



Building Markets
Small **Business.** Big **Impact.**

BUILDING MARKETS ACTIVITY REPORT

SUBMITTED TO
UNITED NATIONS GLOBAL COMPACT
April 2020 – MARCH 2022

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STATEMENT OF CONTINUED SUPPORT FOR THE UNGC

United Nations Global Compact
Activity Report

Tuesday, May 3, 2022

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 from April 2020 – March 2022.

Sincerely,

A handwritten signature in black ink, appearing to read 'FBC', with a long horizontal line extending to the right.

F. Bennett Cushman, II
Interim 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. Recycled plastic from the region was exported to China for years, as the leading recycling industry advanced enough to recycle these materials profitably. China suddenly banned these imports in 2018, shocking the market with a drastic reduction in demand. This resulted in the negative environmental impact, due to increased potential littering and increased emissions from burning of excess waste that could not be recycled on site.

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 continues to address this issue through its Sustainable Marketplace Initiative in Myanmar, which is driving economic and environmental sustainability by connecting local SMEs to markets and capital. Some activities were paused during this reporting period due to the COVID-19 pandemic and the coup in Myanmar in 2021.

The Sustainable Marketplace Initiative in Myanmar works to bolster the recycling sector and promote recycling among the general population in two key cities: Yangon and Mandalay. Through this program, Building Markets is leading the way to create the first-ever circular economy toolkit to empower SMEs in the recycling sector in Myanmar to become powerful actors in the fight against waste. Building Markets' overall objective is to increase the amount of waste collected, particularly plastic waste and packaging, through SMEs.

ACTIVITIES

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

- 1) Verification and Mapping of SMEs in the recycling supply chain
- 2) Training and Mentorship for SMEs to increase knowledge and performance in recycling
- 3) Access to Information about recycling and relevant business practices
- 4) Matchmaking verified businesses to new opportunities that result in waste collection

Training, mentorship, and matchmaking 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

Building Markets has designed a robust training strategy, referred to as Basic Training, which consists of a 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
- 4) Creating environmental and sustainable awareness by improving occupational health and safety measures and eliminating waste

In response to the challenges of a global pandemic in 2020 and the coup in Myanmar in 2021, Building Markets also developed and launched its Online Learning Platform and mobile application to make training opportunities more accessible to SMEs. Powered by Moodle, which is an open-source learning platform that is widely used by academic and training institutions around the world, verified SMEs can register and complete courses online or download them for use offline on their own time and at their own pace. Each of the four basic training courses has been recorded and made available through the Online Learning Platform.

Access to Information

Building Markets' Access to Information activities increase collaboration, information sharing, and networking among SMEs in the waste management and recycling industry. The platform currently consists of three communication forums for Yangon, Mandalay, and Mawlamyine, hosted through Viber. SMEs are encouraged to interact with similar businesses in their city to discuss challenges and upcoming opportunities, and to pose questions to the community. Building Markets moderates these groups to guide the discussion and ensure a Code of Conduct is adhered to. These channels, as well as private Facebook groups, currently function as Building Markets' primary, "low-profile" information sharing tool, as use of public communications have been paused to maintain the safety of both staff, partners and beneficiaries. The team has developed a communications strategy to

share relevant information and maintain engagement with SMEs using the private channels until use of public channels can be resumed.

Building Markets has also conducted two sets of surveys to gain a better understanding of the operating environment within the recycling sector in Myanmar and produced several research reports that are distributed to local, regional, and international stakeholders.

1) *Analysis of Operations and Impact of Political Instability on Recycling SMEs*

This short survey was conducted with a representative group of 60 recycling SMEs from the Building Markets network on a regular basis between August 2021 and January 2022 to monitor the impact of the political situation on the availability and pricing of materials, as well as business operations.

2) *Scavenger Needs Assessment*

In January 2022, a survey was conducted with 60 scavengers (30 in Yangon and 30 in Mandalay) to learn more about their business operations and identify their needs. In particular, the survey focused on the types and amounts of materials they collect, occupational health and safety, and their earnings, among other topics.

3) *Circular Economy*

Building Markets has engaged two subject matter experts (Eva Morales, CEO of Circular Advisors, and Phanos Hadjikyriakou, Co-Founder and CEO of 2050 Materials) to support the development of 1) a toolkit for SMEs to incorporate circular economy practices into their business operations, including a case study for Myanmar; 2) a tool to gather information on material collection rates to measure environmental impact, and 3) a recyclable materials pricing tool. The tools will be localized to ensure effective implementation and will allow for more accurate analyses of SMEs' environmental impact. They will also help businesses improve their practices.

The Building Markets Myanmar team is currently planning a pilot test of the data collection tool to identify gaps, make adjustments, and determine the best method for implementation. Similarly, the toolkit and materials pricing tool will be reviewed and a standardized implementation methodology will be developed. Once finalized, a guide will be prepared to train Building Markets staff on how to utilize the tools with SMEs in the network. These resources will also be made available on the Building Markets website. Follow-on activities are being planned, including using the toolkit as a basis for a circular economy masterclass and mentorship/advisory services and digitalization of the measurement and pricing tools.

Matchmaking

Building Markets leverages its unique data and relationships to assist local SMEs in establishing links with international and national buyers seeking to do business in Myanmar. This includes responding to on-demand requests through matchmaking reports that facilitate access to the local market, organizing networking opportunities, and collecting and distributing tenders. Building Markets aims to match businesses that create recycling waste with businesses that can buy and process this material, diverting it from landfills. Building Markets also works to match recycling SMEs with new buyers to increase demand and new capital, as well as to build their capacity.

MEASUREMENT OF OUTCOMES FOR RECYCLING SMES ONLY

Activity	
Basic Training Digital Modules Produced	4
Basic Training Participation	37 SMEs
Online Learning Platform Participants	472 Individuals
Networking and Visibility Event Participation	10 SMEs
Tender opportunities disseminated to SMEs	3,308
Matchmaking reports/business profiles created to connect SMEs to marketplace buyers/customers	18
Marketplace research reports created	3
R-SMEs added to the Building Markets network	106