



Building Markets

Connecting **Entrepreneurs**. Creating **Jobs**. Sustaining **Peace**.

BUILDING MARKETS ACTIVITY REPORT

SUBMITTED TO
UNITED NATIONS GLOBAL COMPACT
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Submitted by:

Chelsea McKevitt
Development and Impact Manager
Mckevitt@buildingmarkets.org



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STATEMENT OF CONTINUED SUPPORT FOR THE UNGC

United Nations Global Compact
Activity Report

Tuesday, March 2, 2020

Building Markets is pleased to confirm its continued support for the United Nations Global Compact and its Ten Principles to improve corporate social responsibility and sustainability. Since 2018, Building Markets has focused on principles regarding the environment, with the launch of its latest project to support and expand the waste management and recycling sector in Myanmar, in addition to increasing public and private sector awareness around recycling.

Please see the below report for a detailed summary of Building Markets' activity supporting the UNGC in Myanmar since 2017.

Sincerely,

A handwritten signature in black ink that reads "Jennifer P. Holt". The signature is written in a cursive, slightly stylized font.

Jennifer Holt
Chief Executive Officer

INTRODUCTION

Building Markets officially joined *United Nations Global Compact (UNGC)* on June 5th, 2015 and is now a global partner of the initiative. In order to raise awareness on UNGC, and to encourage Small and Medium Enterprises (SMEs) to incorporate lessons learned in their own businesses, Building Markets developed a strategy grounded in all services provided by the organization, from the first profiling interview to training sessions. Building Markets' activities support all principles of the UNGC, but since 2018, the organization has focused its activities in Myanmar to highlight UNGC principles regarding the environment:

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Southeast Asia is home to some of the world's largest plastics polluters. China has been buying imports of these recyclables for years and has become the only recycling industry advanced enough to recycle these materials profitably, as they are often highly contaminated. However, China banned these imports in 2018, shocking the market with a drastic reduction in demand and threatening the environment with the potential littering and burning of this excess waste.

In Myanmar, rapid urbanization and a rising middle class is producing waste at a rate that is creating a major environmental and health crisis for the country. While the waste management and recycling industry is already semi-structured and supply chains are mostly organized around the private sector, Myanmar lacks the fundamentals necessary to evolve, modernize, and keep pace with changes and new challenges.

Building Markets is addressing this issue through its Trash to Treasure project, which is currently supporting over 130 SMEs in the waste and recycling sector in Yangon, Mandalay, and Mawlamyine. The primary objective of this project is for the SMEs in this industry to professionalize their operations and gain access to simple, cost-effective ways to make their business more responsible, efficient, and profitable.

When these goals are reached, the industry will have the capacity and incentive to sustainably collect and recycle more materials.

ACTIVITIES

In order to achieve the project objective, Building Markets has developed a strategy consisting of four main activities:

- 1) Verification and Mapping,
- 2) Training and Mentorship,
- 3) Access to Information,
- 4) Matchmaking verified businesses to new opportunities (supply chains and capital)

Training and mentorship activities contribute mostly to principles 7, 8, and 9 of the Global Compact, while access to information activities set the foundation for supporting principle 3, relating to the freedom of association.

Training and Mentorship

Using baseline data collected from its verification and mapping activities, Building Markets designed a robust training strategy divided into two phases of training. Phase I training, referred to as Basic Training, consists of one, two-day module open to all recycling SMEs in Building Markets' network. There is no prior knowledge required for training participants, and the two days of workshops cover a wide array of foundational knowledge on the following topics:

1. Understanding business and building commercial knowledge;
2. Improving operations, processes, and creating value additions;
3. Respecting and developing human capacity; and
4. Creating environmental and sustainable awareness by improving occupational health and safety measures and eliminating waste.

While Basic Training brought information to this industry, it also served as an information sharing platform that helped Building Markets drill into the specific barriers that keep SMEs from accessing the technology and initiatives to better achieve environmental sustainability. This information was utilized during Phase II training, called the Champions program.

The Champions program is open to application from all participants of Basic Training who commit to a more immersive set of activities and interventions specially designed to address their individual needs. Champion activities take place over the course of 2-3 months and include:

- Advanced training workshops;
- One-on-one mentorship with business consultants;
- Networking opportunities;
- Field visits to witness industry best practices; and,
- Action plans to incorporate lessons learned.

88% of Basic Training participants applied for Champion participation, and to date, 36 have completed the program.

Access to Information

During its mapping and verification activities, Building Markets found very low levels of inter-industry trust and networking among waste management and recycling businesses. In Myanmar, the demand for recyclables – and therefore the price – is determined by the few large manufacturing companies that sit at the top of the value chain. Because businesses do not have robust relationships with each other, little information on buyers and challenges is shared. This exacerbates issues around association and collective bargaining and results in businesses lacking information on prices and demand.

To begin to address this issue, Building Markets is setting a foundation for collective action and association in this industry by bringing together businesses into online forums where they can meet, share challenges, and have access to information related to the sector. Building Markets is currently piloting online forums in the waste and recycling sectors in three cities. Together, these three city-based forums have over 150 members.

In the future, it will be crucial for these businesses to scale this network into formal associations that support collective bargaining in order to ensure sustainable inclusive growth of the industry.

MEASUREMENT OF OUTCOMES FOR RECYCLING SMES ONLY

Activity	
Basic Training Participation	63 SMEs
	92 individuals
Champion Training Participation	36 SMEs
	43 individuals
Online Forum Participants	156 individuals