GLOBAL BUSINESS FORUM ON THE SUSTAINABLE DEVELOPMENT GOALS

Madrid, 1 - 2 October 2018

REPORT
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OPENING SESSION

Dr Ana Plaza, Secretary-General of the Confederation of Spanish Employers’ Organisations (CEOE), expressed her pleasure at opening this Global Business Forum on the Sustainable Development Goals (SDGs). She announced that there were more than 60 experts from all continents attending the forum - a clear sign of the private sector’s commitment to contributing to the achievement of the 17 Goals captured in the 2030 Development Agenda.

For Dr Plaza, three key points should be considered: what was the company contribution to the Goals; what degree of responsibility should business accept; and how could employers’ organisations (EOs) contribute?

She viewed the SDGs as an extension of the Millennium Development Goals (MDGs). However, the SDGs marked a new and holistic approach, involving shared responsibilities across the range of stakeholders; from individuals, to multilateral organisations, NGOs, companies and EOs – all called upon to contribute to the eradication of poverty.

For the private sector to fully unleash their potential to contribute, it was important to have the right institutional approaches and regulatory frameworks to promote growth and expansion. It would also be essential to promote Public Private Partnerships (PPPs), as well as foreign direct investment.

Dr Plaza turned to the matter of the responsibility of the private sector vis-à-vis the SDGs. There was undoubtedly commitment in economic, social and environmental terms, but this should never mean that companies assume the responsibilities that rightly belonged to states. It was important to clearly define where responsibilities lay and to avoid a proliferation of international initiatives that created confusion or distracted the private sector from their main role of conducting business that created wealth and jobs. Initiatives had to treat states and companies differently.

Regarding EOs, Dr Plaza described their key role in communicating information on, and promoting understanding and awareness of, the SDGs, especially by organising working groups and events such as this forum to facilitate the exchange of companies’ best practices in integrating the SDGs into their global approach to doing business.

Mr Matthias Thorns took the floor. He began by saying that, as IOE Director of Stakeholder Engagement, he spoke on behalf of the largest network of the private sector in the world, with more than 150 business and employer-organisation members. This membership included co-organiser CEOE, which had been active on the IOE board for many years by the presence of Mr José Maria Lacasa. Mr Thorns also said that the forum was honoured by the presence of Mr Gustavo de Hoyos Whalter, President of Coparmex, one of the IOE’s members in Mexico, as well as many other members from around the world.

The IOE’s firm commitment to the development and promotion of the SDGs had long been clear, with the organisation contributing to the business input from the outset of the process. In the IOE’s Global Summit Bahrain Declaration in 2015, the membership had reaffirmed this commitment– so this forum today marked a further step in ongoing engagement.
SDG activity was integral to the IOE’s work priorities, evidenced in the IOE Policy Working Group (PWG) on Sustainable Development, which was chaired by Ms Elena Feokistova (RSP, Russia) who was present at the forum. The IOE also had a key account manager dedicated to this area of work, Mr Pierre Vincensini, who was also present to moderate a later session and answer any questions.

Mr Thornes recalled that SDG 17 advocated for global partnerships in strengthening the means of implementation of the goals for sustainable development, and he highlighted joint work with the International Labour Organisation (ILO) on a project to eradicate child labour in the recycling sector. At national level, many IOE members had undertaken initiatives about which the forum would learn later.

On the matter of roles, Mr Thornes noted that too often discussions around the SDGs took place at the UN in New York and Geneva, without the presence of many stakeholders, but EOs had the potential to make a substantial contribution to the Goals by being active on the ground. Essential for EOs was for their corporate affiliates to tell their representative business organisations how they could best support company efforts.

Mr Thornes emphasised that it was important to consider the contribution of business to the SDGs in the context of the UN reform that was currently underway. The UN had to understand better how business could make a positive contribution to society going forward, and to assist business in doing so.

He concluded by thanking CEOE for hosting the forum in such fine facilities, as well as Mr Alvaro Schweinfurth and the whole CEOE and IOE teams for co-organising the event. Mr Thornes also extended thanks to the European Commission for supporting the IOE’s work on sustainable development, inter alia, and for making it possible to bring this global audience together for the forum.

