

## Post-2015 Agenda: an opportunity to reveal Private Sector/business potential in fighting poverty

CODESPA Foundation

Special thanks: Arsenio Muñoz | layout and kind collaboration

Financed by AECID



Private Sector involvement in Post-2015 Development Agenda is currently one of the most relevant topics in the International Development Sector. In 2000, United Nations launched The Global Compact as a call for the committed of Private Sector with the 2015 Millennium Development Goals. That was a catalyzer: thousands of big and small companies made for the first time a reflection about their responsibility with the global society and if their role for solving the most urgent problems of the human being.

Currently, The Global Compact of United Nations is encouraging the role of Private Sector in the Post 2015 Agenda as a transversal and inherent topic. The main message is that private sector involvement in Post – 2015 Agenda is not a debate issue by itself, but it should be a fact. Therefore, the main dialogue is now focused on how companies can support the 10 global priorities that would be probably established as definite areas for the new Millennium Development Goals (Climate & Energy; Education; Food & Agriculture; Governance & Human Rights; Health; Infrastructure & Technology; Peace & Stability; Poverty; Water & Sanitation; Women's Empowerment).

In this sense, there is a great opportunity for global Inclusive and Sustainable

Growth strategies associated to the future Millennium Development Goals. In its recent Communication 'A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries', the European Commission states that "The impact that private sector actors can have on development is now widely recognized, and donors around the world are seeking ways to effectively engage with the private sector for creating jobs, providing incomes, goods and services, advancing innovation, and generating public revenues essential for economic, social and environmental welfare".

Since 1985, CODESPA has been working in near to 800 Sustainable Inclusive Growth projects in 21 countries, with the aim to achieve economic and social inclusion of low income communities (Bottom of the Pyramid). We work in different business sectors: financial sector (microfinance innovation and financial inclusion); Tourism (Sustainable Community-Based Tourism); agriculture and livestock (rural markets development and value chain strategies); and commerce and services sector (micro entrepreneurship and social entrepreneurship promotion), among others.

In this framework, there is a high potential

for a strategic involvement of private sector within this kind of projects. Inclusive Business is a very interesting strategy to put into practice Inclusive Sustainable Growth and achieve Private Sector involvement in Development Agenda. Inclusive Businesses are considered as sustainable business solutions that go beyond philanthropy and expand access to jobs, goods, services, and livelihood opportunities for low-income communities in commercially viable ways (WBSC, 2005). Therefore, Inclusive Business combines economic growth with improvements in living standards and outcomes that matter for people's quality of life (e.g. good health, jobs and skills, clean environment, etc.) and seeks a fairer integration of low income communities in the private sector dynamics.

One of the key of success in Inclusive Business projects is that the design and development of products and services for the Bottom of The Pyramid should be motivated by the aim to solve urgent social needs. Therefore, although the solution provided is commercially viable, the social focus should be always in the first line.

For instance, in Dominican Republic CODESPA has developed an innovative Microinsurance 3x1 (life, accidents and funeral expenses), in collaboration with the commercial bank ADOPEM and the Spanish Agency for International Cooperation (AECID). This product was developed in a highly participative way with communities of the same profile that would be the final costumers of the Microinsurance 3X1. That was crucial in order to establish the main characteristics of the final product as well as its price: just 4 dollars per year. To date, microinsurance policies have been sold to more than 19,000 people who, thanks to this product, have witnessed their living conditions substantially improved.

In the case of Inclusive Business related to value chain strategies, one of our current projects is the case of example of the study

of potential for Inclusive Business that we are undertaking in The Philippines. Since 2010, CODESPA is implementing the program "Promotion of Economic Development and Income Generation through Market Inclusion of Small Farmers from Rural and Coastal Communities from Mindanao." The initiative is also financed by AECID and as a strategy to achieve the program goals, CODESPA rolled out the sub-program "Strengthening Development Actors in the Philippines to Promote Strategies to Support Bottom of Pyramid."

The objective of this program is to create initiatives that will benefit low income farmers of the Base of the Pyramid as participants in the value chain. This study has identified that there is high potential for local companies, and imminent steps are the implementation of a pilot project with the local company Glowcorp, in order to support their scaling up of operations through an inclusive business model that will include 150 Bottom of Pyramid producers from the rice farming sector in their supply chain. Those BOP local producers will be organized and trained by PARFUND, a local organization whose aim is to contribute to the rural poor's pursuit for peace, equity and justice by supporting their initiatives for resource tenure, productivity and rural democratization.

So far, in the framework of the Development sector, projects carried out in collaboration with Private Sector have been conceived as 'innovative'. Fortunately, it seems there is a new era in which a collaborative approach between private sector and development actors will be the general rule, instead of an exception. The forward experience of the Global Compact has been a good first approach. Now, it seems that the future Post-2015 Agenda is prepared for a new dimension where more strategic and concrete actions could reveal the, until now, undisclosed potential and opportunities that reside in Private Sector involvement for achieving global challenges.