

# The Growing Inclusive Markets Initiative by The United Nations Development Programme (UNDP)



## **Name of the approach/tool/project**

Growing Inclusive Markets Initiative (<http://www.growinginclusivemarkets.org/>)

## **Description of the approach/tool/project description (methodology, techniques, and strategies used)**

The *Growing Inclusive Markets* initiative is a United Nations-led, multi-stakeholder initiative that aims to raise awareness and provoke action on how business and governments can create opportunities for the poor, spur innovation to fight poverty, and find economic gain as well. The initiative will inform policy decisions as well as identify market opportunities. The main products of *Growing Inclusive Markets* -- knowledge, analytical tools and a cache of innovations -- are envisioned as valuable means of removing constraints to inclusive growth, the barriers that keep the poor outside the circle of progress.

In 2006, UNDP convened a diverse group of institutions with interest and expertise in the larger area of the private sector's role in development as part of the Advisory Group for the *Growing Inclusive Markets* initiative. Building on existing research, UNDP and its partners believe that more needs to be done to generate and assemble information and analyses of the markets of the poor, to better understand the constraints to inclusive growth of markets, and identify innovative approaches to removing those constraints. They also believed that UN leadership is critical to the overall legitimacy to reach key audiences of business and policy decision-makers in the South.

The Advisory Group of the *Growing Inclusive Markets* initiative includes leading international development agencies including AFD, IFC and USAID, global intermediary business organizations including EFMD, IBLF, ICC WBCSD and WEF, representing hundreds of companies, and experts from well-known research institutions including Cornell University, Dalhousie University, Harvard University, the University of West Indies, the University of Michigan, WRI, Universidad Catolica Chile operating at the interface of business and development. This list of institutions is expected to evolve along with the overall initiative. In particular, it will grow to include a greater representation of Southern institutions as the initiative develops.

## **Implementation methodologies**

Among the immediate objectives of the *Growing Inclusive Markets* initiative is to create an initial set of data, information and analytical products that will increase understanding of the markets for the poor, including composition of markets, growth opportunities and challenges. The knowledge and analytical tools that will emerge from this exercise will help key decision-makers in the public and private sectors better understand the tremendous "win-win" opportunities in growing inclusive markets.

l) A web-based storehouse of data and information on low-income markets, including:

**Market Heat Maps** — A geospatial poverty-mapping tool that illustrates the economic activity of the poor, including demand and supply of key goods and services.

**Case Studies Bank** — A repository of business cases reflecting efforts to reach low-income markets by providing goods, services and jobs, and sourcing from the poor.

**Innovations Bank** — An inventory of public and private innovations (i.e. business models, institutional reforms) that could make low-income markets more dynamic and inclusive.

II) A **flagship series of global reports** and a kit of diagnostic tools and methodologies for developing **national reports** that examine the inclusiveness of markets in individual countries. The first global *Growing Inclusive Markets* report will be released at the end of 2007.

III) In the next phase, UNDP, together with its partners, will **move from data gathering and analysis to implementation**. The Initiative will be launched in a number of business-in-development 'hot spots' around the world. The UN, in partnership with private-sector leaders, national policymakers, civil society organizations, will launch national processes designed to share experiences and knowledge of effective business models that benefit the poor, and encourage public and private actors to take action to replicate and scale up those innovations that have successfully grown inclusive markets

#### **What is innovative about this approach/tool/project**

There has of course already been a great deal of work in the larger area of business's role in development, including by some of the leading organizations involved in *Growing Inclusive Markets* (see [www.growinginclusivemarkets.org](http://www.growinginclusivemarkets.org) for an overview of the most significant work done to date). The new initiative is designed to complement and build upon existing work, as well as to give to bring the key messages – that companies pursuing profits can help countries pursuing the MDGs – to decision makers in action oriented ways.

I) UNDP and its partners will focus on companies' core business activities, as long-term impact is likely to be greatest in the areas where commercial interests and development interests overlap. These areas will also tend to lend themselves more readily to replication and scaling up, because of the incentive structures. UNDP and its partners intend to look extensively at Southern businesses (multinational and small and medium-size enterprises, or SMEs, operating in both the formal and informal sectors), as they are central actors in economic activity providing goods, services and job opportunities to the poor.

II) UNDP and its partners will further take a Southern focus. To support this perspective, 50 company case studies have been commissioned from researchers and academics based in key developing countries throughout the South. This bottom-up process report is expected to contribute to the formation of a knowledge network of development practitioners, policymakers, business and civil society actors, among others. Over the longer term, this and other networks from the South, including relevant UNDP country offices, are expected to play a greater role in the overall initiative.

III) The initiative is being designed with a view to replication at the country level. This approach is consciously modeled on UNDP's success in "localizing" its series of highly successful human development reports, which has helped to shape national agendas

and led to concrete policy changes in countries around the world. UNDP's Egypt Country Office is a pioneer in this regard, having already begun a national process, which is itself proving useful to the design and implementation of the overall initiative.

### **Evidence of results and impact**

Until the launch of the first Report in late fall 2007 the evidence of results and impact will be difficult to demonstrate. However, the high levels of enthusiasm and support from a wide range of partners is indicative for the potential of this initiative.

### **Contact information**

Sahba Sobhani – UNDP  
[sahba.sobhani@undp.org](mailto:sahba.sobhani@undp.org)  
+1 212 906 5764

Afke Bootsman – UNDP  
[afke.bootsman@undp.org](mailto:afke.bootsman@undp.org)  
+1 212 906 6983