The next speaker was Dr María Peña Mateos, Delegate Adviser of ICEX, Spain’s Export and Investment Agency. Dr Peña began by expressing her appreciation at taking part in the event on behalf of ICEX, which supported companies to operate in international markets with a focus on sustainability.

She supported the link between sustainability and the economic performance of companies: it increased the reputation of brands, strengthened the supply chain, eased access to finance, could lower risk, and drove competitiveness.

The strategy of ICEX was aligned with the 2030 Agenda and shared the viewpoint that sustainability challenges could be transformed into opportunities (new products, new markets) and that companies could be major stakeholders in the achievement of the SDGs. Her organisation took several actions: ICEX’s membership of international platforms and its collaborations with strategic partners positioned it well to raise awareness of the SDGs and provide information to Spanish companies. In 2017, 19 companies with which ICEX worked were quoted in sustainability rankings as a result of assessing their suppliers on social inclusion and human rights factors. ICEX had also provided companies with self-diagnosis tools for compliance with the 2030 Agenda and was strengthening its capacity to gather economic intelligence on new industries and markets where creating environmental and social value was key. Spanish companies had proven their competitiveness in international markets in industries such as renewables and urban management, creating cities that were safer and more sustainable. ICEX gave visibility to companies, thus strengthening the image of Spain as a sustainable brand, and it supported the development of inclusive businesses.
Dr Cristina Gallach, Spain’s High Commissioner for the 2030 Sustainable Development Agenda, took the floor. Dr Gallach had recently attended the high-level SDG event at the UN in New York with the President of Spain and other heads of State and government of countries represented at the forum by their business constituency.

Dr Gallach began by emphasising the broad global commitment to the SDGs. She cited data from the Institute of Global Sustainability showing that the share price of the top 100 sustainable companies in the US had increased, which testified to a clear return based on company choices. Furthermore, of the top 400 companies, commitment to the SDGs had doubled to meet shareholder and consumer demand. The advocated for the continuation of joint work between the international organisations and the private sector.

In the case of Spain, the government had turned the 2030 Agenda into a project for the country; it was a social contract that would lead to profound change. The president had announced his ambition for Spain to be leaders in this area, including in the European institutions. This was because embracing this social contract was the only way to overcome inequality, to commit as citizens to change our world and to make it better.

Dr Gallach called on the civil and private sectors to work hand in hand. Her High Commissioner role was a recently created one and it testified to the government’s determination to elevate this topic. It would be key to raise awareness within administrations at central, regional and local levels so that the agenda could be implemented and complied with, as well as to take action and monitor outcomes to identify any barriers.

Dr Gallach looked ahead to the high-level UN forum to take place in 2019 and to Goal 17, which should shape the mechanisms for transparency and collaboration. She expressed the commitment of the High Commissioner to lead the cooperation process, without which the Goals would not be achieved. Dr Gallach reiterated that this exercise represented an opportunity to build a better world and concluded by congratulating the business community for embracing the agenda from the beginning.

THE SUSTAINABLE DEVELOPMENT GOALS AND THEIR RELEVANCE FOR BUSINESS

Mr Gustavo de Hoyos Whalter, President of Coparmex, thanked the organisers for the opportunity to introduce this session.

He began by underlining the importance of the 2030 Agenda as a global plan for world peace, now and in the future. This forum would talk about the implementation of this new vision and how countries were integrating the Agenda into their national and international strategies. Mr de Hoyos said it was important to explore the relevance of companies to this exercise and that the two upcoming panellists would be shedding some light on the issue.

Ms Elena Feoktistova, Chair of the IOE’s Policy Working Group on Sustainable Development, took the floor. She began by once again expressing the deep commitment of business to the implementation of the SDGs and announced that companies including Shell, JTJ and Telefónica, among others, would be sharing their experiences of integrating the 2030 Agenda into their business strategies and practices.
She considered the central role of business in society: employing nine out of ten people globally, offering income opportunities, training and career pathways and thereby contributing to the elimination of poverty. It was important to recall that the private sector drove economic growth and provided the goods and services that were a necessity of daily life. Furthermore, businesses applied creativity and innovation to solving global sustainability challenges.

This commitment was not only underpinned by a moral argument; there was (as noted by High Commissioner Peña) a strong business case in terms of new opportunities. Exercising social responsibility and advancing sustainable development could provide companies with a competitive edge and sustainability rankings were used by financial institutions and rating agencies. Furthermore, a more sustainable world that was free of poverty, instability and the negative impacts of climate change offered a better environment for doing business.

