Keynote Remarks

MAGDY MARTÍNEZ-SOLIMÁN, UNDP Assistant Administrator and Director of the Bureau for Policy and Programme Support, welcomed BCtA members, United Nations colleagues and other stakeholders, to the Sixth BCtA Annual Forum, thanking them for their support of this groundbreaking initiative. In the 70th anniversary year of the United Nations, the international community is about to achieve consensus on a historic new agenda for change – this week marked a turning point in global development. A range of stakeholders had not only collaborated on the post-2015 agenda, but established a blueprint for global development to 2030 – with Sustainable Development Goals (SDGs) designed to address current bottlenecks to sustainable development.

But with this historic agenda, there is an enormous gap in resources to achieve the SDGs. In addition to official development assistance, a diversity of complementary financing sources will be necessary to realize these goals. Partnerships comprising the private and public sectors, academia and civil society will be critical to meet these ambitious goals. Public financing is still important, but post-2015, the majority of resources to finance this ambitious agenda will come from the private sector. The challenge is to ensure that as much private flow as possible supports the SDGs.

In recent years, the private-sector contribution to development has significantly increased. This includes growth in responsible investing, philanthropy, corporate social responsibility (CSR) and an expansion of impact investment. But more is needed – rapid growth and improved living standards in the developing world are creating huge demand at the base of the economic pyramid (BOP). The challenge will be to connect BoP communities – who have impressive purchasing power – to markets. Inclusive business goes beyond CSR to involve people at the BoP all along the value chain – and as customers.

For example, access to clean energy can transform people’s lives, and dirty energy makes poor people’s lives more difficult. Today, 18 percent of global population lacks access to clean energy and 40 percent rely on biomass fuels like wood for cooking; energy costs more, on average, in BoP markets than in more affluent ones. There are huge opportunities for providing affordable access to clean energy: businesses have the power to address these needs while supporting sustainable development. Ilumexico and ONergy are two new BCtA members that have made commitments to inclusive business in the clean energy sector.

New BCtA member companies have made commitments to 10 of the 17 SDGs. These inclusive businesses are active in sectors where poor people are engaged as suppliers, consumers, distributors and all along the value chain. But businesses cannot do it alone: partnerships are paramount in realizing this new sustainable development agenda.

1 The BoP includes those who live on less than US$ 8 per day.
Mr. Martínez-Solimán recognized the Government of Turkey’s commitment to advancing the inclusive business agenda through the G20 Inclusive Business Framework. He ended by emphasizing that development means business – good development practices incorporate smart economics. This is what sustainable development really means: integration of all communities into a more inclusive market economy.

**BREAKFAST SESSION:**

**Harnessing Domestic Inclusive Business for Social Impact**

JEANNE FINESTONE, BCTA Communications, Advocacy and Marketing Team Lead, began the session by welcoming all to the BCTA 6th Annual Forum and introducing some of the 33 new BCTA members. In this record year of growth for BCTA, Ms. Finestone commended the work of all BCTA new and existing members to include BoP communities throughout their core business.

Moderator BHASKAR CHAKRAVORTI, Executive Director of the Fletcher Institute for Business in the Global Context (IBGC) and Council on Emerging Market Enterprises (CEME), introduced the panel of experts from both domestic and multinational BCTA member companies, emphasizing that between US$ 2 trillion and US$ 3 trillion per year will be required to meet the SDGs. Historically governments have been challenged in meeting development goals, and this is especially true for the SDGs – so there is a major role for private sector. Mr. Chakravorti opened the discussion by asking panelists about the core of innovation that allows them to link social and business objectives.

PIYUSH JAju, CEO and Co-Founder of ONergy responded that his company has focused on how energy can play a role in solving social problems. Most attention has been around lighting, but there is a need to move beyond that to irrigation, computers for education, clean cooking and microenterprise solutions. It is critical to first understand what problems are inhibiting development. ONergy’s management realized that there is no one-size-fits-all solution, so an ecosystem approach is needed. This is especially the case in remote areas with limited infrastructure. They needed to develop a strong business

“Governments regulate how much highway is needed, (it) can even draw the map, but at the end, somebody needs to build it. Our challenge is to ensure that as much of private finance flows as possible are aligned with and support the Sustainable Development Goals.”

— Magdy Martínez-Solimán,
Assistant Administrator and Director of the Bureau for Policy and Programme Support (BPPS), UN Development Programme (UNDP)
model and explore innovative financing that poor people could afford. Since poor people spend the most money on energy, it was possible to meet the needs of a large market by remaining flexible.

JUAN SEBASTIAN PARDO-LANZETTA, CEO of Credifamilia added that by focusing on low-income homebuyers in Latin America, his company could help BoP communities to consolidate their capital base with a long-term investment – taking them a step beyond microfinance. In contrast to formal lenders, Credifamilia looks for people with a steady income but an inability demonstrate it through pay stubs (the informal sector), who would not have access to traditional loans. The company’s flexible products are designed according to customers’ needs and cash flows.

