



## UN GLOBAL COMPACT AND MULTI-STAKEHOLDER PARTNERSHIPS IN GEORGIA

### Background and Objectives:

The challenges of realizing national Millennium Development Goals (MDGs) and agendas in many transitional countries, including Georgia have proved to be difficult in light of the developmental trends since 1990. Despite economic growth since 2000, reforms undertaken and increased integration into the world economy, there are still a number of socio-economic issues that need to be addressed urgently in order to meet the MDGs by 2015.

To overcome these challenges, focused efforts will be required. Although primary responsibility for achieving the MDGs lies with Government, its ability to forge strong partnerships with the private sector, as well as with civil society organizations will be critical to produce positive change and improve living conditions of millions of people in the region in a sustainable manner by 2015.

Today more than ever, large companies are increasingly involved in initiatives that aim to reduce poverty in developing countries. Operationally, for most companies, the entry point for involvement in poverty reduction projects is through various Corporate Social Responsibility (CSR) initiatives, in many cases by implementing the UN Global Compact (GC) principles. Public-Private partnerships (PPPs) are also increasingly promoted as new form of partnership between public sector and business. These ventures are gaining many supporters because private sector not only brings critical financing but also efficient management culture and innovative solutions. The results so far have been promising and show growing understanding among the business community that CSR is part of a modern business in a globalized economy

Within this context, the Project aims to harness value-creating assets of the private sector for poverty reduction in Georgia through promotion of multistakeholder partnerships within the framework of Global Compact.

### Components:

This will be achieved through the establishment of the national Global Compact Network in Georgia and promotion of multistakeholder partnerships for development:

- The Project will act as catalyst and **facilitator for establishment of GC Chapter in Georgia**. Main activities will include: seeding the idea of the Global Compact and CSR among the business community, involving governments, academia, trade unions and NGO/CSOs, facilitating learning and sharing of experiences about CSR and implementation of the GC principles, building active collaboration between participants, identifying benefits of GC participation and organizing local GC activities, motivating companies to engage in partnerships in support of development goals, organizing promotional and launching GC events.
- **PPPs to be promoted** by the Project will be embedded in the UN Global Compact principles and closely linked to the national development strategies to secure that business profits go hand in hand with achieving of development goals. Type of partnerships to be promoted are:
  - Those focused on **coordination and sharing of partners' resources and expertise**. Whilst these will not be strictly commercial, they will be linked to companies core business and will make social investments into local communities.
  - Those that align financial/commercial viability and promote equitable local economic development. This will be done through brokering and facilitating the **linkages between large businesses, potential investors and local partners**, to strengthen and expand the local small enterprise sector along supply chains.

### Arrangements:

The Project will facilitate and broker the above initiatives. Two Brokers will be engaged to initiate, establish and coordinate the multistakeholder partnerships and the GC Networks in Georgia; focused on Tbilisi and on other Regions.

The Project will be implemented for a period of 18 months as part of a regional UNDP initiative (also covering Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia and Ukraine), and funded by the Government of Belgium.