Ms Feoktistova also underlined the need for partnerships; neither companies, nor governments, nor civil society could afford to continue working in silos. This realisation had, in fact, represented a key shift from the MDGs – open, dynamic and flexible partnerships were key to achieving these new Goals. This meant governments implementing policy that would enable businesses to create jobs, drive economic growth and development, and also create frameworks for productive collaboration between business, government and civil society.

She added that deriving the full benefits of global networks, such as the IOE’s, was essential to raising awareness, exchanging knowledge and lessons learned, and building partnerships. The IOE’s Policy Working Group, provided an essential forum for sharing EO-network experiences and we would hear some of these today from Russia, Colombia, Denmark, Nigeria and the US, among others.

For representative business and employers’ organisations, Ms Feoktistova said the the SDGs, as a new area for company focus, presented challenges and opportunities because new services were needed, whether in the form of advice, networking opportunities, or lobbying. EOs had to understand what challenges business faced, which was why today provided an opportunity for companies to set out their experiences, needs and expectations. The SDGs also challenged EOs in that it required them to work more effectively across departments, because the Goals touched on employment, social protection, international affairs, education and more.

There was a further challenge for EOs because currently it seemed that the business contribution to the 2030 Agenda was being driven by MNEs. EOs had to support SMEs, the backbone of nearly all economies, in their engagement. It was hoped that the deliberations might contribute to understanding how to unlock the potential of SMEs in this area.

Finally, Ms Feoktistova announced that the work of this Forum would serve in the preparation of the business contribution to the next high-level review of the SDGs in 2019, which would be looking at an area of particular relevance to business: SDG 8 (decent work and economic growth).

The second speaker for this session was Dr Ángel Pes, General Director of the la Caixa Foundation Observatory on the SDGs, and President of the UN Global Compact Network in Spain.

Dr Pes delivered a PowerPoint presentation which may be downloaded here.
He began by noting that the SDGs provided an agenda for humankind, and a “second constitution” for the Global Compact (GC) and its ten principles. The mission of the GC: to mobilise a global movement of sustainable companies and stakeholders to create the world we want. According to GC data, 80% of GC-participating companies were taking concrete action to deliver on the global goals and motivating companies in their supply chain to do so. This meant that companies had to integrate the SDGs as objectives, but also change the way they worked. Dr Pes believed that if we did not develop the concept of a circular economy, we would not achieve the Goals.

The GC supported companies, and especially SMEs, by providing tools to implement best practices and find the right formula to implement the SDGs in everyday operations.

Dr Pes set out five key steps:

1. Understanding the SDGs at board level, so that they become part of the global strategy, priorities and goals of the company (not all the SDGs are relevant to all companies; companies have to decide what is relevant for their own case)
2. Defining priorities
3. Setting goals
4. Integrating
5. Reporting and communicating

Dr Pes highlighted the sectors with the highest potential for gaining value by integrating the SDGs: mobility systems, energy systems and healthcare being the top three.

The Spanish GC network was the largest of 73 “local” networks in the world, with more than 2,000 participants (337 large companies; 750 SMEs; 1014 micro enterprises.) Its main goals were to train SMEs and raise awareness of the GC among the business and general populations.

Dr Pes expressed his pleasure at the Spanish government’s turning the Agenda into the strategic plan for the country.

THE ROLE OF EMPLOYERS’ ORGANISATIONS – WHAT ARE THEY DOING TO ACHIEVE THE SDGS?

This session was moderated by Mr José María Lacasa of CEOE.

The first representative to share her organisation’s experience was Ms Marina Moskvina of RSPP (Russia). Ms Moskvina delivered a PowerPoint presentation, which may be downloaded here.

Ms Moskvina asserted that the employers’ organisation was the main partner of the private sector and that EOs needed information, tools, and examples of good practice to be effective advocates on behalf of business. She went on to note that, in order to fulfil their role vis-à-vis the SDGs, companies needed the political commitment of government, which had been evidenced in Russia, and of their representative organisations. It was important that EOs integrate their SDG strategy into their overall strategy. In terms of support for companies, there needed to be a repository of information in the local language; tool kits of best practices and a platform (such as a website) to share information.