Mr. Lanzetta stressed the importance of taking innovative approaches such as this into mainstream markets – for example, integrating new financing products into existing financial networks – to make them scalable. Credifamilia aims to make its financial partners work with its BoP market as it strives to work within the business ecosystem.

TAFSIR AWAL, Director of Multimode Group and Lal Teer Seed Ltd. described how his company’s founder discovered an unmet need in Bangladesh: only 2 percent of seeds in the country were considered ‘high quality’. Today, the private sector and Government contribute to 25 percent of seed development, substantially raising the quality of seeds and contributing to food security and women’s empowerment through increased yields and revenue. Yet there is still much room for growth in the industry.

DAVID CROFT, Global Sustainable Development Director at Diageo, a multinational alcoholic beverage company, contrasted these domestic companies’ experiences with his experiences working across several countries. Thriving communities and environmental sustainability are central to Diageo’s shared value approach: since the company depends on agriculture in many countries for raw materials, strong communities of growers as well as healthy consumers are vital to its growth.

The concept of shared value has led the company to support communities at both ends of its value chain, enhancing its own growth. The emphasis is on raising smallholders’ productivity to make them competitive in the global market. In Ethiopia, the company is increasing access to finance and training with the goal of achieving 100 percent of beer in the country derived from local barley. While this is challenging, Diageo has seen higher-than-average productivity from smallholders, and many want to join them because of the economic benefits (such as being able to keep their kids in school).

Discussion: Mr. Chakravorti thanked the panelists for sharing their holistic perspectives and asked those from domestic companies how they tackle the sizable infra-
structure challenges of working in developing countries. Mr. Jaju spoke about ONergy’s strong understanding of its customers and local problems, which is often challenging for larger corporations. Development agencies are helping inclusive businesses to understand local ecosystems; their access to communities in remote areas is critical. There are already networks of NGOs, financial institutions, multilateral agencies and other partners in most remote communities, and they must be engaged to make business work.

In addition, since many potential customers have not been introduced to new products and services—or had bad experiences with poor service—companies must develop strong last-mile distribution and service networks that operate at low-cost to consumers.

Mr. Lanzetta affirmed the importance of partnerships, but stressed that some are easier than others. The range of partnerships also includes larger institutions—like the major banks that provide Credifamilia with payment networks and construction financing. Large companies are often reluctant to incorporate partnerships with smaller firms working BoP markets into their innovation networks—and it can be hard to approach these organizations because of their size. Inclusive businesses need to mainstream this innovation within larger companies.

Mr. Awal explained that Lal Teer Seed leverages Bangladesh’s existing farmer infrastructure—including 12,000 contract farmers who employ 50,000 laborers. The company is overcoming challenges to scale-up by bringing in a range of partners. Including farmers in the value chain has not only yielded quality products, but established trust in the company and induced other actors to tie their efforts to Lal Teer’s model. The company now collects data from academia, NGOs and others on climate and soil conditions, allowing the company to identify innovations (especially related to climate change). Both internal (e.g. farmers) and external (e.g. universities) partners are important in the inclusive business ecosystem.

Explaining a multinational corporation’s point of view, Mr. Croft explained that many large organizations have a standardized approach. But standardization does not limit Diageo from customizing individual solutions. In fact, there are major risks in implementing solutions designed in New York or London without considering local conditions or needs. For example, one company gave mobile phones to farmers to instruct them where to spread fertilizer. While the initiative was great for public relations, the local mobile network did not support the phones and the farmers could not use them.

Diageo is working to create a global framework but deliver it locally in diverse contexts—and to make sure its solutions work at the local level. This may require building local infrastructure or using the existing one. Multinationals have opportunities that smaller companies do not, such as helping thousands of farmers to access better planting materials. They can strengthen both the supply side and the market, increasing access to jobs, trade and safe water, which improves health as well as agricultural productivity.

Mr. Chakravorti asked the domestic companies if they have experienced missed opportunities to engage with large private partners. These speakers agreed that a lot of the large corporations have a set agenda, which may or may not meet the needs of local people; in some cases, it can actually be counterproductive. For example, when CSR initiatives just give 2 percent of the company’s profits, it may not be done in a way that is sensitive to local needs. Smaller companies should focus less on what larger companies can give them, and more on what works for both businesses. Partnering with technology companies in order to scale both companies’ products quickly is a good example of this. In addition, the speakers agreed that it is critical to find international partners that have the right
approach to entering the local market – not all large companies are a good fit.

Participants in the audience stressed the power of global corporations to harness innovation for solving global problems. Mr. Croft agreed that multinationals’ global frameworks are ideal for implementing innovations in different environments. But none of this can happen unless these companies take a collaborative approach and talk with governments to build favorable policy and fiscal environments. He added that civil society is also a source of strong partnerships – particularly NGOs that are close to local communities. These organizations foster a real sense of community ownership, which leads to shared value.

