity export-based economies. Promoting South-South and Triangular Cooperation approaches in knowledge sharing has helped least developed countries and fragile markets learn from Turkey and from other emerging powers best practices in public-private partnerships for social development.

Inclusive business models for food security using geothermal energy is an important part of our work owing to a highly innovative partnership with H.E. Olafur Grimsson, President of Iceland and with the International Renewable Energy Agency. Similarly, partnerships for access to energy or sustainable incomes have grown in our center and have been presented to the world in the 16th International Business Forum co-organized this year with the German International Development Agency (GIZ) in Istanbul.

Working together in supporting communities under pressure, including in countries affected by the Syrian and other crises in the Middle East and North Africa Region will also test the capacity of the private sector to empower people and contribute to social cohesion.

We thank you, all, for helping us conduct our mission over the last one year and remain your reliable partner, always at service for a more inclusive world.

A handwritten signature in black ink, appearing to read 'smarinescu', with a long horizontal line extending to the right.

Simona Marinescu
Director
United Nations Development Programme
IICPSD

ACRONYMS

AB = Advisory Board
AKT = Afghanistan, Kyrgyzstan and Tajikistan
BOPSD = Barriers and Opportunities for the Private Sector in Development
BMZ = German Federal Ministry for Economic Cooperation and Development
CO = Country Office
EC = Executive Council
FAO = Food and Agriculture Organization
GASTE = Global Alliance for Sustainable Employment
GIZ = German Society for International Cooperation
IBF = International Business Forum
IICPSD = Istanbul International Center for Private Sector in Development
IADGs = Internationally Agreed Development Goals
IRENA = International Renewable Energy Agency
ISO = International Standards Organization
KOSGEB = Republic of Turkey's SME Development Agency
LDCs = Least Developed Countries
LIBA = Liberia Business Association
M&E = Monitoring and Evaluation
MAPS = Multidisciplinary Action Projects
MDGs = Millennium Development Goals
MNC = Multinational Corporation
MSMEs = Micro-, Small- and Medium-Sized Enterprises
ODA = Official Development Assistance
OIC = Organization of the Islamic Cooperation
PFA = Partnership Framework Agreement
SDSN = Sustainable Development Solutions Network
SME = Small- or Medium-sized Enterprise
TIKA = Turkish Cooperation and Coordination Agency
TOBB = Union of Chambers and Commodity Exchanges of Turkey (TOBB)
TTGF = Technology Foundation of Turkey
UNDP = United Nations Development Programme
VET = Vocational Education and Training

CHAPTER I: SUMMARY

This Annual Report presents the IICPSD and its strategic objectives, its main activities and results during 2013 as well as a perspective on future activities.



In line with the Strategic Objectives and the Work Plan for 2013 as approved by the Executive Council on 28 February 2013, the IICPSD has made significant progress in advancing its partnership agenda and its overall advocacy and capacity development work for inclusive growth, aiming to promote market solutions to poverty, exclusion and inequality. The majority of the results can be grouped under four thematic areas: the private sector's role in skills development, procurement leveraging, impact investment and Inclusive business models, in brief.

While some of the IICPSD's projects have been finalized in 2013, other projects will be continuing during 2014, and new ones will be initiated in 2014. Some projects are stand-alone projects whereas other projects can be grouped under the broad thematic areas and IICPSD's initiatives and engagements.

CHAPTER II: UNDP ISTANBUL INTERNATIONAL CENTER FOR PRIVATE SECTOR IN DEVELOPMENT'S STRATEGIC OBJECTIVES

Background

In order to advance the MDG agenda, leverage the contribution of Turkey as a mid-income country to accelerating growth in developing countries and regions and expand the scope of the Turkish ODA, UNDP and the Government of Turkey entered into a strategic cooperation on the basis of the Partnership Framework Agreement (PFA) that the two parties signed on 11 March 2011. The PFA included the establishment of the Istanbul International Center for Private Sector in Development (IICPSD), further defined as a Center of Excellence by the Seat Agreement signed on the same day. Both agreements were ratified by the Grand National Assembly of Turkey in 2012. In order to support the activity of the Center, the Government of Turkey committed US\$ 3 million, out of which the first installment of US\$ 2 million was transferred to the UNDP Private Sector Trust Fund in September 2012. The IICPSD is the first global institution to partner with the private sector for market-based solutions to development challenges.

The Mission

In accordance with the framework agreements and for the purpose of promoting a new business culture in which competition and solidarity are mutually reinforcing, the IICPSD was established as UNDP's global policy center aiming to:

- Support the development of inclusive and competitive markets and inclusive business models
- Foster private sector engagement and advocacy for the achievement of the MDGs and other IADGs
- Become a center of excellence in terms of capacity development activities that harnesses Trilateral Development Cooperation and South-South partnership
- Convene business and supporting actors to expand dialogue and create actionable partnerships

Strategic Management

In managing its vision, mission and goals, the IICPSD centers its analyses, decisions and actions on identifying, advancing and advocating the role of the private sector in human development and the importance of public-private partnerships for optimal use of resources and inclusive market growth. The Center builds on UNDP's rich organizational experience of partnering with the private sector that has translated over years in signature alliances and programs under the Growing Sustainable Business, Growing Inclusive Markets and the Business Call to Action initiatives. Its overall

management policy envisions drawing on UNDP global resources as well as engaging in partnerships with the private sector, governments and academia for increasing relevance and efficient contribution to the completion of the MDGs and to global inclusive development.

Strategic Directions

Aiming to strengthen institutional identity while optimally positioning and integrating its activity within global efforts for partnership-based poverty reduction and social inclusion, the Center is guided by two major desiderates:

- Build excellence in leveraging the role of the private sector in integrating the base of the income pyramid
- Foster South-South Cooperation for private sector in development

Along these lines, fostering exchanges between Turkey and least developed and low income countries in transition, including through the participation of the Turkish private sector for innovative solutions to poverty and adverse climate changes, will nurture the UNDP-Turkey strategic partnership and serve the joint goals reflected in the PFA and the Seat Agreement.

Strategic Focus

As a key driver for growth, the private sector can contribute to sustainable human development in a multitude of ways and partnership models, among which the inclusive value chains integrating the base of the income pyramid as potential suppliers and consumers seem to create long-term benefits to all stakeholders. Market-based solutions to social exclusion and vulnerability are contributing to stability and cohesion while freeing public revenues for development. Solidarity in growth creation and sharing is the model of responsible, inclusive business that the center advocates for.

Concept niche

The IICPSD identifies, analyzes and advocates inclusive business models that reduce poverty and inequality and promote sustainability. While focusing on actionable partnerships, the IICPSD attaches high importance to research-based inclusive development to reduce market risks and secure quality of the center's knowledge products. Sustainable development as a long-term goal needs transformational partnerships that restructure the system by changing 'the rules of the game' to make markets work, improve the enabling environment and set global norms.

"The Center builds on UNDP's rich organizational experience of partnering with the private sector that has translated over years in signature alliances and programs under the Growing Sustainable Business, Growing Inclusive Markets and the Business Call to Action initiatives. Its overall management policy envisions drawing on UNDP global resources as well as engaging in partnerships with the private sector, governments and academia for increasing relevance and efficient contribution to the completion of the MDGs and to global inclusive development."

“UNDP over almost a decade and the IICPSD in its nascent stage have tested a series of thematic alliances in terms of their impact on people’s lives and their role in reducing inequality and creating sustainable employment and incomes.”

Thematic areas

Working with the private sector for development solutions offers a wide range of partnership opportunities and themes that can catalyze changes from rebuilding small communities to facilitating national growth and regional and global integration. UNDP over almost a decade and the IICPSD in its nascent stage have tested a series of thematic alliances in terms of their impact on people’s lives and their role in reducing inequality and creating sustainable employment and incomes. In order to leverage the private sector’s contribution to local content and to domestic resources and capacities-driven inclusive growth, four major thematic areas have been prioritized in 2013:

Thematic Area #1 The private sector’s role in skills development,

Thematic Area #2 - Procurement leveraging,

Thematic Area #3 - Impact investment and

Thematic Area #4 - Inclusive business models

The themes have been selected in response to some of the common challenges of the developing world preventing progress against the MDG completion, such as absence of business linkages that translate foreign direct investment into local private sector growth, limited participation of the poor and vulnerable in supply chains, unavailability of skills to support reversing commodity exports in sound manufacturing as well as inclusive value chains in critical areas such as sustainable energy, food security and financial inclusion.