SDG engagement by companies could be boosted by recognising and rewarding related actions; RSPP did this by means of an annual competition.
In order to understand their members’ engagement, RSPP conducted a survey in 2017 which showed that 63.3% of their members were implementing innovation and resource-saving technologies. In terms of company awareness of the Goals, the survey found that there was most awareness of Goal 8 (sustained inclusive and sustainable economic growth, full and productive employment and decent work for all); Goal 3 (ensure healthy lives and promote well-being for all at all ages); Goal 12 (ensure sustainable consumption and production); and Goal 13 (take urgent action to combat climate change and its impacts). RSPP worked with the government to acknowledge action and the Goals were being integrated into State programmes.

Ms Moskvina introduced the RSPP publication which showcased companies’ best practices. The publication also highlighted constraints to SGD engagement, such as lack of experience, complexity of targeting, lack of platforms and information sources for promoting best practices and sharing and distributing information. Staff training was also needed.

The publication had been beneficial in broadening RSPP’s horizon and improving their image, as well as increasing the capacity and quality of business reporting. It had also provided an insight into where business stood in Russia regarding the SDGs, while giving companies a rare opportunity to show their positive contribution. Ms Moskvina highlighted that the SDG indicators were useful for global companies in conducting due diligence, however there were not too many companies engaging in CSR, and not that many could identify with the SDGs.

For Ms Moskvina, the way forward involved “learning by doing” and the IOE had a key role to play in promoting the SDGs and responsible business practices. EOs needed to provide policy position/research material; SDG promotional presentations, webpages, social media posts, etc. that could be shared by EOs and companies; further events such as this one, focussing on particular SDGs, for example 8 and 10, as well as workshops and roundtables with IOE participation at country level.

Ms Nancy Ibarra, Director of Sustainable Production and Consumption at the National Association of Industry of Colombia (ANDI) also provided a PowerPoint presentation, which may be downloaded here.

Ms Ibarra began by noting that ANDI’s engagement in the SDGs was a “work in progress” and that a long-term approach was required in this area of work.

She outlined the nature of ANDI’s membership of more than 1,000 companies across more than 29 sectors, which meant balancing priorities.

ANDI was playing a key role in contribution to the SDGs. It had decided to promote sustainable companies with environmental responsibilities, with the following in mind: the EO could not replace the company in addressing the SDGs, they had to work in partnership, and with all other stakeholders (including customers); it was important to work on the value chain – working with the company alone would not suffice; a scientific methodology for comparing different actions was needed for data-based decision-making in scaling up activities; individual as well as company behavioural change was needed to achieve sustainable lifestyles.

There were, however, challenges around measurement and, in this regard, Ms Ibarra talked about collaborating with the Global Reporting Initiative (GRI) on integrated reporting, which could change the way market value was measured. This presented
an exciting new way of measuring “intangibles”, such as natural capital, and an opportunity to change the way we look at and do business to the benefit of everyone.

Mr Farooq Ahmed, Secretary-General of the Bangladesh Employers’ Federation (BEF) provided the BEF and South Asia perspective on the SDGs, with a presentation which may be downloaded here.

Mr Ahmed began with an introduction to the SDGs and their targets, noting that the SDGs differed from the MDGs in including Goals for developed as well as developing nations. He added that these goals were ambitious and reflected a transformative vision that aimed to leave no one behind. In focusing on the environment, the economy, society, and peace and partnerships, the SDGs were also cross-cutting and multi-dimensional and involved all societal stakeholders.

From BEF’s point of view, the private sector constituency for the implementation of the Goals included EOs, Chambers of Commerce, other trade associations, and individual businesses.

In terms of Bangladesh government action, the SDGs had been integrated into the National Development Plan, with an action plan, monitoring mechanism and coordination cell under the Prime Minister’s Office. Other governments in the region had also taken major steps to prioritise the SDGs in national action plans, such as India, Pakistan, Sri Lanka, Nepal and Thailand.

For Mr Ahmed, the private sector had several key roles to play that addressed different Goals: generating employment and investment; working in partnerships; transferring technology; and engaging in responsible business conduct. He set out a six-step process for business engagement: 1) understand the SDGs; 2) define priorities; 3) create a framework; 4) integrate the SDGs into business operations; 5) map progress; and 6) implement and monitor.

