

**Philippine Development Forum Working Group on  
Millennium Development Goals (MDGs) and Social Progress**

**A Briefing Paper on Business Sector Participation  
on MDGs and Social Progress**

## I. BACKGROUND

In September 2000, member states of the United Nations (UN) ratified the Millennium Declaration, adhering to eight (8) specific targets called the Millennium Development Goals (MDGs) to address by 2015 the most pressing forms of human deprivation: massive poverty, urban congestion, hunger and thirst, illiteracy, death, disease and environmental degradation.

While the MDGs are commitments made by governments to UN, the interest in achieving them is shared by greater society. In developing countries and transition economies such as the Philippines, the business sector is expected to strengthen the capacity of governments to accomplish the targets.

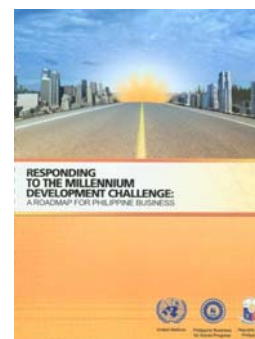
A UNDP leader succinctly explains the critical role of the business sector as, *“Providing health services, nutrition, education, water, sanitation and so on will unleash poor people’s energies and encourage stronger societies and economies that can actively participate in the global economy. Supporting the Millennium Development Goals is therefore good for business.”*

In 2002, during the forum of business leaders and social development practitioners hosted by the International Business Leaders Forum (IBLF) and the United Nations Development Program (UNDP), the Philippines was one of the three countries (the other two were Brazil and South Africa) identified as lead models to demonstrate how business sector actively and creatively engages with government and civil society for social development and MDG attainment.

Hence, the United Nations, in partnership with the National Economic and Development Authority (NEDA) partnered with the Philippine Business for Social Progress (PBSP) to initiate the Philippine Business and the Millennium Development Goals Program, which aims to encourage the business sector to support the achievement of the MDGs and consolidate the country’s business sector response to the MDG challenge.

## II. HIGHLIGHTS OF ACCOMPLISHMENTS

To date, the Philippines has made headways in engaging its business sector. In 2004, PBSP’s Center for Corporate Citizenship (PBSP-CCC), together with UNDP and the NEDA, organized a series of *square table discussions* (composed of representatives from government, business leaders, civil society and funding agencies) to shape the common agenda for business sector involvement. This process led to the publication of the report, *“Responding to the Millennium Development Challenge: A Roadmap for Philippine Business,”* which was launched in December 2004 during PBSP’s 34<sup>th</sup> Annual Membership Meeting. The *Roadmap* contains the action plans or strategic action points clustered into four MDG focus areas, namely: poverty, education,



health and environment. The framework for action provides information on how business can contribute to achieving the MDGs through their core business, social investment and policy advocacy.

**Table 1: A Roadmap for Business Response to the MDGs**

CORE BUSINESS	SOCIAL INVESTMENT	POLICY ADVOCACY
<p><b><u>Business and Health</u></b></p> <ul style="list-style-type: none"> <li>▪ Invest in effective &amp; sustainable reproductive health program</li> <li>▪ Mainstream HIV/AIDS, TB &amp; malaria programs in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invest in strengthening local health service delivery system</li> </ul>	<ul style="list-style-type: none"> <li>▪ Use advertising to advocate for population management messages</li> <li>▪ Promote health policies in the workplace</li> </ul>
<p><b><u>Business and Poverty</u></b></p> <ul style="list-style-type: none"> <li>▪ Generate employment</li> <li>▪ Support to Small, Medium and Micro enterprises</li> <li>▪ Popularize food fortification and nutrition program in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop and support social enterprises</li> <li>▪ Institutionalize and maximize employee engagement</li> <li>▪ Adopt a health and nutrition program at the community level</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advocate tax incentives for start-up businesses</li> <li>▪ Popularize and put into action the UN report on Unleashing Entrepreneurship</li> <li>▪ Advocate nutrition education through mass media</li> </ul>
<p><b><u>Business and Education</u></b></p> <ul style="list-style-type: none"> <li>▪ Utilize corporate brands to educate</li> <li>▪ Invest in systems improvement</li> <li>▪ Support capability building</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support direct school improvement</li> <li>▪ Invest in systems improvement</li> <li>▪ Support capability building</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advance gender issues via media campaign</li> </ul>
<p><b><u>Business and Environment</u></b></p> <ul style="list-style-type: none"> <li>▪ Adopt sustainable production and consumption</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adopting and investing in biodiversity action programs</li> <li>▪ Promote and support sustainable water utilization</li> <li>▪ Invest in slum area development</li> <li>▪ Invest in creation of model communities in new areas of operation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Intensify environmental education</li> </ul>