Development context priorities

In selecting its development context priorities, the IICPSD has been guided by a series of global commitments that the UNDP has joined in the last few years. To accelerate progress in the most challenged countries in terms of the Human Development Index and economic performance, the UN-led IV-th Conference on LDCs that took place in Istanbul in May 2011 adopted a Programme of Action that puts higher emphasis on the business community and its new role as a strategic development partner for the UN system and for other global players. Also, the international agreement on the reconstruction and market integration of Somalia that was adopted by the Istanbul II Conference in May – June 2011 acknowledges the importance that the private sector has played in building resilience during the country’s over two decades of civil war. In Article 36, the Istanbul II Declaration calls upon the IICPSD to further public-private partnership for poverty reduction and stability in Somalia. The Rio+20 Sustainable Development Conference in its outcome vision titled “The World We Want” captured the global consensus of all actors around the role of the private sector in creating

market entry points for the poor and in protecting the environment through responsible, inclusive market practices and set the agenda of the United Nations and of UNDP more specifically for responsible, people and environment-centered growth.

The IICPSD will channel knowledge and resources and will prioritize partnerships for countries falling within categories as follows:

- a) Least Developed Countries
- b) Slow progress in MDGs
- c) Small Islands Developing States

More specifically, in 2013, the IICPSD together with UNDP Country Offices and Regional Bureaus have continued the work that has started in 2012 with and for Somalia, Liberia, Iraq, Tajikistan and Guyana, while including other countries in the center's activities such as Uzbekistan, Mongolia, Jordan, Lebanon and Palestine. Should the selected thematic areas be relevant and the market dynamics be recommending other governmental and business partners to join, the IICPSD will continue expanding coverage of its operations.

Working modalities

In accordance with Article 2 of the Seat Agreement, in reaching its objectives, the IICPSD can employ a variety of working modalities as follows:

- Organization of workshops
- Hosting of guest policy-makers, experts and researchers
- Training and capacity development for public and private sector
- Support establishment of knowledge networks and replicable models on topics relevant for the role of the private sector in development
- High-level advisory missions to other countries
- Twinning arrangements with relevant private sector focused institutions and think tanks from other countries

In attaining annual objectives, the IICPSD's work plan will consider combining activities as outlined above to ensure the relevance, quality, timeliness and sustainability of results that its status of Center of Excellence requires.



Operational Enablers

The results of the IICPSD depend on the quality of the executive management and its capacity to adjust the Center's business model to match rapidly growing development needs and to strengthen relevance both within and outside the UN system. A series of operational enablers have been identified to play a critical role for the Center's success. While the global mandate of UNDP creates space for the IICPSD to engage in transformational partnerships for inclusive growth, its institutional flexibility and technical strength depend on the internal architecture, the partnering capacity and the overall ability to operate in a very demanding, competitive environment.

Governance structure

- The Executive Council (EC) is the highest decision making authority of the IICPSD. The EC includes four (4) UNDP members and (4) representatives of Turkey, it meets bi-annually in regular sessions and virtually whenever necessary for the Center to function at the desired quality standards.
- The Advisory Board (AB) is a consultative platform of eminent persons and internationally recognized experts that are assisting the EC and the IICPSD management in devising its strategy, in selecting its thematic priorities and in building its sustainability. The AB consists of up to 15 members out of whom two-thirds from Turkey and developing countries and one third made up of professionals whose expertise is globally recognized.
- The IICPSD management includes a Director and a Deputy Director with complementing responsibilities to ensure the center's global mandate reflects as well Turkey's international cooperation goals for inclusive growth and shrinking development gaps across regions and continents.

Sustainability and resource mobilization

Building sustainability is equally a requirement and a performance indicator for the IICPSD. From a strategic management standpoint, the institutional solidity of the IICPSD is mainly influenced by its relevance to stakeholders and partners and to the UN system in its effort to engage in partnerships with the private sector that can improve lives and restore growth. Towards this end, the Center will employ:

- Global branding communication strategies
- Business models that target marketable products and services
- Partnerships that enhance content and that contribute to evidence-based

adjustment of policies and programmatic priorities to meet broader development agendas

Results registered in 2012 indicate that high-advisory services and training and capacity development programs bring higher multipliers in terms of resources consumed versus visibility and elasticity of demand for the Center's involvement. The IICPSD's contribution to building inclusive markets in Somalia, Liberia and Iraq through high-advisory services and technical assistance provided to the country offices and national counterparts has generated significant results and work opportunities further at a minimum cost for the Center. New partnerships within the selected thematic areas have emerged including the cooperation with Ross School of Michigan, William Davidson Institute and the Rockefeller Foundation for Multidisciplinary Action Projects in procurement leveraging that will be rolled out in the future in some of the fragile extractive sector-based economies.

In terms of resource mobilization, the IICPSD will use the US\$3m contribution of Turkey as seeds funds to attract additional money to the Center either through fee-for service or cost-sharing modalities.

The Center will also use the opportunity to access funds through competitive bidding in accordance with the pilot terms endorsed by the UNDP Bureau of Management.

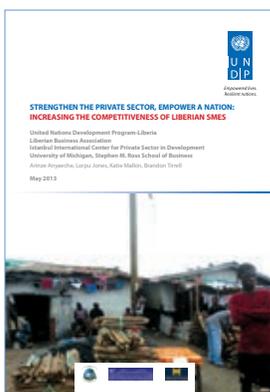
Based on preliminary assessments, full sustainability may be reached by the end of 2015.

Human Resources

The IICPSD's human capital includes the:

- Center's management consisting of the director and deputy director positions assisted by the Advisory Board
- Technical capacity, for which a series of modalities to build institutional strengthen are being considered including:
 - a) One Technical Specialist
 - b) Secondment of experts based on cooperation agreements with governments
 - c) Fellowship & Internship programs
 - d) Junior Professional Officers
 - e) Roster of experts

"New partnerships within the selected thematic areas have emerged including the cooperation with Ross School of Michigan, William Davidson Institute and the Rockefeller Foundation for Multidisciplinary Action Projects in procurement leveraging that will be rolled out in the future in some of the fragile extractive sector-based economies."



A critical input in the Center's activity will be provided by the UNDP Private Sector Community of Practice as well as by other relevant practices.

Partners

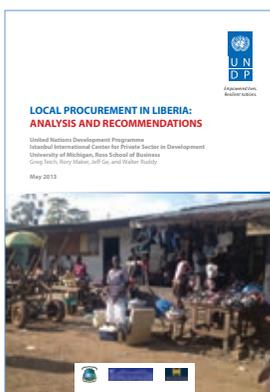
As the IICPSD is a partnership-building center, its performance will also be assessed by the capacity to engage external players in the Center's activities using available options and cooperation instruments that ensure presence of valuable institutions and organizations in the area of private sector in development.

More specifically:

- a) Formal operational partnerships around research and program agendas as already established will continue in the coming years
- b) Advisory focused partnerships (through the Advisory Board mechanism) to participate in regular consultations around the research agendas
- c) Institutional cooperation through research fellows
- d) Activity based collaboration for thematic events

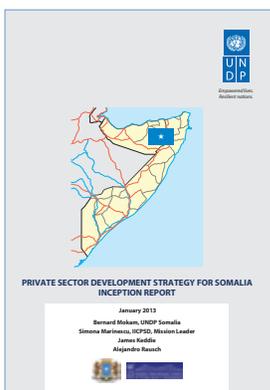
Knowledge management

Managing knowledge for private sector-led sustainable human development is at the core of the IICPSD's activity and critically important for the UNDP Center of Excellence in inclusive market growth.