The audience also asked what the private sector could do to challenge norms around gender inequality. The speakers stressed the importance of integrating women all along the value chain, from basic assembly to engaging them in distribution networks and promoting products that improve women’s lives. Putting money in the hands of women allows them to take control of health, nutrition and education, which has greater impacts on family well-being than money in the hands of men.

Internally, the organizational culture should also be focused on diversity and tolerance. This not only strengthens the organization, but strengthens its visibility among consumers.

Finally, Mr. Chakravorti asked the speakers what they hope will change in business with the new SDGs, which emphasize private partnerships. The business leaders were optimistic about this new impetus for Governments and NGOs to work with the private sector on sustainable development solutions. They also looked forward to more favorable policy environments, which would encourage private-sector growth.

But with the recognition that business has a role to play in delivering the SDGs, the concept of public-private partnership needs to be re-examined. In the past, many of these partnerships were based on the public agenda rather than a shared agenda – not just public and private side involving communities as well.

With 169 new SDG targets, it is critical for all stakeholders to: (i) focus resources; (ii) develop clear measures of social value; and (iii) move away from their ‘comfort zones’ to new partnerships and different areas of the value chain.
impact. BIMS will also allow the BCtA Secretariat to build an evidence base around inclusive businesses’ contributions to the SDGs and demand greater stakeholder support of these initiatives.

PLENARY SESSION: Inclusive Business as Key Contributor to New Development Agenda

Mr. Sobhani introduced keynote speaker LISE KINGO, Executive Director of the United Nations Global Compact, who has been involved in bringing the inclusive business agenda to many critical international forums. Ms. Kingo congratulated BCtA members on their work, noting this week marked a historic event with agreement on the SDGs, which are a beacon for all development practitioners, including business. With consensus achieved on the SDGs, the hard work to meet these goals must now begin. There is no doubt that business has a crucial role to play along with other stakeholders.

All 17 SDGs focus on the BoP: it is necessary to place the BoP at the forefront of all stakeholders’ agendas, and to make sure these new goals are used as platform for business at the BoP. It is hoped that companies will take inspiration from these new goals to develop business strategies that are truly sustainable. But how can the public sector help implement these goals? In addition to the new BCtA Guide to Inclusive Business, the UN Global Compact is about to launch the SDG Compass along with a guide to mapping companies’ poverty footprint. With the excellent partnership of the BCtA, the UN Global Compact looks forward to supporting businesses in meeting these global goals.

Following Ms. Kingo’s presentation, Moderator NIK SEKHAN, Director for Sustainable Development, UNDP Bureau for Policy and Programme Support, introduced the panel of global development and inclusive business experts, asking how businesses can make a meaningful contribution to sustainable development agenda.

In looking towards meeting the new goals, official development assistance, North-South transfers, philanthropy and remittances, there is still a huge gap in funding for the SDGs. Those resources are going to need to come from private-sector investment.

While they were less ambitious in scope than the current SGDs, the Millennium Development Goals (MDGs) challenged global leaders to half extreme poverty. Today, this goal has been achieved, which is amazing considering that the global population is still increasing. Economic growth was responsible for 75 percent of poverty reduction in MDG era, but it also led to gross inequality and environmental impediments; this is why we need a holistic agenda. But how can businesses be sustainable development partners while ensuring profitability? How can they work with companies to change their business models and make them truly inclusive?
TERRI BRESENHAM, President & CEO, Sustainable Healthcare Solutions, GE Healthcare, responded that sustainable practices are critical to seeing business results carry forward. GE Healthcare Sustainable Healthcare Solutions brings together her company’s operations in India and Southeast Asia, and Africa – including some of the world’s least developed regions – to provide health care for underserved communities. While the company’s Affordable Healthcare Portfolio requires a US$ 300 million investment, GE Healthcare is looking at the entire ecosystem of access throughout the value chain. If everyone has a stake in the initiative’s success and return on their investment, sustainability will happen. So it is paramount that inclusive businesses make sure that everyone who participates gets something in return.

Next, NICOLE VOILLAT, Sustainability Director, Bata Shoe Company spoke about her company’s origins 120 years ago as a family business operated as a public trust and means for improving living standards within the community. Started in Czechoslovakia, Bata now has 23 manufacturing facilities in 19 countries – most of them developing countries; many customers in those countries think of Bata as a domestic company. As both a global and local company, Bata only produces shoes in the countries where it sells them. It is one of the only shoe companies that still has its own production, and sells shoes at affordable prices to BoP customers. In Bangladesh, Bata employs 3,000 women selling shoes door to door in rural areas with limited access to stores. Most of these women are divorced or widowed – and otherwise could not find dignified employment in Bangladesh.