Further, concrete programs and projects were identified to help business realize their commitments to help achieve the Philippine MDG targets. PBSP partnered with business groups and Program Implementing Partners (PIPs) in promoting and implementing the MDG Programs.

Table 2: Business and MDG Programs and Implementing Partners

MDG CLUSTER	PROGRAMS	PROGRAM PARTNERS
Business and Poverty	<ul style="list-style-type: none"> <li>• Area Resource Management (ARM) Program</li> <li>• Small and Medium Enterprise Credit Development (SMEC)</li> <li>• Corporate Volunteers for Enterprise Development (CVED)</li> <li>• Social Entrepreneurship Program</li> </ul>	PBSP-Operations group PBSP-SMEC Unit PBSP-SMEC Unit PBSP, Figaro and Nestle
Business and Education	<ul style="list-style-type: none"> <li>• Reading Program (school-based)</li> <li>• Books-on-Air</li> <li>• Cable A School Program</li> <li>• Education Portal</li> </ul>	Synergeia Foundation Knowledge Channel Knowledge Channel Crimsonlogic
Business and Health	<ul style="list-style-type: none"> <li>• Health in the Workplace Program: Reproductive Health, HIV/AIDS and TB-DOTS</li> <li>• Leaders for Health Program</li> <li>• Supplementary Feeding Program</li> <li>• Kilusan Ligtas Malaria</li> </ul>	PBSP-Training & Consulting  Ateneo, DOH and Pfizer Kabisig ng Kalahi Pilipinas Shell Foundation
Business and Environment	<ul style="list-style-type: none"> <li>• Water for Life for Metro Manila and South Luzon Provinces</li> <li>• Supply Chain Partnerships for Environmental Management and Pollution Prevention</li> </ul>	Yakap sa Kalikasan  PBSP and PBE

### Implementation Structure

The MDG Clusters are headed by the most influential chief executives, referred to as the CEO Champions. Aside from being the prime movers of the Business and MDG campaign, they also provide leadership and direction in creating alliances among business leaders and in building critical mass of support from the general business sector. They are:

1. Business and Health – Mr. Edgar O. Chua, *Country Chairman*, Pilipinas Shell Petroleum Corporation
2. Business and Environment – Mr. Howard D. Belton, *Chair and CEO*, Unilever Philippines
3. Business and Poverty – Mr. Ramon R. del Rosario, Jr. *President*, PHINMA
4. Business and Education – Mr. Simon R. Paterno, *Country Manager and Managing Director*, Credit Suisse First Boston (HK) Ltd.



Business and MDG CEO Forum on Environment w/ Mr. Howard D. Belton, *Chair and CEO* of Unilever Philippines as the CEO Champion



Business and MDG CEO Forum on Poverty w/ Mr. Ramon R. del Rosario, Jr., *President* of PHINMA as the CEO Champion

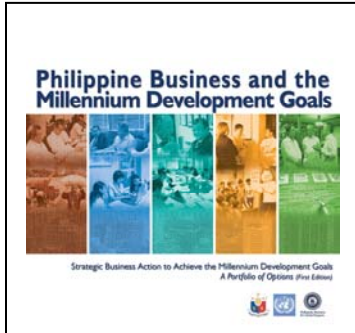


Business and MDG CEO Forum on Health w/ Mr. Edgar O. Chua, *Country Chairman* of Pilipinas Shell Petroleum Corporation as the CEO Champion



