Corporate Social Responsibility (CSR) and Millennium Development Goals (MDGs)

UNDP Tokyo Office
Director
Shun-ichi Murata
Paradigm Change in Public-Private Partnership (PPP)

- **1970s-80s**: Confrontation between Third World nations and multinational corporations

- **1990s**: Formation of new public-private partnership with globalization

- **2000s**: Participation in resolving development issues as members of the globalized world
Millennium Development Goals: MDGs

(1) Eradicate extreme poverty and hunger
(2) Achieve universal primary education
(3) Promote gender equality and empower women
(4) Reduce child mortality
(5) Improve maternal health
(6) Combat HIV/AIDS, malaria and other diseases
(7) Ensure environmental sustainability
(8) Develop a global partnership for development

Target 17: In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries

Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications
UN Action in Achieving MDGs

- Progress monitoring
- Research, analysis & recommendations
- Promotion of greater awareness and knowledge
- Promotion of development projects
Why MDGs are Important for the Private Sector

- Fulfill responsibility as global citizens to resolve the many problems likely to emerge from the globalized world
- Keep the global market healthy to maintain business activities
- Reduce direct costs and risks caused by setbacks in globalization
- Increase new business opportunities in the future
Private Sector Contribution to Achieve MDGs

Corporate social contribution activities

- Promotion of greater awareness and knowledge
- Voluntary control
- Social contribution & philanthropy

Market economy activities

- Generation of employment
- Pro-Poor business
- Tax payment
- Foreign investment & trade

Corporate strategy & management

- Awareness of global-scale issues
- Corporate reform
- Awareness of global-scale issues

Corporate social contribution activities

- Proposal of globally-shared concepts (such as GC and MDGs)
- Sharing information, knowledge & experience

Development of public-private partnership

- Cooperation & coordination with private sector in development

Support in building economic & market environment

- Regulatory reform, rule of law, etc.

Cooperation between public organizations and private sector to achieve MDGs
Framework for UNDP-Private Sector Cooperation

**Advocacy/Dialogue**
- MDGs & Global Compact utilized as framework for building relations with the private sector
- Committee report and support of private-sector development (PSD)
- Promotion of the Global Compact
- Lobby targeted to private enterprise & government policies to foster growth of the private sector

**Private sector development**
- Support/followup of national-level initiatives for private sector growth
- Direct support for SME development to form environment and building capacity for business growth
- Support in management/administration and local activity support
- Microfinance

**Partnership Projects/MDGs Projects**
- UNDP's fields of activity and formation of partnerships with business enterprises to achieve MDGs

**Brokerage/Fund Management**
- Role as broker for multi-sector partnerships in order to build a business model that generates positive and beneficial impact on development
- Growing Sustainable Business (GSB) Initiative
- Support for "Bottom of Pyramid" business market

**Redundancy**
Achieving MDGs through UN-private sector cooperation: Possibilities and examples (1)

- Corporate management & strategy

<table>
<thead>
<tr>
<th>CSR activities</th>
<th>Possible Forms of Cooperation &amp; Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business management bearing fiscal, social and environmental responsibilities, with understanding of the various problems in the globalized world and awareness of corporate responsibility and liability as global citizens in achieving MDGs</td>
<td>Promotion and dissemination of understanding for MDGs through seminars, study meetings and publicity campaigns on MDGs and development issues</td>
</tr>
<tr>
<td>Participation in the Global Compact (GC)</td>
<td>Promote business partnerships for development through GC, etc., and encourage the private sector to bear greater responsibility to achieve MDGs</td>
</tr>
<tr>
<td></td>
<td>Support of Global Compact projects in developing countries</td>
</tr>
</tbody>
</table>
Achieving MDGs through UN-private sector cooperation: Possibilities and examples (2-1)