The IICPSD envisions developing its capacity to produce and share knowledge including through:

- a) Securing the ISO system certification for training in the area of responsible entrepreneurship and inclusive business models
- b) Establishing an expert roster on private sector in development
- c) Creating the Private Sector in Development Fellowship Programme
- d) Engaging with the community of practice for internal knowledge management and streamlined implementation of UNDP strategies in working with the private sector and in sustainable management of extractive sectors
- e) Disseminating knowledge products through partners to ensure wider presence in



relevant learning environments

Monitoring and evaluation

For the purpose conducting transparent, accountable and results-based management, the IICPSD will develop its monitoring and evaluation (M&E) policy that will lead to close performance assessment that will be reflected in:

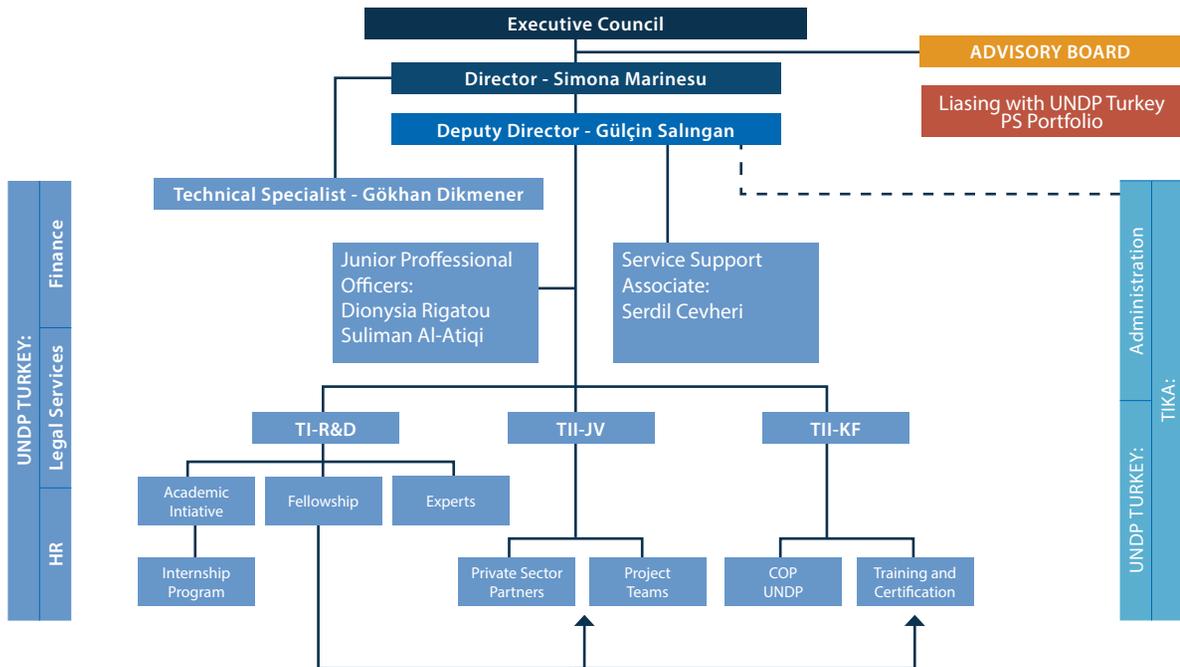
- a) Bi-annual progress assessment reports in connection with EC meetings
- b) Annual Progress Report submitted to the EC for endorsement

An independent evaluation is planned to be conducted at the end of the second year (2014).

Final remarks

The present Strategic Objectives are subject to annual revision and endorsement by the Executive Council of the IICPSD, based on recommendations formulated by the Center's management in consultation with the Advisory Board.

Figure 1 - IICPSD Organizational Chart¹



1) The work of the IICPSD was supported by a large number of interns, graduates of renowned universities such as Harvard, Oxford, Cambridge, Kent, Strasbourg, New York, Gothenburg, Koc, Michigan - Ross School of Business, Copenhagen Business School, Barcelona Graduate School of Economics

CHAPTER III - ONE YEAR IN REVIEW

The year of 2013 was IICPSD's second year of operation. During this year, IICPSD has increased its level of activities, the majority of which can be grouped under the four thematic work areas of the private sector's role in skills development, procurement leveraging, impact investing and inclusive business models, in brief. Across these thematic areas, IICPSD has contributed through the working modalities of workshops and knowledge sharing, training and capacity development, South-South and Triangular Cooperation in the private sector's role in development, high advisory services, partnership brokering and research and knowledge building. As a result of our work, a series of knowledge products were published including the "Local Procurement in Liberia", "Increasing the Competitiveness of Liberia SMEs", "Private Sector Development Strategy for Somalia", the "Private Sector's Role in Vocational Training – Lessons Learned from Turkey", "Social Entrepreneurship" and the "Barriers and Opportunities for the Private Sector in Development".

THEMATIC AREA #1 - The private sector's role in skills development



The growing skills gap, youth unemployment, poverty and social exclusion among women and disadvantaged are in part due to inefficient education. Private sector - ranging from business associations and chambers to MNCs and SMEs- has played a remarkable role in conflict prone countries in building resilience and in operating as a substitute to the disrupted state owned basic service delivery systems, including through vocational and on-the-job-training. Based on this rationale, IICPSD has set the target of creating an

institutional role for the private sector to contribute to skills development for sustainable employment, with a special focus on youth and women.

The IICPSD has contributed to reaching this target through high advisory services, capacity development, research, publication and partnership building.



The IICPSD has coordinated research efforts of local academicians and private sector organizations on private sector-led skills development initiatives in Turkey. The Center has published the report based on this research, called “Private Sector-led Vocational Training; Lessons Learned from Turkey”.

Grounded in the initial knowledge production and sharing on private sector-led skills development initiatives in Turkey, IICPSD has co-founded the initiative Global Alliance for Sustainable Employment (GASTE) together with the Union of Chambers and Commodity Exchanges of Turkey (TOBB). GASTE was launched on 13 June 2013 in a global event attended by post-conflict, Least Developed Countries, multinational companies and international organizations. GASTE’s has launched a global debate on reforming vocational education and training (VET) and promoting multilevel governance in skills development for higher employability and social stability. New VET systems should draw on the experience of the private sector in skills generation for the socio-economic integration of youth, women and disadvantaged groups. A research is now in progress in India where the most representative vocational training programmes organized with the private sector are being studied to be further shared within the GASTE.

In the GASTE initiative, IICPSD takes the roles of: convening public, private and civil society to promote the role of the private sector in skills development, (1) conducting research on private sector-led and public-private partnership models in skills delivery for sharing knowledge and lessons-learned, (2) benchmarking best practices and organizing South-South Cooperation and (3) fostering policy dialogue on change management for multilevel governance in vocational education and training systems. The members of GASTE (see TORs and list in Annex III) committed themselves to promoting and facilitating private sector’s engagement in skills development and vocational training for higher positive development results, crisis prevention and social cohesion. A series of important multilateral and bilateral development cooperation organizations including the European Training Foundation, Japan International Cooperation Agency (JICA) (membership confirmed), Turkish Cooperation and Coordination Agency (TIKA) (discussions in progress) and the British Council (discussions in progress) have expressed their interest for the Alliance.



At the invitation of the UN SDSN, the IICPSD has contributed to “The Future of Our Children Life Long, Multi-Generational Learning for Sustainable Development” report with Thematic Group #4 on Early Childhood Development, Education and Transition to Work. The SDSN, coordinated by Prof. Jeffrey Sachs will be fundamental in crafting the Post-2015 global development agenda of the United Nations on sustainable development. The report was launched on 18 September 2013 at Columbia University, and public consultations on the report were co-hosted by the IICPSD and Columbia Global Centers | Turkey with the participation of multinational companies, academics, NGOs actively involved in education reforms, as well as governmental representatives.

THEMATIC AREA #2 - Procurement Leveraging

Natural resource rich and commodity exporting countries tend to lack economic diversification, local content and competitiveness. Therefore, within the thematic area of procurement leveraging, IICPSD has aimed to implement the new Global Programme on Sustainable Management of Extractive Industries and facilitate investment in local content and competitiveness through linkage formation.



