



HUMAN-CENTRED BUSINESS MODEL

A HOLISTIC APPROACH TO A SUSTAINABLE BUSINESS ECOSYSTEM



An initiative within the framework of the **Global Forum on Law, Justice and Development**

Meeting

Metropolitan Area of Barcelona, OECD DEV, Transjus, World Bank

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Background

The Human-Centred Business Model

project jointly developed by **over 46 partner institutions** in the framework of the Global Forum on Law, Justice and Development

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is currently coordinated by the **OECD Development Centre**

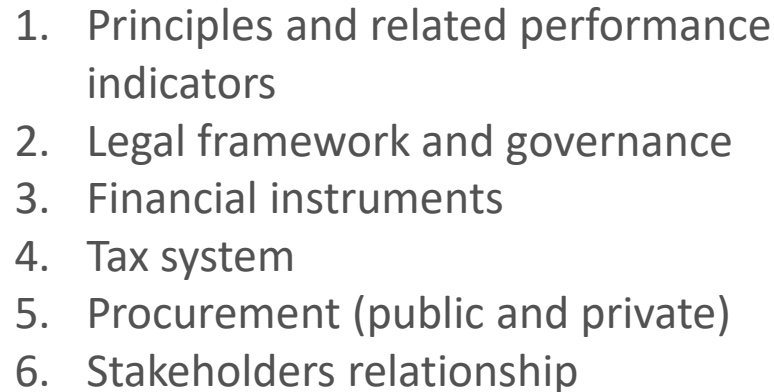


HCBM

project in a nutshell

- The HCBM project aims at developing a “sustainable business ecosystem” based on the highest standards of economic, social, environmental and ethical/integrity standards.

The ecosystem is structured in 6 components/pillars:

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1. Principles and related performance indicators
 2. Legal framework and governance
 3. Financial instruments
 4. Tax system
 5. Procurement (public and private)
 6. Stakeholders relationship

- The approach is intended to be offered to entrepreneurs and is of “voluntary adoption”
- HC Enterprises will adopt common values and goals to maintain a strong identity

HCBM vs other initiatives

The HCBM differs from other initiatives such as:

- Corporate Social Responsibility policies and practices
 - UN Global Compact
 - Inclusive Business Framework (**G20**)
 - Social enterprises
 - Benefit corporations
 - Low-profit Limited Liability Companies (**L3C**)
 - Social Purpose Corporations (**Washington**)
 - Model Benefit Corporations
 - Public Benefit Corporations (**Delaware**)
 - Hybrid companies
 - Community Interest Companies (**UK**)
 - B Corp movement (**Latin America**)
- Specialized Co-operatives and Social Welfare Enterprises (**China**)
 - Indigenous corporations (**Australia**)
 - Public Benefit Companies (**Israel**)

Peculiarities of the HCBM are:

1. Holistic approach (business ecosystem)
2. Principles and values embedded in the bylaws as minimum common denominator for ALL Human Centred Enterprises
3. Enterprises' governance will reflect the new objectives
4. Strong link to the achievement of Sustainable Development Goals
5. Strong focus on micro, small and medium enterprises (MSMEs)

Expected benefits of the HCBM

- Creation of **more sustainable and equitable businesses** and **more integrated communities**.
- **More consistent and reliable long-term growth** for HC Enterprises, *taking account of environmental and social sustainability elements of economic growth*
- HC Enterprises Model will have better **access to finance, public and private procurement, tax incentives** based on performances
- **Improved working, environmental and social conditions** *for entrepreneurs, individuals, communities and governments at all levels (national and sub-national)*
- **Reduced healthcare, safety and environmental costs** for entrepreneurs and governments
- **Business partners along the entire supply chain**, including suppliers and clients, will benefit from the Model's more balanced and holistic business approach.
- HC Enterprises (HCE) will benefit from a **"sustainability brand"** to be used as marketing tool with final consumers
- **Clients/customers** will benefit from being part of a socially and environmentally responsible supply chain.
- **Local communities** will have their **voices** reinforced regarding environmental, local and other issues.

Piloting the HCBM

A pilot project at national or sub-national level will entail a real collaboration within all partners and stakeholders:

Project partners (starting from the current 46 institutions) are the backbone of the intellectual analysis and proposed solutions for each of the six components/pillars of the ecosystem.

Special effort is required to identify local partners (government, business community, financial institutions, fiscal authority, academia, and civil society organizations) some of which will take a co-leading role in the project development and implementation

Financial partners

A significant financial contribution from local stakeholders (public and private entities from the Barcelona Metropolitan Area) will demonstrate the real interest and ownership and will encourage other institutions to provide additional funding.