STEFAN MAARD, Head of Sustainable Business Development at Novozymes spoke about the importance of lessons learned from previous initiatives that were not successful. Multinational corporations are often reluctant to get involved in BoP markets. In Novozymes’ experience, the challenges are: (i) high opportunity costs and significant capacity gaps; (ii) fragmented and often poorly designed early-stage venture support (despite donors’ growing desire to be “catalytic”); (iii) and a marked lack of quality deals.

These insights gave birth to DIVA, an incubator focused on early-stage business development that involves partnerships and new business models. DIVA was developed with a belief in the power of multinationals to achieve the SDGs – if these critical capacity gaps are filled. It enables
more radical solutions in pursuit of SDGs and more ambitious ideas about impact than were previously accessible to large companies. Partnering for impact through incubators like DIVA allows the private sector to focus on a systematic pathway to achieving the SDGs in a way that is lucrative.

LENA INGELSTAM, Director of Partnerships and Innovations, Swedish International Development Cooperation Agency (Sida) noted that the SDGs are bringing development actors together in a much more comprehensive way than ever seen before. But they also bring new challenges—especially that of building new partnerships. The private sector brings economic growth and creates jobs in developing countries; but the SDGs require sustainability to be integrated into private companies’ core business.

Partnership is not enough: leadership is also very important. Two years ago, Sida established Swedish Leadership with the CEOs of Sweden’s biggest companies in order to learn how to integrate sustainability into core business models. Now, network members are taking proactive actions on their own. At the World Economic Forum, business leaders took a clear stand for business being part of the development agenda and they also advocated for anti-corruption to be a main pillar of the SDGs. In addition to global action, these leaders are also acting at the local level: in India, network members were able to reduce the use of chemicals in manufacturing 40 percent, while increasing productivity.

In addition, the Sida challenge fund Innovation Against Poverty is supporting entrepreneurs with innovative products at the pilot stage. After five rounds, the fund has supported 66 projects. Without strong leaders and entrepreneurs who work hard, this would not be possible—both are needed.

LUIZ ROS, Manager for the Opportunities for the Majority Sector Office, Inter-American Development Bank (IDB), explained that when companies enter a new market, they need to: (i) change their lens; (ii) get used to partnerships (including those with the public sector and civil society); and (iii) make full use of these partnerships while scaling up. But not all private-sector companies are right for all markets. They need to be the right size. SMEs’ innovation is extremely important (as shown by Credifamilia) and to balance the needs of producers and consumers.
The IDB has provided US$ 450 million in financing worldwide. This is not a huge amount for global development, so we have to mobilize partners’ resources to achieve goals. To forge successful partnerships, understanding the BoP market is key. For example, all partners need to understand the importance of quality in BoP markets, and develop products and services that meet their needs (and not just have more features). In addition, the BoP has a lot of social capital ready to be tapped; thus far the private sector has not effectively tapped into this market intelligence. Finally, distribution channels require innovative use of existing platforms to reach scale.

NICOLAS CHEVROLLIER, Senior Programme Manager at the BoP Innovation Center, which co-builds inclusive markets, spoke about his non-profit’s work on systemic issues such as distribution networks. The three major challenges private companies face in BoP markets are the need: (i) for insights into BoP needs, their cultures and customs so that business can fill consumer needs; (ii) to develop inclusive business skills at scale; and (iii) for more one-stop-shops like BCtA and DIVA.

Because of these challenges, a lot of early initiatives have failed or not reached expectations. Now we are at a tipping point where new initiatives can reach scale or collapse. More data can help us to gain insights into BoP needs. But one-stop shops that provide financing and other support are also necessary. The BoP Innovation Center recently founded the Inclusive Business Accelerator to bring communities together in order to gain insights and impart skills at scale. Partnerships make the development community’s meager resources go further, but they are not easy.

Discussion: Mr. Sekhran began the dialogue by asking companies what sort of partnerships they need to make their vision a reality. The business leaders responded that trust is the most fundamental ingredient for holding ecosystems together. There has been a deficit of trust in the past, especially on the part of NGOs. However NGO partners are critical for understanding community needs. Both sides need to be flexible, and partnerships built at their connection point. One-stop shops such as DIVA are critical tools for convening such partnerships among businesses.

Ms. Ingelstam noted that in the beginning, BCtA members were largely from the North, but now, many domestic companies from the South have joined the call. New innovations and development solutions coming from the local level are critical for success in reaching the SDGs.

Mr. Ros added that most large companies do not need money, but need risk-sharing facilities. Sharing risk allows businesses and other actors to build trust. The conduit (public or private) does not matter when impacting people’s lives—what matters is how it’s done.