IICPSD has contributed to reaching this target through high advisory services, research, publication, and capacity development. IICPSD engaged in a Multidisciplinary Action Projects (MAPS) partnership with the Ross School of Business, University of Michigan, William Davidson Institute and the UNDP Liberia

Country Office to promote a more significant contribution of the foreign direct investment to local competitiveness and local content. Two MAPs were established to assist (1) Multinational Companies operating in the large extractive industries of Liberia in iron ore, gold, diamond, oil and gas to prepare their local sourcing strategies and the (2) local SMEs united in the Liberia Business Association (LIBA) to understand supply opportunities and improve their competitiveness.

After the MAPs in Monrovia ended, the Ross School of Business, University of Michigan has deployed a graduate program student to intern with the IICPSD in Istanbul and assist with the second stage of the partnership, which consists of rolling out conclusions and recommendations for other extractive sector-based economies. Results of the Liberia study, which was co-funded by UNDP Liberia CO, have been further documenting project formulation for Iraq and potentially in other economies of the region. The Government of Iraq expressed interest in partnering with the IICPSD to promote and measure the impact of the public and private investment and of the foreign direct investment in particular in the country's development. Iraq and Mongolia will be the next beneficiary countries.

“Results of the Liberia study, which was co-funded by UNDP Liberia CO, have been further documenting project formulation for Iraq and potentially in other economies of the region.”



The “Extractive Industries for Sustainable Development” initiative has also benefited from the insights of the IICPSD’s fieldwork in Liberia and in the project document it mentions IICPSD as a key implementing partner. As a result of the IICPSD’s work in the extractive sector, the UNDP Global Programme for Sustainable Management of the Extractives includes the Center among implementing entities, with a specific mandate on research, capacity development and training in business linkages, supplier development and local content expansion.



In Lebanon, the IICPSD has more recently become engaged in providing support for the formation of business linkages in host communities affected by the Syrian crisis, in Jordan, Lebanon and Iraq. In partnership with the Kurdistan Regional Government, the IICPSD will conduct three studies on opportunities for business linkages and local content building through private investment in (1) socio-economic infrastructures for sustainable livelihoods, (2) skills development and youth employment and in (3) inclusive and responsible businesses, all meant to contribute to diversification and declining reliance on extractive sectors and commodity exports.

THEMATIC AREA #3 - Impact Investment

Impact Investment Photo Impact investing is a critical financing tool for social enterprise expansion in the context of sustainable development and local content building in countries in transition. Within the thematic area of impact investing, IICPSD has aimed to analyze performance of existing government-led impact investing programs and further promote innovative financing for social business and high impact entrepreneurship and appropriate impact assessment methodology.



IICPSD has contributed to reaching this target through high advisory services and capacity development. Together with the Government Agency for SME Development (KOSGEB) that has its own impact investing program in Turkey and the Technology Foundation of Turkey (TTGF), IICPSD provided training for least developed countries in Sub-Saharan Africa and post conflict markets including Deauville Partnership member states [Kosgeb Deauville Photo] on principles and best practices of governmental and non-governmental impact investment programmes and on social entrepreneurship.. [Kosgeb Photo] Moreover, IICPSD hosted the Emerging Europe Impact Day together with the Black Sea Climate and Business Initiative (Climbiz), an event that gathered impact investors and social entrepreneurs from Eastern Europe and the CIS in a dialogue and a pitching contest.

“Moreover, IICPSD has had an additional focus on environmental sustainability, reflecting the paradigm of sustainable human development.”

THEMATIC AREA #4 - Inclusive Business Models

Inclusive value chains, inclusive business models and inclusive market development can contribute to human development by including the poor as economic agents, either as suppliers or buyers of goods and services, and by responding to the particular needs at the bottom of the income pyramid. Within the thematic area of inclusive value chains, business models and market development, IICPSD has aimed to promote this inclusion. Moreover, IICPSD has had an additional focus on environmental sustainability, reflecting the paradigm of sustainable human development.

IICPSD has contributed to this target through high advisory services, private sector development, private sector engagement, capacity development and research.

High advisory services have been provided by the IICPSD on inclusive market development to Somalia, Liberia, Iraq, Mongolia, Uzbekistan, Jordan, Lebanon and Palestine. Moreover, as part of the Turkish Cooperation and Coordination Agency (TIKA)’s private sector strategy formulation, TIKA held two workshops at the Center’s premises and the IICPSD team contributed with presentations on private sector engagement in ODA and recommendations for a potential private sector role in the international cooperation work of TIKA.

Reflecting the sustainable human development paradigm, IICPSD has engaged in projects that utilize renewable energy in support of the productive capacity of the poor and training activities linked to green business.

IICPSD has partnered with International Renewable Energy Agency (IRENA), FAO, Government of United Arab Emirates and the Iceland Presidency Office to promote food security and sustainable production and consumption patterns via renewable energy food drying. The partnership was initiated by H.E. Olafur Ragnar Grimsson, During 2013,



IICPSD has pursued the partnership further and contributed to the elaboration of the partnership framework with the International Renewable Energy Agency, Presidency of Iceland, FAO and other governments and to the preliminary selection of several pilot countries possessing geothermal energy. More over, the IICPSD has presented along with partners inclusive business models in food drying using geothermal energy, as well as studies and best practices and facilitation of scalability and/or replication of pilots in bilateral meetings with Somalia, Mongolia, Jordan and Lebanon as well as in the 16th International Business Forum co-organized with the German Society for International Cooperation (GIZ) in Istanbul.

Based on the rationale of expanding productive capacities and attracting foreign direct investment and building local content in Central Asia to benefit the poor, IICPSD has engaged in a project that aims to develop a tripartite regional agro-food industry consortium between Afghanistan, Kyrgyzstan and Tajikistan (AKT). The project aims to facilitate business-led economic integration in Central Asia through inclusive value chains for poverty reduction, trade-based growth and stability. It integrates the agro-food value chains between the three countries, utilizing inter-alia geothermal energy for food drying and security. IICPSD takes the roles of conducting market studies for competitive advantage-based regional integration, facilitating business matchmaking with Turkey and other potential investors, providing capacity development for inclusive value chains and local content building, elaborating the business case for Export Processing Zones and mobilizing and convening the private sector in the counties to support regional integration. In a meeting in Dushanbe, the IICPSD was invited by the

officials of the three governments, UNDP Country Offices, international development organizations and the private sector to coordinate the AKT project. Overall, the tripartite partnership will further the IICPSD's goal to leverage innovative public-private, multi-stakeholder partnership-led growth in post conflict, fragile markets. Along the same line, the IICPSD has joined the UNDP Sub-regional Multidisciplinary Task Force in assisting governments and communities affected by the Syrian crisis in Jordan, Lebanon and Iraq to engage the business community in resilience building and in innovative solutions to expanding vulnerability, social exclusion and instability.



The 16th International Business Forum (IBF), “Green and Inclusive Business”, took place in Istanbul between the 23rd and 24th of October 2013. In this event, IICPSD partnered with the German Federal Ministry of Economy and Development (BMZ), the German Society for International Cooperation

(GIZ), the UN Global Compact and the International Chamber of Commerce to promote more green and inclusive businesses amongst international public, private and civil society stakeholders. The IICPSD contributed by providing content to the forum on market linkages, access to finance, policy frameworks and capacity development; hosting the sideline pitching and impulse modules of the IBF; and delivering training sessions on inclusive business models targeting businesses, governments, international development organizations and civil society organizations from over 80 countries present in the event. The IICPSD and the GIZ have partnered in the design of the Changing Market Award for inclusive and green businesses that will be annually granted to the best business performers.

The IICPSD co-organized and hosted the oikos-UNDP Young Scholars Development Academy 2013. The event assembled 15 young scholars and three faculty members to discuss the issue of managing and governing inclusive business, with a focus on the development of ecosystems and markets and how these interact with firm strategy.

