



## Partnership between Danfoss and UNDP China

### The Catalyst – Advocacy on Millennium Development Goals in China

Over the past 20 years, the United Nations Development Programme (UNDP) has been a trusted development partner of the Chinese government and its people, supporting its transition into a market economy and its efforts to alleviate poverty.

The MDG report prepared by the UN system in China in consultation with its government showed that the country is generally on target with regard to reaching the MDGs by 2015. The issues of equity and regional balance however needs to be addressed and there are in particular three goals where greater attention is required: gender equality and empowerment of women; combating HIV/AIDS, TB and other diseases; and, ensuring environmental sustainability as it relates to sustainable access to safe drinking water.



Given the complexity of the challenge, an International Conference on MDGs was held in Beijing organized by the Chinese Government and the UN Country Team in China. The MDG report in China was launched and the objective of the conference was to exchange views and experiences on MDG implementation, monitoring and evaluation. This high-level

conference addressed issues of poverty, inequality and growth in China and within the region. It also examined possible policies which could bring about balanced growth from both domestic and external sources. HIV/AIDS, the environment and global partnerships were highlighted for specific discussion.

Prominent representatives such as senior officials from the respective governments, the UN, civil society and the private sector from the region were invited. Cambodia, India, Laos, Mongolia, Pakistan, Malaysia, Thailand and Vietnam were represented.

Participants shared ideas to reach a common understanding on strategic approaches to achieve combating HIV/AIDS, environ-

mental sustainability and examined factors that could help grow strong partnerships not only between developed and developing countries, but also among countries within the Asia region and other regions in the South.

Achieving the MDGs calls for shared values and a commitment to eradicate poverty. Knowledge sharing with regard to the most pressing priorities for national and regional human development is essential in this process. In return, achieving the MDGs will contribute to more sustained growth and long-term development — also for the private sector growth. UNDP is convinced that continued partnership development with the private sector will enhance its effectiveness in dealing with social and economic development in China. As such, past programmes have often been specifically aimed at benefiting the development of the private sector.

The private sector drives development in China and there are many development issues that require close consultation between the private sector and government. And, as Kofi Annan has said it so strongly, ‘The MDGs cannot be achieved without the support from the private sector.’

### The Concept – Business Incubation

The term “business incubation” originated in the US in the 1950s, when some companies and organizations were set up to offer package services to venture firms, which included providing production and communications systems as well as financial and legal consultation. Such services are important for cutting production costs and bridging the transformation period from research findings to products.

UNDP China has for quite some time focused on the role of entrepreneurs. It has recently completed a pilot initiative in the Tianjin province on the re-employment and venture creation for laid-off women workers. By creating business incubators the project promoted prospective women micro-enterprise development. The incubation model reflects international best practice adapted to Chinese conditions. Since its establishment in October 2000, the project has incubated 50 women-owned businesses employing some 2,744 persons (265 directly



employed in the incubator), 79.7% of them women. In the field of Chinese incubators, it has demonstrated the relevance and effectiveness of a new model of empowerment- and employment-oriented business incubation.

A new initiative in Beijing has now been designed and it involves the following partners:

- 1 Danfoss
- 2 UNDP China
- 3 CICETE
- 4 All China Women’s Federation
- 5 Junior Achievement International, China

The key objectives of this initiative are:

1. To facilitate the upgrading of the entrepreneurial skills of women and accommodate prospective women micro-enterprise development.
2. To build capacity within the implementing agency to design and deliver programmes to market needs.
3. To create a website, aimed at women entrepreneurs, providing information and national resources for starting small businesses in China
4. To provide gender sensitive policy recommendations related to employment and economic development policies

The incubator initiative is in full accordance with the reasoning and recommendations from the Commission on the Private Sector and Development, which came out with its report, “Unleashing Entrepreneurship: Making Business Work for the Poor” in April 2004.

The report, Unleashing Entrepreneurship: Making Business Work for the Poor, is a powerful call to action. Unlike most publications on this issue in recent years, its main focus is not on the issue of foreign direct investment. Rather, it is about understanding how, from the bottom up, to build businesses, from small to medium to large, in poor countries. In doing so it also provides clear recommendations for where Governments, development agencies, other partners and the private sector itself need to be doing more to unlock local entrepreneurial energies and help provide the jobs, services and income needed to overcome extreme poverty and achieve the MDGs.



The Millennium Development Goals (MDGs) are global targets that world leaders from 189 countries set at the Millennium Summit in September 2000. The goals include: Halving extreme poverty and hunger, achieving universal primary education and gender equity, drastically reducing under-five mortality and improving maternal health, reversing the spread of HIV/AIDS, halving the proportion of people without access to safe drinking water, ensuring environmental sustainability and developing an overall global partnership for development.

UNDP plays an important role in:

- Helping countries achieve the goals
- Monitoring progress on achievement of the goals
- Promoting and advocating the goals
- Developing a better understanding of what it actually will take to reach the goals

The participation of business in achieving and promoting the Millennium Development Goals is critical. UNDP encourages companies and business organizations to join United Nations in supporting the goals.

### The Action - Partnerships

Danfoss is a world leader within refrigeration and air conditioning, industrial controls, heating and water and motion controls. It displays a strong awareness of environmental problems and acknowledges its corporate responsibility and subsequent required action in this regard. Several Danfoss' factories in the European Union are approved under the Eco Management and Audit Scheme - EMAS and many are certified according to ISO 14001.

Danfoss is Denmark's largest industrial group with about 17,000 employees. Danfoss seeks to obtain its goals with a minimal consumption of raw materials and energy, least possible impact on its surroundings and the most efficient exploitation of resources.

Danfoss joined the MDG campaign and supported the International Conference on Millennium Development Goals by taking active part in the public dialogue as the president of Danfoss China Mr. Carsten Lykke Sorensen participated at conference as a panelist at the environment session. Danfoss saw the importance of discussing some strategic issues for achieving the MDGs drawing from global, regional and country perspectives. Danfoss also financially contributed towards information material for the conference targeted at the business community.

Danfoss is a strong believer in the importance of entrepreneurs in the fight against poverty and Danfoss, as well as Mr. Jørgen M. Clausen, are strongly committed towards supporting these kinds of activities in Denmark, in Europe and globally.

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