Responding to questions from the audience about lessons learned from previous partnerships, Mr. Maard described unsustainable partnerships as characterized by: an unequal power dynamic between large and small ventures and corporate governance structures that do not enable conflict resolution. In the case of Bata, Ms. Voillat explained that while the company had strong partnerships, a lack of markets hindered its sales. This challenge was overcome by Bata employing local women in partnership with a Bangladeshi NGO to sell its products. The panelists also pointed out the importance of discussing what has gone right. With solid partnerships, companies can connect with BoP communities to meet local needs, even in remote areas.

An audience member also asked about discrimination and social constraints: is the role of business to work within social norms or to challenge norms that contribute to poverty? The business leaders on the panel emphasized the need to build trust with community leaders before working to improve living standards. In the case of GE Healthcare, this means working with village doctors—even ‘witch doctors’—which are trusted members of community ecosystems—this builds communities’ trust in the company.

“With the new global goals, we have a lighthouse for global development in the world, and a lighthouse for business in the next 15 years. We have the global goals, but now the hard work starts, because we need to implement, together, the new global goals. And there’s no doubt that business has a crucial role to play, along with all the other global stakeholders.”

— Lise Kingo, Executive Director, United Nations Global Compact
Closing the session, Mr. Sekhran observed that social norms are changing, which creates both opportunities and challenges for inclusive business. The SDG agenda is exciting because it has buy-in from many countries and stakeholders. He looks forward to working with private sector companies who are committed to making a difference through this agenda.

THEMATIC SESSION:
Toward a Healthier Future: Catalyzing Partnerships to Drive Better Health

This session, organized in collaboration with Accenture Development Partnerships (a non-profit organization within Accenture), examined how cross-sector partnerships are vital for meeting SGD 3; “ensuring healthy lives and promoting well-being for all at all ages”. Moderator NATASHA SUNDERJI, Global Health Lead at Accenture Development Partnerships, kicked off the session by asking the panel of health-sector specialists about their companies’ success stories in improving access to health care.

SORAYA RAMOUL, Director, Access to Health, Novo Nordisk presented the Vita Nueva program in Colombia. Focused on gestational diabetes screening, Vita Nueva aims to promote better prenatal and child health care through low-cost interventions implemented within local partners’ care programs. In Africa, Novo Nordisk is working with the BoP to address the long supply chain for insulin, which limits access. In Kenya, Novo Nordisk developed a new business model (with civil society partners) to lower the cost of insulin.

DANIEL GROSSMAN, Senior Director, Global Health Innovation, Medtronic, Inc. next spoke about Medtronic’s transition from a medical device manufacturer to a company responsible for health outcomes and increased access to healthcare. The company is now looking at broader health care delivery models and focusing on treatable diseases instead of just technologies. By understanding local needs, the company is employing these models (and partnerships) to address needs. In this way, Medtronic now serves as an aggregator along the continuum of care partnerships.
Camilo Gonzalez Ruiz, Director of Access, Diabetes at Sanofi Colombia also focused on diabetes care, with a focus on access. He agreed with Dr. Grossman that ensuring a continuum of care is a cornerstone of achieving health outcomes, but emphasized that there are challenges to be addressed at each step. Colombia has a social health care system with vast coverage but not enough access – that is Sanofi’s starting point for learning lessons in health-care delivery.

Takeo Hojo, General Manager, BoP Business Unit, Global Operations Division, Saraya then described his company’s efforts to promote hygiene with alcohol-based hygiene products in Uganda. Currently, Saraya has no competitors because there are no market products: the challenge is to create a new market. Since many patients die each year because of poor hygiene in hospitals, there is an urgent need to overcome this challenge. Building this market requires the involvement of many sectors. Saraya has now created a hygiene movement, but it needs support in order to be sustainable. Echoing the other panelists, Mr. Hojo emphasized the need to go beyond products and technology to the entire health ecosystem.

Discussion: Ms. Sunderji began the dialogue by asking panelists what has changed in health partnerships within the last ten years. They agreed that approaches are changing, as models shift from philanthropy to business-based partnership. In fact, businesses may be ahead of the curve when it comes to global agendas. Instead of giving partners grants or financing partners up front, companies can now offer a share of revenue generated from patient care; this supports sustainability and helps partners to grow.

NGOs may perceive that private companies are approaching them to sell their products and not for mutual benefit. Companies need to send the message that they share partners’ objectives – it helps businesses’ bottom lines to eradicate diseases. Companies are becoming more collaborative and focusing on shared interests, but this only happens with sustained partnership: trust is built gradually through collaboration. Mr. Hojo shared Saraya’s experience of local production of hygiene products in Uganda in partnership with NGOs and the Ministry of Health.

Mr. Ruiz observed that in Colombia, willingness to engage with private companies has depended on the level and type of engagement. While Colombia’s health system has become a public-private partnership involving the health ministry and HMOs, other branches of government showed less willingness, especially when the investment approach is stricter.