Business and MDG CEO Forum on Education w/ Mr. Simon R. Paterno, *Country Manager and Managing Director* of Credit Suisse First Boston (HK) Ltd. as the CEO Champion

To support the CEO Champions, working teams per cluster were also formed to oversee the planning and implementation of programs. The working teams designed and organized a series of CEO Forums led by the CEO Champions to create buy-in on the programs from the wider business community. Business and MDGs was also presented in big Corporate Social Responsibility (CSR) events such as the CSR Expo. In 2005, PBSP's plenary on the MDGs was attended



by more than 300 business leaders, CSR practitioners, the government, civil society organizations and the diplomatic community. The MDG programs were again highlighted with a strong call from the CEO Champions for business to support the MDGs. Likewise, the *Strategic Business Action to Achieve the Millennium Development Goals: A Portfolio of Options*, was disseminated to help companies decide how and which programs to support.



As the program management team of Business and MDGs, PBSP's commitment on the MDGs is geared on the organization's new 5-Year Plan, which is anchored on the consolidation and scaling up of successful programs in response to pressing issues and align itself with the Government's 10-Point Agenda and UN's Millennium Development Goals. For the next five years, PBSP pledged P3.2 billion to help achieve the country's MDG targets. Of this, P1.13 billion will be utilized for poverty reduction under the Area Resource Management Program in Luzon, Visayas and Mindanao. P1.12 billion will be for small and medium enterprise development, while P0.83 billion as earmarked for basic education and P 0.12 billion for water and health efforts.

### ***Roll-out of Business and MDGs***

In coordination with PBSP's Visayas Regional Office (VRO), the Business and MDGs initiative was introduced to the Visayas business community through the conduct of Visayas Business and MDG Forum in November 2005.

The Visayas Business and MDGs Forum is a localization of the Business and MDG Program launched in Manila. It is the first Business and MDG initiative outside of Manila and it is planned that the MDGs be more popularized in the Visayas and Mindanao regions. Around eighty (80) officers and representatives from local business, Cebu Chambers, government, academe, civil society and media attended the forum.



During the forum, a breakout session was conducted and four members of the Cebu business community emerged as champions or leaders of the four Business and MDG clusters, namely: Mr. Antonio Aboitiz, Chief Finance Officer of PILMICO Foods Corporation for Business and Poverty; Ms. Nelia Sarcol, President of CIE Global Colleges for Business and Education;

Mr. Philip Tan, President and CEO of Wellmade Motors and Development Corporation for Business and Health; and Mr. Jun Sarmiento, Environmental Management System Coordinator of Lexmark International Philippines for Business and Environment.



Geared towards the realization of the MDGs in Cebu, the commitments of the businesses are: the promotion of reproductive health in the workplace and in the community, creation of an integrated education program, adoption of water conservation and sustainability measures, popularization of waste reduction and management, and direct involvement of the business sector in poverty reduction.

### III. ACCOMPLISHMENTS PER CLUSTER

#### A. Business and Poverty

Business recognizes its key role in poverty alleviation as a provider of opportunities for employment and livelihood, as a producer of goods and services for the poor, and as an advocate of greater participation of the poor in the formal economy. The business sector is supporting three programs for Business and Poverty, namely: 1) Area Resource Management Program (ARM); 2) Small and Medium Enterprise Credit (SMEC)/Corporate Volunteers for Enterprise Development Program (CVED); and 3) Social Entrepreneurship Program.

The CEO Forum on Business and Poverty resulted to 6 companies signifying interest to support the Business and Poverty Programs. Follow-up and individual briefings with these companies are currently ongoing to initiate program implementation.