In partnership with Columbia Global Centers | Turkey, the IICPSD has initiated a research project “Barriers and Opportunities for the Private Sector in Development” (BOPSD), which will translate into a report serving primarily the private sector as a guide for understanding barriers and opportunities in doing business in poorer environments and including the poor as consumers and entrepreneurs in a sustainable manner. The report's primary objective is to enhance the private sector's ability to work with the low-income categories by providing a scientifically grounded knowledge base on limitations

“Working on changing markets to help integrate people and protect the environment and contribute to better livelihoods and stability has placed the Center at the core of the UNDP’s sustainable development agenda.”

hindering effectiveness of market-born solutions to poverty. An interdisciplinary team of academics from around the world has identified eight themes constituting barriers to socioeconomic inclusion. The team of experts has drafted a chapter on each of these barriers facing the private sector’s ability to integrate the poor. The report concludes with a set of recommendations on how to: a) enhance efforts toward integrated value chains, b) accelerate reverse innovation through innovative solutions and meaningful interactions with the poor, and c) facilitate socioeconomic inclusion at the base of the pyramid.

With PepsiCo and BBMG, the IICPSD has initiated negotiations for a global initiative in supporting sustainable entrepreneurship in low-income markets. The Innovation and Development Alliance Cluster has built on the IICPSD-PepsiCO proposal and led discussions to the formulation of a multi-country project that utilizes solar energy in food processing and retail small businesses that will also facilitate access to medicines and fresh food for the poor.

Other activities

In a very short time, the IICPSD has built significant relevance in services and knowledge products offered to public and private sector partners and to the entire UN system, its prospects of further development being today considerable. Working on changing markets to help integrate people and protect the environment and contribute to better livelihoods and stability has placed the Center at the core of the UNDP’s sustainable development agenda. As a result of this, more countries request cooperation for access to knowledge and services that can guide their structural reforms for more private sector involvement in inclusive development. Uzbekistan, Mongolia, Jordan, Lebanon, Uganda as well as private sector organizations such as the Union of Arab Banks, the Middle East Commercial Center (business hub including chambers from Egypt, Israel, Jordan, Lebanon, Palestine, Turkey and the United States), the Organization of the Islamic Cooperation (OIC) and others have formally called for the participation of the IICPSD in their private sector-led human development plans. The Center has organized joint events and has also answered positively the requests received for further assistance.. In its activity, the IICPSD complements the work that UNDP Country Offices are undertaking and operates as an integrator for regional and global initiatives.

Linked to its four thematic areas, a series of new work priorities are being considered for 2014 as follows:

- Resilience-based Development – Support rendered to Governments and Host Communities affected by the Syrian Crisis to adopt inclusive procurement and business models and engage the private sector in skills development and integration

of the poor for an efficient response to the regional conflict and its impact on their economies. With inputs provided by the IICPSD, the SMTF and the Regional Bureau for Arab States have secured the consensus of the donor community that participated in the Kuwait II meeting on 15 January 2014 over the organization of the Business for Resilience conference later this year.

- Advisory services to The Middle East Commercial Center (MECC) in inclusive business models and market development and integration through special economic zones. The MECC has brought together chambers of commerce from Egypt, Israel, Jordan, Lebanon, Palestine, Turkey and the United States in an effort to boost trade and spatial development including through qualified industrial zones, technoparks and free trade zones in the Middle East and North Africa Region
- Partnership with the Kurdistan Regional Government within the Extractive Sectors for Sustainable Development Global Programme framework for economic diversification and inclusive growth through procurement leveraging and local content building
- The Economic Initiative for Palestine with The Quartet Representative Tony Blair’s office for sustainable development, poverty reduction and market integration through business linkages and high impact entrepreneurship, all anchored in the IICPSD thematic domains.

Our Research Work

To build analytical content for the work of the IICPSD in the four selected thematic areas, a series of research products were elaborated in partnership with academic representatives from renowned universities as follows:

- I. **“The Private Sector’s Role in Vocational Training – Lessons Learned from Turkey”** – Within the activity of the Global Alliance for Sustainable Employment (GASTE), studying models of skills development programmes from the overall perspective of the private investment in human capital is at the core of the knowledge building efforts. The research conducted has incorporated five private sector-led and public private partnership models of vocational training programmes (MLMM of Koc Holding, BUTGEM of Bursa Chamber of Commerce and Industry, OZIMEK of Istanbul Chamber of Commerce, UMEM of TOBB and Dairy Farming Applied Education Centers of Sutas Holding) in Turkey and four universities (Koç, Bilgi, Bosphorus and Marmara). The results of the research are meant to substantiate the role the private sector-led and public private partnership models of vocational training play in reducing unemployment and increasing business competitiveness

while leading to sustainable employment and higher incomes.

The GASTE agenda includes further similar research in India, Republic of Korea, Japan and Singapore to identify best practices in vocational training programmes that have contributed to the high competitiveness of these economies through the engagement of the private sector in relevant skills building.

II. The IICPSD has contributed to “The Future of Our Children – Life Long, Multi-Generational Learning for Sustainable Development” report of the SDSN Thematic Group #4 on “Early Childhood Development, Education and Transition to Work” co-chaired by Professors Madhav Chavan and Hirokazu Yoshikawa. The SDSN is coordinated by Prof. Jeffrey Sachs and will be fundamental in guiding the Post-2015 global development agenda of the United Nations on sustainable development.

In the report, the IICPSD has provided a series of recommendations such as the integration of vocational trainings into high school curriculums and that academic and vocational tracks have multiple “bridge points” for students to cross over during high school and undergraduate programs. Moreover, the IICPSD has called for national frameworks to recognize informal and alternative skills development schemes. All these areas will be subject to further research by the IICPSD.

The report can be accessed here:

<http://unsdsn.org/files/2013/09/130917SDSNDraftReportEducation.pdf> .

The public debate held on 10 October led to a series of important comments and inputs provided by the civil society and the private sector globally.

III. Barriers and Opportunities for the Private Sector in Development:

In Partnership with Columbia Global Centers | Turkey, the IICPSD is coordinating a research which will translate into a report serving primarily the private sector as a tool kit for understanding obstacles in doing business in poorer environments and for integrating the lower income categories into value chains as producers, consumer and suppliers in a sustainable manner. The report’s primary objective is to enhance the private sector’s ability to work with the low-income categories by providing a scientifically grounded knowledge base about barriers that limit effectiveness of market-born solutions to poverty.

The research will further document the work of the IICPSD in all its four thematic areas providing valuable information with respect to practices that can sustainably reverse poverty and inequality.

Eight themes constituting barriers to socioeconomic inclusion have been identified by an interdisciplinary team of academics from around the world. The team of experts was invited to provide a chapter on each of these barriers facing the private sector's ability to integrate the poor into the value chain as consumers, producers and suppliers. The chapters will conclude with a set of recommendations on how to: a) enhance efforts toward integrated value chains, b) accelerate reverse innovation through meaningful interactions with the poor, and c) facilitate socio-economic inclusion at the base of the pyramid.

The results of their preliminary research findings are due by the end of January 2014 and will be compiled in a foundational report and shared internally and with relevant partners for further feedback.

CHAPTER IV - PREPARING FOR THE FUTURE

I. In 2014, the IICPSD's thematic focus will continue to target the four areas endorsed by the Executive Council in February 2013:

Thematic Area #1: Leveraging the role of the private sector in vocational training and skills development

Thematic Area #2: Procurement leveraging and local content building

Thematic Area #3: Impact Investment and MSME Financing

Thematic Area #4: Inclusive Business Models

Rationale: Continuing centering work in these four areas comes in response to the persisting global development challenges of deepening inequality, growing skills gap and unemployment, non-diversified economies in resource rich developing countries and social exclusion at the base of the pyramid. The four thematic areas also harmonize the activity of the IICPSD with the work and goals of UNDP globally in implementing the new Strategic Plan (2014-2017) as well as with the national development plans of priority countries. As a center of excellence, the IICPSD aims to expand research and generate knowledge products to facilitate a more substantial role of the private sector in the four thematic areas.

Approaches: Specifically, within the approved scope of work, the IICPSD will continue engaging in research and high-advisory services, partnership brokering and knowledge sharing through South-South and Triangular Cooperation, training and capacity development as well as advocacy, including through hosting and delivering content in large events.