At this stage it is impossible to provide an estimate of the entire budget required, which will be determined during the first phase of the project implementation.

Phase 1

Country Assessment and Initial Engagement

1.1 Securing seed funding for phase 1

1.2 Establishment of the **Core Project Team**

1.3 Assessment – legal and economic environment and cultural compatibility

1.4 Stakeholder mapping, engagement and empowerment

1.5 Budgeting and timeline for project implementation

(Develop a budget proposal: financial and in-kind contributions from government/local partners and from international partners and supporters)



- Identify stakeholders and players *(government, local enterprises and MNCs, business associations, CSOs, academia, media, faith-based organizations, locally present relevant international initiatives and organizations)*
- Identify and engage with leaders of key stakeholder groups
- Multi-stakeholder roundtable/s and launch event
- Set up a Multi stakeholder **Project Steering Committee**
- Establish Implementation Task Force with 6 Work Groups *(corresponding with the 6 Pillars)* with local partners
- Set up Local Communications and Outreach Task Force/Team

Phase 2

Country pilot implementation

Entrepreneurship development program, followed by establishment and development enterprises

2.1 Establish clear roles, tasks, timeline and accountabilities for ALL project partners

2.2 Set up HCBM Pilot Implementation Platform and launch Pillars 1-5 implementation

2.2.1 Validation of country specific Guiding Principles and performance indicators (based on existing background papers): multi stakeholders' consultation

2.2.2 Establishment and implementation of legal and governance, financial, fiscal and procurement instruments and policies (Pillar 2-5)

Pillar 2: Legal Framework and Governance

- Identification and introduction of legal & regulatory changes needed
- Dev. of governance solutions
- Translation into bylaws

Pillar 3 - Financial Instruments

- Mapping financial instruments available in the areas
- Dev. a menu of financial instruments
- Establish the feasibility of the new instruments

Pillar 4 - Fiscal System

- Dev. sustainable fiscal incentives and disincentives
- Validation
- Adaptation of the fiscal system

Pillar 5 - Procurement

- Dev. of practical procurement policies
- Validation
- Implementation

Phase 2

Country pilot implementation

Entrepreneurship development program, followed by establishment and development enterprises

2.3 Pillar 6: Establishment of enterprise capacity building platform

1. Collection of international good practices on local stakeholders' engagement and collaboration, capacity building and mentoring support
2. Identification of models that are compatible with the country culture and business environment;
3. Establish business development programs, trainings, technical assistance, training of local trainers (ToT) in partnership with local business schools and business associations and international providers

2.4 Pillar 6 Implementation: Enterprise capacity building and mentoring program implementation

1. Business Incubator/s to guide new enterprises and provide basic services to start-ups
2. Implement business development, mentoring and capacity building programs in collaboration with law and business schools, business associations, technical assistance providers and other local partners
3. Establish local HCB contest and other initiatives that offer incentives and awards to the best entrepreneurs and enterprises.

2.5 Resources mobilization for long-term sustainability of the Country HCBM platform

Development and implementation of strategy for resources mobilization and long-term financial support

Phase 3

Sustainable Country HCBM Platform

Transition to **full local ownership** of the HCBM platform, management and resources

Ongoing implementation and improvement of the country HCBM platform to maximize the number of enterprises based on the HCBM and for their further development and strengthening

Ensured Country HCBM Platform's **long-term financial sustainability**

Phase 4

Monitoring and Evaluation

1. Development and implementation of a strategy for **monitoring and evaluating** the newly developed HCEnterprises
2. **Permanent dialogue** within the new enterprise and the **Core Project Team** to assist the new enterprise *solving unexpected challenges/problems*.
3. Development and implementation of strategy for financial sustainability of this phase.

PARALLEL ACTIONS

Communications

Led by Local Communications and Outreach Task Force.

Constant communication with Stakeholders' to maintain and strengthen their engagement (media mix).

Program Evaluation

1. Ongoing (every 6 months – internal project review and evaluation – Phases 1 and 2);
2. Formal mid-term project review and stakeholder consultation (Phase 2);
3. Formal evaluation and stakeholder consultation prior to Phase 3

Links and Feedback to the HCBM Revision Process and Global Consultations:

During the formal evaluations (2-3), feedback is collected on HCBM implementation and submitted to the **HCBM Core Project Team** for revision & development of **HCBM Global Implementation Strategy and Plan**.

Replication of the Country-HCBM Program in other countries to be proposed after successful Country-pilot evaluation.