HMOs can be good intermediaries between private- and public-sector partners, but many have knowledge gaps, which affects their willingness to partner with other companies. One way of overcoming this is to approach them with the idea of “building value” together. Once the concept value is on the table, it is possible to build trust with these organizations.
Sharing their lessons learned, panelists highlighted the high level of effort needed from within their organizations to push forward BoP initiatives. All levels of business need to be engaged around shared value and inclusive businesses – starting with CEOs – and inclusive initiatives must be integrated into companies’ core business. In addition, there needs to be a clear measurement of success; management needs to accept the costs of impact measurement. Dr. Grossman’s experience with Medtronic showed that with the compelling stories of individuals at the BoP, it is possible to win the hearts of leadership in order to focus on truly improving people’s lives.

Dr. Ramoul emphasized building global ownership and flexibility, relating the experience of multinational company Novo Nordisk, and the need to find markets that look like each other with partners that play similar roles. The partners that drive these initiatives at the ground level are a major determinant of success. Dr. Grossman responded that flexibility is needed even when working across a large and diverse country like India. Solutions need to be adapted to a range of environments and may require partnerships with for-profit, non-profit or government entities depending on the locality.

With regard to the SDGs, panelists saw the global dialogue as a continuation of work begun with the MDGs. The only major change is greater government acceptance of private partnerships; it is hoped that one day governments will see the opportunities for approaching private partners. It is not enough for the few enlightened businesses to change everything – it is a call to governments to see the opportunities.

With the new focus on outcomes, the private sector is already becoming more partnership based. Each stakeholder can focus on a part of the care continuum and allow others to take the lead on other parts of the health value chain. To this end, a wide range of cooperation is critical. Partnerships can lead the enterprise in new directions and provide new opportunities for innovation that would not present themselves to a company working in isolation. By empowering their partners, businesses can go further towards achieving the SDGs while ensuring sustainability.

Audience members asked what processes arose out of the World Economic Forum for taking promising businesses to scale. Dr. Grossman responded that the World Foundation for Health Care has spawned great partnerships among all kinds of actors, with a model for partners to test different ways of working together. Many social entrepreneurs have benefitted from the dialogue begun by the World Economic Forum. But it takes others to carry this dialogue forward and there are many barriers. Panellists were encouraged to import their most innovative models to more countries around the world, integrating innovators within these countries and other stakeholders into business ecosystems.

**THEMATIC SESSION: Making SDGs Your Business Through Revolutionizing Data Collection**

Capturing data on performance and social impact not only drives business innovation and creates more efficient value chains, it is also critical to achieving the SDGs. Moderator MARCOS NETO, Director of UNDP’s Istanbul Office, said: “Governments need private-sector knowledge and expertise as they strive for greater innovation and flexibility.”

— Dr. Joseph Kibachio, Head, NCD Department, Ministry of Health, Kenya
International Center for Private Sector in Development, welcomed participants to this discussion of how inclusive businesses’ can demonstrate their effectiveness in achieving the SDGs. The depth and scale of the SDG agenda makes it absolutely necessary to involve the private sector, not only in funding the agenda, but implementing it.

We are on the verge of a transition in the relationship between the private sector and development. Beyond CSR, we are seeing a historic alignment of core business interests with development goals. The breadth and depth of the SDGs provide business opportunities that the MDGs never provided. With this confluence of interests and opportunities, we need to put the pieces together that allow business, governments, philanthropy and other stakeholders to take on these opportunities.

One of the gaps to achieving this is data. Businesses makes decisions based on data, so data are needed to convince investors that this is a good business decision. On the UN side, there is a need to demonstrate to business that the promise of inclusive business can be profitable while showing social impact. Data and information sharing are prioritized in the G20 inclusive business framework. That is why BCTA has launched a new tool for measuring social impact and financial and operational performance using mobile-based survey tools. UNDP will also be launching a guidance report and toolkit on how inclusive business will help to meet the SDGs.

MITESH THAKKAR, Founding Director of Arthify provided an overview of data collection for the BCTA Impact Measurement Services (BIMS). The aim is to assist 23 BCTA member companies over two years in collecting data on SDG-related social impact. BIMS assists companies across many sectors in measuring their actions linking the SDGs to their business strategies. We work throughout the entire results chain to customize surveys and indicators – starting with the company’s motivation for engaging in social impact work. Finally, BIMS provides technology tools to allow companies to collect data on an ongoing basis.

In this demand-driven process, companies approach BCTA with an interest in participating; our job is to translate their intent to concrete actions. We engage in many rounds of remote consultations (email, phone, Skype and document sharing) for us to understand their aims and prepare for a field visit. However, during field visits, the situation is often different from what we learn during consultations, especially after speaking with field staff. Companies make a two-year commitment to data collection, but the process is flexible. We have just started roll-out with five companies.