Social Contribution Activities -- Awareness Promotion & Development

<table>
<thead>
<tr>
<th>CSR Activities</th>
<th>Possible Forms of Cooperation &amp; Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness promotion &amp; publicity to achieve MDGs</td>
<td>Gaining free publicity space from various mass media to place advertisements and commercials as part of a &quot;Poverty Eradication Campaign&quot;</td>
</tr>
<tr>
<td>Participation &amp; contribution to advocacy &amp; awareness promotion initiatives organized by UN &amp; civic society</td>
<td>Cooperation with &quot;Stand Up Campaign&quot; (&quot;Hottokenai Campaign&quot; in Japan); support of &quot;White Band&quot; and other movements</td>
</tr>
</tbody>
</table>
# Achieving MDGs through UN-private sector cooperation: Possibilities and examples (2-2)

## Social Contribution Activities -- Philanthropy and Social Contribution

<table>
<thead>
<tr>
<th>CSR Activities</th>
<th>Possible Forms of Cooperation &amp; Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engage in social contribution activities such as volunteer work and contributions in kind in order to achieve MDGs</td>
<td>Honda scholarship in Malaysia for children from low income families in cooperation with UNDP to provide higher education, job training, etc.</td>
</tr>
<tr>
<td>Support of existing projects of UN organizations by contributing funds or other resources (such as manpower, knowledge, expertise &amp; goods)</td>
<td>Joint effort by Canadian Nexen Petroleum Yemen to supply safe water in Yemen</td>
</tr>
<tr>
<td>Organization and management of development projects under public-private partnerships</td>
<td></td>
</tr>
</tbody>
</table>
Achieving MDGs through UN-private sector cooperation: Possibilities and examples (2-3)

Social Contribution Activities --Pro Poor Business

<table>
<thead>
<tr>
<th>CSR Activities</th>
<th>Possible Forms of Cooperation &amp; Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and services provided to the poor and deprived at low prices</td>
<td>Microfinance project in Kazakhstan to support development of small businesses in cooperation with Citigroup and Chevron Texaco</td>
</tr>
<tr>
<td>Development of products and services that are useful and reasonable for quality of life improvement for the poor and businesses that are commercially viable and at the same time helpful in reducing poverty (Growing Sustainable Business: GSB)</td>
<td>Providing information to Japanese businesses promoting Pro-Poor projects (GSB) and promoting development of partnerships</td>
</tr>
</tbody>
</table>
## Achieving MDGs through UN-private sector cooperation: Possibilities and examples (3)

Market economy activities

<table>
<thead>
<tr>
<th>CSR Activities</th>
<th>Possible Forms of Cooperation &amp; Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in the policy development process from the private sector standpoint to promote effective economy planning</td>
<td>Promote private sector participation in revision of corporate laws in Vietnam in order to eliminate commercial regulations that deter business growth</td>
</tr>
<tr>
<td>Contribution to development and reinforcement of market economy mechanisms</td>
<td>Establishment of emission rights exchange in China where private enterprises are able to trade CO2 and other greenhouse gas emission rights</td>
</tr>
<tr>
<td>Introduction of labor-intensive production technology that contributes to vitalizing local communities when starting up business in developing countries</td>
<td>Business management and marketing training courses for young entrepreneurs in Oceania in cooperation with Body Shop and local NGOs</td>
</tr>
<tr>
<td>Fostering quality in local labor</td>
<td></td>
</tr>
</tbody>
</table>
UN and CSR: Direction of Future Action in Achieving MDGs

We know from past experience that the private sector creates employment and income and contributes to a fair and affluent society, and development work is merely laying its foundation.

Kofi Annan, 7th United Nations Secretary General, July 2003

- Support to the private sector in order to enable voluntary action as global citizens with fiscal, social and environmental responsibility
- Promotion of private participation in policy dialogue and financial assistance to developing countries, which were regarded as "public" areas administered by the bureaucracy, and increase in public-private collaborative action
- Further promotion of business projects such as GSB that extend beyond philanthropy and help eradicate poverty while maintaining commercial feasibility at the same time