



2010 United Nations Private Sector Forum on the Millennium Development Goals Thematic Discussion Briefing Note: Advancing Solutions through Business Innovation: Poverty and Hunger

Introduction:

For the first time in history, more than one billion people worldwide are estimated to be hungry and malnourished. To meet global food requirements, we will have to take into account increasing pressures on the natural resource base, the effects of climate change, and the significant role bio-energy resources can play. The entire food supply chain must adapt to meet global food demand and ensure adequate supply and access to nutritious food.

To break the cycle of poverty that perpetuates hunger and to make progress towards achieving the relevant MDGs by 2015, we need to adopt new technologies and increase investments in innovative techniques that yield more efficient and sustainable farming. Such efforts should also take into account access to and optimization of water use and improved infrastructure and capacity. We must complement conventional aid systems with forward-thinking partnerships that create favourable markets, finance agricultural innovation and foster economic enterprises that improve the livelihoods of the poor and reduce poverty. Partnerships with the private sector must harness energies and leverage resources that lead to sustainable business practices.

By combining collective innovation, we have the capability to make abundant, safe and nutritious food accessible to all.

Key challenges:

- The private sector requires an enabling environment to invest and operate in developing countries. Economic incentives are essential to foster R&D in agriculture, nutrition, bio-energy, food safety and related areas.
- Employment-intensive growth is central to poverty reduction — achieving full and decent employment requires especially addressing women and youth employment issues.
- Developing and investing in rural infrastructure (e.g., roads, irrigation, grain storage, milling, processing and energy) is critical.
- Improving access to credit for high-productivity sectors such as manufacturing, export and agro-industry, while also ensuring a wider range of the financial services are also made accessible to the poor.
- In order to achieve required levels of food production and create shared value across food chains, we must increase the sustainability and efficiency of natural resource management.
- Agriculture and bio-energy links must be well managed to ensure that the potential for both exists and flourishes.
- Current investments in effective nutrition interventions need urgent and significant scaling up.

Solutions:

- Explore new types of public-private partnerships and business models that extend supply chains and create employment and incomes for low-income populations in various sectors — especially in agriculture and food-related industries — including mechanisms such as advanced market commitments, patent buy-outs, incentive prizes, improved value chains, etc.
- Enhance the capacity and production of smallholder farmers, enabling them to be better linked to market opportunities at the local, national and global levels.
- Scale up implementation of proven and innovative interventions:
 - in agricultural techniques that result in increased and better quality yields and stress resistant varieties of staple foods;
 - in supply chain management that can bring local farmers' production closer to the market;
 - in food technology that is ready to be scaled up and replicated, giving people access to affordable, nutritious ingredients in their everyday meals; and

- “inclusive business models” in other productive sectors of importance to the poor, i.e., where companies are engaging the poor as suppliers or employees or are providing products, services and solutions that can help reduce poverty.

Discussion question:

How can the private as well as the public sector strengthen collaboration, create incentives and foster innovative interventions — especially in rural areas — to make affordable and nutritious food available to all and to break the cycle of poverty and hunger?

UN–business partnerships and initiatives that advance these issues:

1. **Project Laser Beam (PLB):** A public–private partnership that seeks to eradicate hunger in Bangladesh and Indonesia — two countries with high rates of malnutrition, but with a strong government commitment to tackle the problem and a pronounced private sector presence. PLB’s multi-stakeholder model includes multiple companies and UN agencies, addresses the interlinked areas of food, health and hygiene, and aims to be scalable, replicable and sustainable for use in other countries around the world (www.wfp.org/laserbeam).
2. **The CEO Water Mandate:** The UN Global Compact’s public–private initiative assists companies in the development, implementation and disclosure of water sustainability policies and practices (www.unglobalcompact.org/watermandate).
3. **The Business Call to Action:** This multi-partner and donor initiative with a UNDP-based secretariat challenges and assists companies to undertake business-led initiatives that are commercially viable while addressing specific development goals (bcta-initiative.org).

Further information on these and other UN-business partnerships that could benefit from additional corporate engagement and support can be found at business.un.org.