II. Thematic Areas (TA) one by one

TA.1. IICPSD will continue promoting and creating an institutional role for the private sector to contribute to skills development for sustainable employment within the Global Alliance for Sustainable Employment (GASTE) initiative. This will include further research on private sector-led and public private partnership models in skills development in a number of countries, with a focus on India, Korea, Japan, Singapore, Switzerland and Germany. The findings of the research will be shared with developing as well as developed countries within the GASTE, the IICPSD facilitating knowledge sharing and expansion of private sector- and public & private sector operated skills development programs in developing countries that have joined the GASTE. IICPSD will also work on expanding membership and partnership network of GASTE and scaling up the initiative to a UNDP Global Programme.

In 2014, the IICPSD will continue cooperation with the UN SDSN and Columbia

Global Centers | Turkey in further streamlining the role of the private sector in closing the skills gap and contributing to sustainable employment in the post-2015 development era. More specifically, the IICPSD will continue contributing to the work of Thematic Group #4 “Early Childhood Development, Education and Transition to Work” as well as fostering public consultations over recommendations included in the report with respect to multilevel governance and private investment in human capitals. In 2014, GASTE will hold its global conference on sharing research findings and best practices for the vocational education of the future.

TA.2. IICPSD will continue building inclusive markets, business linkages and local content, especially in the extractive sectors: as a result of its initial work on the topic, the IICPSD is now part of the “Extractive Sector for Sustainable Development” Global Programme of UNDP. Two reports will be published on the Multidisciplinary Action Projects (MAPs) in Liberia, and a new MAP will be implemented in Mongolia, similar to the one in Liberia, in partnership with Ross School of Business, University of Michigan and William Davidson Institute, to assess the capacity of the local small and medium enterprises to competitively supply in public and private procurement value chains.

- The procurement leveraging work that is research and study case-based will continue to expand in support of the underdeveloped countries in Africa and Central Asia, in which the presence of natural resources has not led to development due to inadequate regulations and contractual arrangements with concessionaires and to structural barriers against economic diversification.
- Moreover, the IICPSD will continue its engagement in inclusive procurement through linkage formation in Jordan, Lebanon and Iraq, in relation to the impact of the Syrian crisis.
- For Iraq in particular, the IICPSD will conduct three studies at the request of the Government of the Kurdistan Region (KRG) meant to identify opportunities for private sector engagement in socio-economic infrastructure building, CSR and skills development.

TA.3. IICPSD will continue analyzing performance of existing government-led impact investment programs and further promote social business and high impact entrepreneurship. The publication of an English translation of IICPSD’s Turkish publication on social entrepreneurship in Turkey will be part of this effort.

- In 2014, together with the Microfinance Center, the IICPSD will organize the global Annual Conference of Microfinance Institutions in Istanbul at the end of May, hosting over 500 participants and holding a series of tailored training programmes in impact investment and inclusive business models. Resolutions of the Annual

Conference of Microfinance Institutions will center on increasing efficiency and accessibility of impact investment schemes for social businesses to expand and to integrate the base of the pyramid with emphasis on women and youth entrepreneurs.

TA.4. IICPSD will continue promoting inclusive business models and market development for the integration of the base of the pyramid to reduce poverty and inequality:

- With a point of departure in the research coordination of the Barriers and Opportunities for the Private Sector in Development (BOPSD) project, the IICPSD will seek to share innovative perspectives by publishing a foundational report to serve as a guide for businesses aiming to integrate the poor as consumers and suppliers, among other means. The launch of the BOPSD Foundational Report will take place in a dedicated event organized by the IICPSD with all of the authors in Istanbul.
- In the Afghanistan-Kyrgyzstan-Tajikistan project, IICPSD will seek to establish the business platform to advance the value chain integration and export-based growth in Central Asia and contribute to inclusive market development knowledge; host a high-level meeting in the IICPSD with all stakeholders to launch the preparatory assistance project that will lead to the development of a fully-fledged project document; and go on a scoping mission in the AKT countries.
- The IICPSD will be hosting the launch of the project on inclusive value chains for renewable energy-based food processing in Jordan, Lebanon, Indonesia and the Philippines together with the International Renewable Energy Agency.
- In promoting the role of the private sector in building resilience in host communities affected by the Syrian crisis, the IICPSD will continue to assist the Subregional Multidisciplinary Task Force (SMTF) in elaborating and implementing the Resilience-based Development Action Plan and will co-organize with the SMTF the Business 4 Resilience Conference in Amman in April 2014.
- At the request of The Office of the Quartet Representative (Tony Blair), the IICPSD will provide high advisory services through the OQR to the Palestinian Government and to the business community in inclusive market development in support of the implementation of the recently released Economic Initiative for Palestine.
- A general cooperation framework with the International Solid Waste Association will be designed for potential development of inclusive business models in waste management to integrate the poor and facilitate access to energy at the base of the pyramid. Innovative business models for resilience building in communities affected by the Syrian crisis will be identified and promoted in a dedicated conference in the second half of 2014.

Cross-cutting thematic priorities and strategic realignment

- Since its establishment, the IICPSD has focused work on Least Developed Countries, Low Income Countries and Post-Conflict Fragile States in an effort to boost the private sector's engagement in MDG completion and human development. As of 2014, the IICPSD aims at expanding scope and realigning focus to include Middle Income Countries, some of them facing challenges in preserving the high growth rates that have preceded the global crisis and almost all of them still experiencing structural problems that hinder progress ahead. Identifying and promoting roles that the private sector can play in helping those markets avoid the middle income trap and further maintain sustainability of growth would constitute relevant lessons for less developed countries that are soon to become MICs. More specifically, the IICPSD wants to assess inclusiveness in MIC markets and use the four thematic areas for sectoral partnerships with the private sector to leverage its power to boost development. In this regard, the IICPSD will develop a concept of work, select pilot cases and sectors and establish partnerships for promoting inclusive market growth in Middle Income Countries.

Table 1 - IICPSD Work priorities for 2014

THEMATIC AREAS / IICPSD SERVICES	High Advisory Services	Training and Capacity Development	Case Study	Research	Advocacy	Partners & South – South Cooperation
Thematic Area #1: Private Sector's Role in Vocational Training and Skills development	GASTE	GASTE Private sector and PPP operated vocational training models	GASTE Selected Multinational Companies: Coca-Cola Microsoft	GASTE India South Korea Japan Singapore Switzerland Germany research on the skills development / competitiveness nexus	GASTE Publish and launch the Private Sector-led Vocational Training Research / March 2014	GASTE existing and new members from pilot countries (India, ROK, Japan, Singapore, Switzerland Germany)
Thematic Area #2: Procurement Leveraging for Local Content Building	Inclusive procurement strategy in Lebanon, Jordan, Iraq, Egypt, Palestine	Lebanon, Jordan Iraq, Egypt, Mongolia, Palestine	MAP with Ross School of Business UMich & WDI in Mongolia on business linkages	Knowledge product on inclusive procurement	Publish and launch Inclusive Procurement Study Case reports for relevant countries/ Aug Sep Oct 2014	Extractive and food processing industries
Thematic Area #3: Impact investment and MSME Financing	The Quartet Representative Tony Blair within the Economic Initiative for Palestine (EIP)	Palestine business associations and EIP stakeholders	Microfinance Center members on social entrepreneurship	Impact assessment methodology in partnership with Copenhagen Business School	Launch implementation in selected countries/ Sep Oct Nov Dec 2014 Annual Conference of Microfinance / June 2014	Microfinance Center
Thematic Area #4: Inclusive Business Models	Private sector engagement for inclusive market development in: Liberia, Somalia, Mongolia, Afghanistan, Kyrgyzstan, Tajikistan (AKT), Palestine, Uganda, DRC Geothermal energy for food security value chains in Jordan, Lebanon, Mongolia, The Philippines, Indonesia Private sector engagement strategy in support of host communities affected by the Syrian crisis Yemen, Mongolia inclusive value chains		MAP with Ross School of Business UMich & WDI / Iceland / IRENA in Jordan on Geothermal energy food drying Yemen Coffee Value Chain Mongolia Meat Processing & Jewelry Value Chains	"Barriers and Opportunities for the Private Sector in Development" with 18 academics from renowned universities	Publish and launch the "Barriers and Opportunities for the Private Sector in Development" Foundational Report / April 2014 and additional research in September 2014 Business 4 Resilience Conference together with SMTF, UNGC Business for Peace / May 2014 Sep – Dec 2014	TOBB S-S Cooperation with Turkey and Poland on Special Economic Zones, inclusive value chains IRENA, Presidency of Iceland Taze Quru - Turkey International Solid Waste Association Schneider Electric Business4Peace awardees MNCs S-S C with Turkey S-S C with Turkey
Areas / Services	High Advisory Services	Training and Capacity Development	Case Study	Research	Advocacy	Partners & South – South Cooperation
Other partnerships within Thematic Areas #4	The Middle East Commercial Center (MECC) as Advisory Board member Johns Hopkins School for Advanced International Studies Protection Programme	MECC Chambers trained on Private sector and PPP-operated vocational training & Inclusive Market Development	Corporate Social Responsibility in the Arab World		Joint MECC workshop in Amman/ February 2014 CSR Conference / April 2014	TOBB Poland Levitan Danish Industry Confederation Union of Arab Banks
Crosscutting thematic priorities and strategic realignment			Inclusive market analysis in selected MICs			South-South Cooperation platform for MICs in private sector's role in development