So far our engagements with companies have shown that many companies have little resources and capacity to measure the company’s social impact. It is important to adjust our process based on the operational capacity of the companies to implement data collection on the ground.
WOLFGANG MÜLLER, Chief Financial Officer, Digital Divide Data (DDD), spoke about his company’s founding as a non-profit dedicated to providing education and jobs in Cambodia. The organization has expanded into other countries in Asia and the United States, and is now a social enterprise that employs disadvantaged youth in providing business process outsourcing (BPO) to academic and commercial organizations around the world; young people attend university while they work.

As a social enterprise, DDD needs to measure both operational and social impact. It is now one of the top 100 BPO companies worldwide, competing with companies that do not have a social mission. Clients measure its performance by the quality of its services, but DDD also aims to create opportunities for young people to increase their earnings. DDD gathers data from annual surveys of current DDD employees and graduates; questions relate to earnings and many other areas. DDD also strives to have 50 percent women’s employment so data is needed on that as well.

ERIKO ISHIKAWA, Global Head, Inclusive Business, International Finance Corporation (IFC) – World Bank Group provided an overview of IFC’s investments in inclusive business, with over 400 companies and US$ 12 billion. Quarterly financials and social and financial reviews are required every year. And in all of its projects, IFC collects data on social, environmental, and private-sector development contributions. IFC understands well its theory of change, and has a strong idea of baseline, indicators and monitoring. For many companies, it is not easy to collect baseline data on the incomes of clients such as smallholder farmers. Companies have to do baseline studies of their current farmers, and then find ways of determining impact. They have to invest their own time and staff over several years and find creative ways of collecting data from BoP communities. In the inclusive business unit of IFC, we need to start these business conversations with our clients: how do we interact with the BoP?

For example, working in the cocoa sector, IFC found out that most cocoa farmers did not see their business as sustainable and wanted to find new livelihoods. The data made companies realize that if they want to work with these farmers, they needed to convince them that there was a future in cocoa farming. In Nicaragua, coffee farmers changed their company loyalty frequently, often acting as ‘customers’ of the processing companies they sold do (which provided them credit and inputs). The IFC gathered data on suppliers and the incentives for company loyalty in order to determine the services poor farmers need.

For many of the IFC’s local clients (many of which are family-owned companies), there is a reluctance to gather feedback through research, so IFC works to enhance their understanding of its importance – and the technology that makes it affordable. But the criti-
A leap is towards measurement through an ongoing data-management system, which has minimal costs and maximum benefits. By making it simple and important, businesses will invest in measurement and report data to organizations like IFC and BCtA.

The process of designing indicators related to the SDGs has already begun, but it will take time for companies to digest them. We need to make it easier for them to identify the indicators that make sense for their business. The more integrated measurement is into companies’ business models, the easier it will be.

SERGE KAPTO, Policy Specialist, Data for Development, UNPD, presented his team’s work on consultations on the SDGs and their indicators. Data is a very critical element in the SDG agenda, unlike in the MDGs. In addition, the SDG agenda is much more complex than the MDG agenda; new analytical frameworks are needed to monitor progress. Since it is imperative to make sure all the targets are accurately measured, there are currently 300 indicators related to the 169 SDG targets. So far, this process has not been as open as the formulation of the SDGs themselves; this is an indication of the challenges around data.

Data is also a highly political issue since it can empower or disempower certain groups. This clash between the political and technical sides of the discussion has still not been resolved. But the critical issue is the transformative impact that the SDGs aim to achieve. For everyone to benefit from this new framework, we need to collect data on those who are currently disadvantaged. There is no statistical system that can disaggregate data enough to incorporate all disadvantaged groups. In addition, this data will be used to hold governments, business and other stakeholders accountable for delivering on the SDGs, and there are significant gaps in the accountability framework. Incentives will be needed to hold stakeholders accountable for progress and address issues of mistrust between the private sector and other stakeholders when it comes to accountability.

The data revolution is a slogan launched by the high-level panel to capitalize on the growing dynamism around issues of data. This potential has been seized by the political actors: the Secretary-General assembled a group of experts to look at the data revolution and how it can help the SDGs. Achieving the SDGs is about eradicating poverty: the transformational impact of data is about harnessing it to bring innovations to scale. The 2030 agenda specifically calls for data to be part of measurement and access to information. The need for data is a given, but there is no indication of where the money for data collection and measurement is to come from.

The UN system has developed the Mainstreaming, Acceleration, Policy Support (MAPS) Strategy for determining where and how SDG actions will be implemented where bottlenecks lie, and for providing policy support. The UN is also developing guidelines for country reporting and data ecosystems mapping to include marginalized communities in data-related policy making for sustainable development. The My World 2030 is a platform for citizen-driven data collection on the SDGs; it is being launched at an event about harnessing data from philanthropic organizations towards the SDGs.
Discussion: Mr. Neto opened the floor for an open discussion and questions for the panelists. Addressing the need to measure SDGs that were not met because of funding gaps, Mr. Kapto explained that this is the purpose of the MAPS Strategy, and financing must be included in this measurement of SDG success. The analytical model around acceleration should give the global community those answers.