The Business and Poverty Cluster is also currently developing the Area Resource Management (ARM) Training Course. The course aims to help companies develop their own strategies in implementing ARM with their communities. The ARM Program is a participatory and integrated approach to poverty reduction and area development. It organizes poor communities and helps them gain access to livelihood, basic infrastructure and social services, new skills and technologies, credit and markets.

For the next five years, PBSP pledged a total of P2.24 billion pesos to support its poverty alleviation efforts. Of this, P1.13 billion will be utilized for the implementation of ARM Programs targeting 47,295 households self-employed with income increases and 4,370 houses built/upgraded while P 1.11 billion will be for Small and Medium Enterprise (SME) development reaching 143 intermediary institutions with access to SME credit, 2,249 SME borrowers and 2,739 new jobs.

#### B. Business and Education

The goal of the Business and MDG Education Cluster is to ensure that there is a sustained access to quality education. The proposed intervention of the Cluster is on the improvement of

the reading ability and comprehension of students, which is a basic ingredient of effective learning. Hence, two programs were enrolled under the Business and MDG Education agenda, namely: 1) School-based Reading Proficiency Program; and 2) Knowledge Channel's Books-on-Air and Cable-A-School Program.

The CEO Forum on Business and Education resulted to 4 companies signifying interest to support the Business and MDG Education Programs. The CEO Champion, Mr. Simon Paterno of Credit Suisse is currently inviting each of these four companies for individual meetings to discuss the programs in more detail together with the implementing partners, Knowledge Channel and Synergeia Foundation.

PBSP also committed P 0.83 billion for basic education and information technology as part of its five-year plan. This amount is expected to build 759 classrooms and 86 learning resource centers, provide 30,772 school desks/chairs and 20,000 PCs, 12,500 scholarships for military dependents and training for 36,141 teachers.

### C. Business and Health

The MDG targets for health deal with a wide array of challenges, such as reducing maternal-child morbidity and mortality, controlling diseases, promoting reproductive health for women, and responsible parenthood program for couples. Business believes that these challenges are best addressed by supporting the delivery of a comprehensive, responsible health care program and by strengthening local capacities to meet health issues. Hence, the Business and Health Cluster supports programs that promote health both in the workplace and in the community. These are: HIV/AIDS, TB-DOTS and Responsible Parenthood in the Workplace Programs, Leaders for Health Program, Supplementary Feeding Program and Kilusan Ligtas Malaria Program.

Two CEO Forums were conducted on Business and Health, which resulted to 21 companies signifying interest to support the Business and MDG Health Programs. As initiated by the Health CEO Champion, Mr. Edgar Chua of Pilipinas Shell Petroleum Corporation, company champions with best practices for each of the MDG Health Programs are also now on-board to act as 'big brother' or mentors to possible company adopters. These companies are Aboitiz Transport System for TB-DOTS, Amkor Technologies for HIV/AIDS in the Workplace, Shindengen Philippines for Responsible Parenthood, Pfizer for Leaders for Health, Unilever Philippines for Supplementary Feeding Program and Shell Foundation for Kilusan Ligtas Malaria.

A Health Cluster Planning Workshop was also conducted to finalize the cluster workplan, targets and indicators. For this year, 82 companies are targeted to implement the Health Programs and are expected to generate at least P64 million. Apart from this budget, the Pilipinas Shell Foundation, Inc. was also granted by the Global Fund a total of \$7.1 million funding for the implementation of malaria control program in Palawan and strengthening of private-public sector partnership in 5 provinces which are heavily contributing to the malaria burden of the country.

### D. Business and Environment

Millennium Development Goal #7 aims to "Ensure Environmental Sustainability". Meeting this goal entails, among others, coordinated efforts to rehabilitate and protect the environment and

ensure efficient use of natural resources. Thus, two programs are being supported by the business sector for environment, namely: 1) Supply Chain Partnerships for Environmental Management and Pollution Prevention; and 2) Water for Life Partnership Program.