ANNEX I: PUBLICATIONS

1. The IICPSD One Year in Review Report
2. The “Private Sector’s Role in Vocational Training” GASTE Research
3. The “Barriers and Opportunities for the Private Sector in Development” Foundational Report
4. Contributed to the SDSN report: The Future of Our Children
Lifelong, Multi-Generational Learning for Sustainable Development
5. “Social Entrepreneurship” - English version
The Liberia Business Linkages reports produced with Ross School of Business,
Michigan University
6. Inclusive Procurement in Liberia
7. Increasing Competitiveness of the Liberian SMEs
8. The Private Sector Development Strategy for Somalia

ANNEX II: IICPSD'S RESULTS IN ACC. WITH THE 2013 WORK PLAN

Table 2- IICPSD's results in accordance with the 2013 Work Plan

Accelerated recovery underway with UNDP (and UN) support in selected sub-regions affected by large-scale natural disasters		
Key results	Major actions	Indicators
Innovative partnerships for private sector-led solutions for food security, income generation and local content building in disaster-prone, fragile markets	<p>High advisory services to governments and private sector organizations for private sector-led growth strategies for sustainable human development and resilience in Somalia, Liberia, Iraq, Tajikistan, Guyana, SIDS-Solomon Islands</p> <p>Public – Private partnership for renewable energy based food security inclusive value chains (Charcoal in Somalia, Waste management and food dry)</p> <p>Local procurement strategy for content building and job creation pilot research in Liberia</p>	<p>Private sector-led sustainable human development strategies and resilience prepared in disaster-prone countries (Somalia, Liberia, Iraq, Guyana)</p> <p>Multi-stakeholder alliance in place for renewable energy based food drying and sustainable small farming for food security (Tajikistan, Liberia, SIDS- Solomon Islands), with IRENA and Presidency of Iceland.</p> <p>Liberia research on local procurement completed, results used to develop knowledge program and feeding into UNDP extractive industry strategy</p> <p>Business linkages alliances in affected areas (Liberia, Somalia, Iraq, Guyana, Tajikistan, Solomon Islands)</p>
Follow up on Rio + 20 outcomes with integrated policy actions and country level support related to sustainable development		
Key results	Major actions	Indicators
Innovative public-private, multi-stakeholder partnerships forged at global/national level in support of UNDP's Rio+20 follow up	Conduct regional analyses and case studies of inclusive business models expanding access to sustainable energy and focusing on successful partnerships with the private sector.	Provided substantive input in the form of private sector's role in expanding access to sustainable energy to SE4ALL Regional Conference on Energy in Izmir
Transition in the Arab States region supported with a focus on democratic governance, social cohesion, gender equality and youth engagement		
Key results	Major actions	Indicators
Innovative public-private partnerships for private sector-led vocational training and skills development (change management initiative)	<p>Conduct research with 6 universities on PPP-based and private sector-led vocational training schemes for sustainable youth employment</p> <p>Engage Arab States in policy debates on change management in vocational training for poverty reduction and stability</p>	<p>Published research on economic and social multipliers of private sector-led vocational training</p> <p>Share vocational training research with BCPR as a possible case for the work with the world bank on job creation.</p> <p>Organized conference on change management and PPP-based vocational training schemes for sustainable employment</p>
Substantive options for a post-2015 development agenda proposed through coordination of national, regional, thematic, and global dialogues by UNDP		
Key results	Major actions	Indicators
Consultation platforms with private sector actors of post-conflict, fragile states on post-2015 development goals in support of the HLP process and beyond	<p>Host consultations with business organizations of developing countries on roles and responsibilities of MSMEs in sustainable human development (provide substantive inputs to HLP deliberations on private sector-led sustainability and inclusive growth)</p> <p>Raise awareness on the role of inclusive market development in promoting sustainable growth</p> <p>Identifying gaps in public policy coordination hampering private sector-led human development and inclusive market growth with a focus on vocational training and skills development</p>	<p>Convened two workshops with business associations of post-conflict fragile states on post-2015 development goals</p> <p>Co-organized HLP side event in Liberia on private sector-led human development in the post-2015 development era; parallel meeting in IICPSD on innovative business partnerships for sustainable human development</p> <p>Elaborated methodology for Inclusive Markets Composite Index and document formulation of Inclusive Market Development as a post-2015 development goal</p> <p>Formulated background paper MSME's contribution to sustainable development</p> <p>Convened private sector dialogs on labor productivity for sustainable growth</p>

Partnership engagement strategies with the World Bank, private sector, civil society organizations, Foundations and emerging economies successfully applied across the organization		
Key results	Major actions	Indicators
Implement the Action Plan of the UNDP Strategy for Working with the Private Sector (July 2012) and the Strategy for Sustainable Management of Extractive Sectors	<p>Private sector strategy Contribute to the implementation of the Strategy for Sustainable Management for Extractive Sectors as formulated with BDP, BCPR and RBx with a focus on Iraq, Liberia, Somalia, Guyana, Tajikistan, (in response to COs requests)</p> <p>Coordinate work with the UNDP Private Sector Community of Practice</p> <p>Provide training and capacity building on: Inclusive Businesses; BOP Market Entry and Feasibility Studies and Impact Assessment</p> <p>Organize survey among COs and RCs to identify needs for private sector engagement in sustainable development as well as capacity gaps to address them to contextualize work with the COP</p> <p>Explore opportunities for multi-stakeholder alliances in other economic sectors</p> <p>Research and develop knowledge products to support inclusive business models for Growing Inclusive Markets (relocated TIKA – BRC Project and funds to IICPSD)</p> <p>Partnership with the academia for inclusive market development Further engage business schools on inclusive business models (including through fellowships)</p> <p>Establish and nurture academic network for inclusive market building</p>	<p>Provided support for private sector engagement in development strategies to COs and counterparts in selected countries</p> <p>Developed one actionable partnership with one business school and development foundations for procurement leveraging and local content building (i.e. Multidisciplinary Action Projects for Local Procurement in Liberia in partnership with Ross School of Business, Michigan University, William Davidson Institute and Rockefeller Foundation)</p> <p>Conducted impact assessment of local procurement in an extractive sector –based economy</p> <p>Organized global dialog on procurement leveraging for inclusive, sustainable growth and local content building</p> <p>Prepared study of countries and sectors for a cross region GIM project in cooperation with TIKA</p> <p>Convened one global COP meeting in Istanbul on translation of UNDP private sector strategy in country specific assistance</p> <p>Conducted feasibility study to analyze the demand for products that facilitate and promote private sector’s role in development and assess the revenue streams for the IICPSD in accordance with the sustainability of the center. This study will constitute a central input for IICPSD’s resource mobilization strategy and will be conducted together with interested Bureaus and under the guidance and management of IDAC at BERA.</p> <p>Conducted research on financial awareness and define financial awareness index in partnership with private sector</p> <p>Co-organized and hosted UNDP – Oikos International Young Scholar Academy</p> <p>Developed partnership with private sector for inclusive entrepreneurship</p> <p>Conduct two feasibility studies for inclusive market development in Somalia</p>
Management structure		
Key results	Major actions	Indicators
EC and AB established and operational Operationalization of IICPSD and establishment as Center of Excellence	<p>Secure approval of AB TORs and membership by the EC</p> <p>Prepare EC meeting schedule and agendas</p> <p>Staff recruitment</p> <p>Operational support agreement with UNDP Ankara</p> <p>MoU with BERA IDAC, RBx and BDP on IICPSD’s roles, functions and reporting arrangements</p> <p>Elaborate sustainability strategy and plan</p> <p>Establish a roster of experts on inclusive market development and provide certified training to internal and external stakeholders</p> <p>Establish the Private Sector in Development Fellowship Program</p> <p>Explore agreements with the Turkish Government to have a program of Secondment for Technical Experts on the areas of focus of the IICPSD</p>	<p>Approved TORs and membership for the Advisory Board</p> <p>Scheduled and convened two annual EC meetings</p> <p>Recruited Deputy Director and Technical Advisor</p> <p>Established operational support in partnership with UNDP Turkey and recruited Service Support Associate</p> <p>Endorsed Management Arrangements with relevant bureaus</p> <p>Prepared general approaches for financial sustainability</p> <p>Elaborated IICPSD draft concept for excellence in private sector engagement in development</p> <p>Arrangement in place with the GOT on Secondment of Turkish experts to the center in priority areas</p>

