



Building Markets

Small **Business**. Big **Impact**.

BUILDING MARKETS ACTIVITY REPORT

SUBMITTED TO
UNITED NATIONS GLOBAL COMPACT
April 2022 – MARCH 2024

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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

Businesses in Myanmar's recycling and waste management sector businesses have insufficient knowledge of waste cleaning and segregating practices, which not only contributes to contamination in the value chain but also results in pollution from unusable recyclable material that is burned or littered. Building Markets training is tailored to build capacity on value-adding procedures and industry standards to decrease these negative outcomes while increasing the rate of usable recyclable material in the value chain.

The training program consists of a "Basic Training" focused on fundamental business practices and a "Champions Training" track, available to those SMEs who successfully completed the Basic Training. The training programs are primarily offered online due to the pandemic and security situation, and a smaller number of training sessions are delivered in person when possible. All training sessions include presentations, self-assessments, reflective thinking, group discussion sessions, and action-planning methodologies.

The Basic Training does not require any prerequisite knowledge for participation and covers a wide range of foundational topics, including:

- 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

Access to Information

Building Markets has scaled its Access to Information (A2I) platform, to increase collaboration, information sharing, and networking among SMEs in the waste management and recycling sector. The platform currently consists of three online forums for Yangon, Mandalay, and Mawlamyine, hosted through Viber. Through this platform, as well as private Facebook groups, businesses are encouraged to interact with other 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 followed.

Building Markets has also produced three research reports that have been distributed to local, regional, and international stakeholders,

1) *R-smes: Impact of Challenging Operating Environment*

Between February 2021 and January 2022, the Building Markets team conducted several repeat micro-surveys with SMEs to understand the state of the recycling industry after the coup and during the COVID-19 pandemic.

2) *Waste Pickers Needs Assessment*

Building Markets surveyed 60 waste pickers in Yangon and Mandalay who collect recyclable materials to provide an overview of these individuals' economic conditions and practices, aiming to improve the working conditions and address human and workplace rights issues in informal waste collection systems.

3) *Myanmar's Recycling SMEs: Mapping Capabilities & Challenges Across the Recycling Value Chain*

Using Building Markets' extensive verification and re-verification data, the principal objective of this report was to increase the visibility of the waste management and recycling sector in Myanmar and highlight the operational capabilities and challenges of SMEs) in the sector. It informed Building Markets' own internal efforts to drive increased

waste diversion and collection and support matchmaking between recycling businesses and buyers, manufacturers, and exporters.

Matchmaking

Building Markets leverages its unique data and relationships to assist local businesses in establishing linkages with international and national buyers who seek to do business in the recycling and waste management sector in Myanmar. The service includes responding to on-demand requests through matchmaking reports that fast-track access to the local market, organizing networking opportunities, and collecting and distributing tenders. Through its robust small business data, Building Markets also assists investors and other financiers in identifying businesses that are best positioned for credit or investment to assist them in generating new revenue and contracts.

MEASUREMENT OF OUTCOMES FOR RECYCLING SMES ONLY

Activity	
Basic Training Participation	360
Online Learning Platform Participants	85
Networking and Visibility Event Participation	421
R-SMEs added to the Building Markets network	547
Matchmaking reports/business profiles created to connect SMEs to marketplace buyers/customers	224
Marketplace research reports created	3