The CEO Forum on Business and Environment resulted to 9 companies signifying interest to support the Business and MDG Environment Programs. Follow-up for the implementation of the MDG Environment Programs with these companies are currently ongoing.

The Environment Cluster was also able to develop its workplan, which identified the targets, indicators and specific strategies that will be undertaken to up scale the marketing and implementation of these two programs.

PBSP, as part of its five-year plan also committed P0.12 billion for water and health targeting 445 water systems built.

#### IV. CHALLENGES

The Business and MDGs Program has been a well-planned, structured process of creating buy-in from among the business community. Yet, there are several challenges along the way...

**CEO Leadership.** The whole idea of campaigning for business support banks on getting the commitment of CEOs to invest in the programs. More CEOs are needed to reach more CEOs.

**Reconciling MDG and Company Initiatives.** Many companies in the country have existing CSR or philanthropic programs that may not have significant impacts on the MDGs.

**Marketing of Programs.** Developing programs that will appeal to and generate support among the CEOs has been a continuing process.

**Cost of Process.** The sheer amount of time the CEO champions, Advisory Council, members of the core groups and the square tables have dedicated in all these processes has been enormous.

**Donor Fatigue.** Admittedly, the Business and MDG programs have yet to reach the business sector's full potential in support of the MDGs but among those who have consistently poured in resources for social development, the challenge has only become greater. Hence, the business sector also needs *the support of local and international funding agencies to popularize and scale up the Business and MDG Programs among the private sector in order to achieve a significant impact.*

PBSP realizes that it is in a position to sustain the sectoral momentum. But it needs the collaborative effort of other sectors such as the donor community, to help achieve the MDGs – if we are to see through the vision for a better life by the year 2015.

## V. FOLLOW-THROUGH ACTIVITIES

1. Review and follow-up of the initial commitments and suggestions gathered from the series of CEO Fora
2. Discuss details of the workplan per MDG cluster:
  - a. Business and Poverty
    - Development and piloting of the Area Resource Management Training Course
    - Explore opportunities for the pilot implementation of Figaro's GISING Project (a program to support coffee farmers and small entrepreneurs by marketing Figaro-quality *barako* coffee and native delicacies at a very affordable cost)
    - Piloting of the Social Entrepreneurship Program as a mechanism to fund MDG activities (company-specific or product-specific: percentage of profit from a specific franchise/branch or product automatically goes to MDG fund)
    - Documentation of existing Bottom-of-the-Pyramid practices to popularize the concept among the business sector
    - Program implementation with initial company adopters
  - b. Business and Education
    - Finalization of the hosting, content, design and layout of the MDG Education portal
    - Program implementation with initial company adopters
  - c. Business and Health
    - Documentation of ongoing cases on the Leaders for Health Program in selected sites by the Ateneo LHP Team
    - Production and Launch of the MDG Health Sales Kit (cd)
    - Conduct of the CEO Forum on HIV/AIDS
    - Program implementation with initial company adopters
  - d. Business and Environment
    - Finalization of the proposal for funding to implement the Supply Chain Partnerships for Environmental Management and Pollution Prevention Program
    - Launching of the Water for Life Program in Tanay, Rizal
    - Mobilization of the \$70,000 counterpart funding of the business sector (either financial or in-kind contributions) for the Water for Life Program
    - Program implementation with initial company adopters
    - Synergy with the Global Compact initiatives of ECOP
3. Presentation of the Business and MDG Programs to business groups (MAP, PCCI, ECOP, LCF, Business Chambers, etc.)
4. Roll out of the Business and MDG Program in Visayas to widen the scope of businesses reached and gather more commitments from companies to adopt the MDG programs

5. Development and piloting of the Business and MDG Localization Program in Iligan City (to complement UN's MDG Localization Program with LGUs)
6. Monitoring of business initiatives on the MDGs through the conduct of online survey among Philippine companies, which will result to the publication of the 1<sup>st</sup> Business and MDG Investment Report