Responding to a question about how data on underrepresented sectors can be included at the design level, Mr. Kapto emphasized that the SDG process has seen a significant level of engagement and unprecedented civil-society buy in. While it is true that the process around indicators is less open, gender and other disadvantaged groups’ representatives are part of the process, and there are still entry points for their influence. There is also room for the private sector to engage in monitoring the SDGs. This goes beyond data collection to innovations in developing proxy indicators; companies’ data such as satellite coverage can be harnessed to this end. There is also the need to build an integrated analytical framework and measure accountability: the private sector has a lot of expertise in this area.

While the tools for measuring the SDGs are not yet complete, the IFC is tackling this issue. New projects include specific targets on numbers of people impacted and data is needed to measure this. In the process of looking at the SDG indicators, the results-measurement specialists are integrating the SDGs into these indicators. It also conducts impact evaluation on areas such as higher education, comparing employability and salaries of public and private university students. At the micro-level there is interesting research going on, but at the macro-level, there are still issues to be decided.

Mr. Neto closed the session with a reminder about the enormous challenges facing the world, with the single largest movement of humans since World War II. All of these issues affect business and its bottom line. But unlike during the Second World War, mobile phone companies have data on refugees and their movement. The data is there, and we need to find out how to bring private-sector data in while respecting privacy. Making a better world in the next 15 years is simple: if all it takes is 17 goals, 169 targets and 300 indicators, we can achieve it. We at BCtA are open for partnerships with all of you.

Closing Remarks

Following the discussion on partnerships for health, DR. JOSEPH KIBACHIO, Head of the Noncommunicable Disease Department of Kenya’s Ministry of Health, delivered the closing address. As a government representative, Dr. Kibachio explained that governments’ measures of success are different from the private sector. He had an amazing opportunity to sit with business leaders: within the government of a developing nation, the biggest challenge is that government models focus on illness. But governments are changing their perspectives and looking at people’s entire lifespan.

Looking towards a healthier future, it was interesting to hear about collaborations with the private sector for public health. Since governments lack access to global innovations, there is a particular need to partner with public institutions. Since business drives economic growth, government cannot ignore them, but businesses also need to change their models of approaching development. The SDGs are an opportunity for businesses to engage in meeting these ambitious goals while meeting both business and government objectives.

Business also has a role in good governance. Governments approach major challenges in “silos” (this is why non-communicable diseases were excluded from MDGs). With 60 percent of Kenyans succumbing to non-communicable diseases, there is an urgent need to break out of silos and talk with businesses about addressing these diseases within established platforms for investment in health. As we move towards a more holistic approach, there are many opportunities for business to engage. Engaging in business-to-business partnerships will ensure that all actors receive the government’s attention.

But making a business case for health investment not only requires funds, but human resources and skills. Governments need private-sector knowledge and expertise as they strive for greater innovation and flexibility. They also need help scaling up successes and sustaining innovations over time. Dr. Kibachio closed the session by calling upon businesses to participate with Kenya’s Ministry of Health on eradicating non-communicable diseases and improving people’s lives and well-being, stating that “Ultimately, all we have is a single society and community to support”.

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**Contigo**: Providing financial services to bottom-of-the-pyramid customers in Mexico.

**Iluméxico**: Expanding solar energy solutions in off-grid rural communities in Mexico.

**AACE Foods**: Combating malnutrition in Nigeria while engaging smallholder farmers in value chains.

**Sanergy**: Providing accessible, affordable, and hygienic sanitation in urban slums.
Nairobi Techpharm:
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Pronaca:
Strengthening the supply of domestically sourced corn in Ecuador.

Basic Water Needs:
Expanding access to safe drinking water for BoP communities in Malawi.

SalaUno:
Providing accessible eye care for the BoP communities in Mexico.
Sevamob: Increasing access to primary healthcare in India via mobile clinics and a tele-health marketplace.

Shubham Housing: Building communities through access to home financing in India.
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Additional Resources

» Annual Forum Portal with Videos, Blogs, Commitments Showcase
» Business Call to Action Case Studies
» Business Call to Action Newsletter
» Business Call to Action Publications
» Business Call to Action Annual Review 2013
» The flagship report Breaking Through: Inclusive Business and the Business Call to Action Today
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The Opportunities for the Majority (OMJ), created in 2007 by the Inter-American Development Bank (IDB), promotes and finances market-based, sustainable business models that engage private sector companies, local governments and communities in the development and delivery of quality products and services for the Base of the Pyramid in Latin America and the Caribbean. For more information, please visit www.iadb.org or join on Twitter at @MajorityMarkets.

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