ANNEX III: GASTE TORS AND MEMBERSHIP

The Global Alliance for Sustainable Employment (GASTE)

A common challenge across nations, regardless of the overall performance and human development index position, is the economic integration of youth. Graduates of different type/level of schools, from technical to higher education, are experiencing severe difficulties in finding jobs and in having access to sustainable income. Even in more developed parts of the world, two-digit youth unemployment rates have been recently recorded. Classical systems for skills generation are currently unable to overcome the mismatch between the labor supply and demand, leading to further alienation of the disadvantaged youth, to poverty and inequality.

GASTE was co-founded by UNDP IICPSD and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) on 13 June 2013 in a global event attended by post-conflict, least developed countries, multinational companies and international organizations. Integration of jobseekers as part of social protection systems plays a fundamental role in stability, but changes in the labor demand profile, driven by new technologies, cannot be addressed by classical skills development programmes. As a result, skills gap is globally growing, affecting competitiveness and growth and causing social distress further. GASTE's purpose is to launch a global debate on reforming vocational education and training (VET) and to promote multilevel governance in skills development for higher employability and stability. New VET systems should draw on the experience of the private sector in skills generation for the socio-economic integration of youth, women and disadvantaged groups. Private sector - ranging from business associations and chambers to MNCs and SMEs- has played a remarkable role in conflict prone countries in building resilience and in operating as a substitute to the disrupted State owned basic service delivery systems, including through vocational and on-the-job-training.

Additionally, more and more informal skills development processes gain ground with peer learning and on-the-job-training helping people to continue improving performance. Considering that over 75% of the current labor force will continue to be in the labor market for the next 15 years, thus representing a remarkable source of knowledge and skills, informal skills development cannot be ignored. Should private investment in informal skills development in all companies and in SMEs in particular around the world be formally recognized, the mobility in the labor market will increase and individual career development would continue with informal skills treated as both work experience and learning processes. In the coming years, policy makers, employers and employees' organizations should work together to build bridges between informal skills development activities and formal training programmes while recognizing

skills acquired informally in the national qualifications frameworks. GASTE wants to anticipate transformations and facilitate harmonization of content and process of skills development with changes in labor demand profiles.

The aim of the Global Alliance for Sustainable Employment (GASTE) is to:

- 1) Flag the importance of and promote new programmatic approaches in skills development including through the involvement of the private sector in the design and delivery of skills for more sustainable employment, efficient social protection, irreversible poverty reduction and stability
- 2) Engage in research on non-formal skills development and foster dialog of enterprises and governments on revision of policies and national qualifications frameworks to accommodate skills people acquire informally through peer learning, on-the-job or using ICT-based learning solutions
- 3) Facilitate South-South actionable partnerships among governments, private sector and other stakeholders to help improve the development impact of reforms through skills generation initiatives that mobilize private actors and build national human capitals and local content
- 4) Transfer knowledge and develop methodologies to assess the impact of formal and informal private sector-led initiatives in vocational training and skills development and of transformations that greening economies will generate on skills needs for competitive labor markets and sustainable development
- 5) Foster dialog among LDCs and developing countries and contribute to policy revision on skills development and private sector's investment in human capitals for more sustainable employment.

GASTE members are committed to promoting and facilitating private sector engagement in skills generation and vocational training for higher positive development results, crisis prevention and social cohesion. Through research and analyses, under the coordination of the IICPSD within the GASTE framework, Alliance members seek to substantiate the importance of the private sector in skills development. Impact assessment and reporting will further document policy dialog and recommendations.

A three-tier membership is available to private sector, government, academia, IO and NGO actors. Alliance Board Member is the highest level of engagement, involving leadership and financial and non-financial (FNF) support towards mission completion. Alliance Partners are required to support (FNF) project-based and programmatic activities of GASTE. Members are expected to commit to achieving the Alliance goals

while learning and benefiting from the exchanges, knowledge sharing and impact assessment work of GASTE.

Annex – GASTE Founders, Board Members (BM), Partners (P) and Members (M)

Co-founders:

Istanbul International Center for Private Sector in Development (IICPSD)

Turkish Union of Chambers and Commodity Exchanges (TOBB)

Governments:

Turkey (BM)

Somalia (M)

Liberia (M)

Iraq (M, Partner status under negotiations)

Afghanistan (M)

Kyrgyzstan (M)

Tajikistan (M)

Kosovo (M)

India (M – TBC)

Republic of Korea (M – TBC)

Poland (BM)

Romania (M-TBC)

Private Sector

Somalia Chamber of Commerce and Industry (M)

Liberia Chamber of Commerce (M)

Liberia Business Association (LIBA) (M)

Jordan Chamber of Commerce (M)

Bursa Chamber of Commerce (M)

Istanbul Chamber of Commerce (M)

Sutas Holding (M, Partner status under negotiations)

Koc Holding (BM)

Festo Corporation (M, Partner status under negotiations)

Microsoft (M, Partner status under negotiations)

Coca-Cola (M, Partner status under negotiations)

PepsiCo (M, Partner status under negotiations)

Iraq Global Compact Network (M, Partner status under negotiations)

VISA Europe

International organizations

Japan International Cooperation Agency (JICA)

European Training Foundation (M, Partner status under negotiations)

SESRIC - The Statistical, Economic and Social Research and Training Centre for Islamic Countries (BM request submitted)

Columbia Global Centers | Turkey (CGC) (M, Partner status under negotiations)

GIZ (M, Partner status under negotiations)

TIKA (P) Turkish Cooperation and Coordination Agency

ILO Turkey (M)

UNDP COs: Kosovo, Tajikistan, Kyrgyzstan, Afghanistan, Liberia, Somalia, Turkey, India and Seoul Policy Center (M)

Education Reform Initiative (M, Partner status under negotiations)

OECD (discussions in progress)

William Davidson Institute (WDI) (M, Partner status under negotiations)

The Hashemite Fund for Human Development (M)

Academia

Kozminski University, Poland

Educational Research Institute, Poland

Education Reform Initiative, Turkey (M, Partner status under negotiations)

Koc University

TOBB University of Technology and Economics

Bogazici University

Marmara University

Ross School of Business, Michigan University

SDSN network of universities



ANNEX IV: PHOTO GALLERY AND ACKNOWLEDGEMENT

The achievements presented in this report were possible owing to the IICPSD team of staff and interns as follows:



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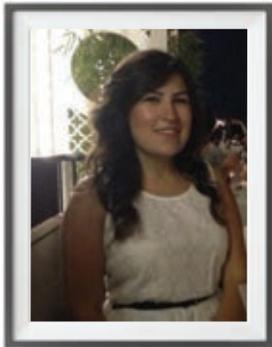
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