EOs could support the private sector by providing a governance structure/coordinating body to work alongside the government coordination office; aligning with government; setting clusters of private sector priority Goals, for example: 8, 9, 12, 13, would be high priority; 2, 3, 4, 7 and 11 would be medium priority; allocating particular tasks to certain representative business organisations; and coordinating between EOs to map implementation.

Mr Ahmed pointed out that focussing on certain Goals, e.g. 8 (decent work), also had a high impact on others, e.g. 1 (poverty eradication), inter alia. He also mapped out the links between certain Goals and business opportunities, e.g. SDG 8 created business opportunities in communications, energy, professional services, technology etc.

He went on to describe some of the enabling initiatives being undertaken by BEF and the Metropolitan Chamber of Commerce and Industry of Dhaka, such as awareness-raising events, workshops, a youth leadership development programme, research, dialogue, seminars, and more. The FBCCI had formed ten thematic consultations groups, which were working on addressing all the Goals.

Mr Ahmed set out the challenges: high on the list was financing – which he put at $66 billion for the implementation of the SDGs in Bangladesh. The government plan had supported and endorsed the Goals, but crucially had not specified where the funding would come from. Further challenges included lack of capacity of various organisations to play their full role and bringing all the stakeholders together.

He concluded with some recommendations: the private sector had to be more closely
included in the national policymaking process; the investment climate had to be improved; a national accountability mechanism needed to be developed and should include a roadmap for all the stakeholders; and the government had to provide incentives to businesses and support for local skills development.

Continuing on the role of EOs, Mr Timothy Olawale, Director General of NECA (Nigeria), took the floor, providing a PowerPoint presentation, which may be downloaded [here](#).

Mr Olawale began by re-emphasising the noble nature of the 17 SDGs and their 169 targets, and that their achievement depended on broad partnership at national and international level. EOs, as dependable partners, could be a driving force for the achievement of the Goals by raising awareness; undertaking research-based advocacy; and developing strategies for market expansion and skills development leading to decent jobs and the eradication of poverty. NECA had done this through their special Technical Skills Development programme and collaboration with universities to influence curricula and enhance employability. NECA had also introduced an e-learning platform to promote entrepreneurship. EOs could influence their members to factor the Goals into their business strategies; advocate for mainstreaming the SDGs into the National Development Plan; and incorporate the SDGs into their own business strategy.

As previous speakers, Mr Olawale called for a focus on certain Goals: 4, 8, 10, 13, 16 and 17. In his view, the SDGs had become the new de facto standard for businesses to design, measure and account for their contribution to sustainable development.

Mr Olawale went on to outline NECA’s ongoing advocacy work for an enabling environment for business to play its full role, with strong institutions, peace and justice providing the bedrock. NECA had also supported and contributed to the national Code of Corporate Governance which aimed to strengthen institutions. “Partnership for the Goals” was also key and NECA would continue to engage with all stakeholders, including the social partners, to keep the SDGs at the forefront of the national agenda and to collaborate on monitoring and measurement, which was challenging.

Ms Mia Lauter of USCIB (United States) was the next EO representative to take the floor. Her PowerPoint, entitled “Making, Valuing and Communicating SDG Impact – US Business Signposts for the next 5 Years” may be downloaded [here](#).

Ms Lauter’s presentation focussed on USCIB’s “Business for 2030” initiative, a web-based business-driven/business-friendly platform designed to raise awareness, promote understanding and showcase/share the private sector contribution to the SDGs. The platform provided easy access to information on 218 documented initiatives being undertaken in 54 countries.

During the recent UN General Assembly, USCIB had also organised an event - one of many - to talk about three simple actions: 1) how companies can embed the SDGs in their business models; 2) how they can measure impact; and 3) how they can communicate this impact.

Ms Lauter also underlined the importance of partnerships for the Goals, including international partnerships such as USCIB’s with the IOE which, she said, was well placed to organise and disseminate experience-sharing. She invited the participants to take advantage of the Business for 2030 platform to showcase their own experiences and to contribute to the internationalisation of the
platform to underline that business was acting globally.

Mr Henrik Schramm Rasmussen of DI (Denmark) was the final speaker in this session; his PowerPoint may be downloaded here.

Mr Rasmussen began by describing the backdrop to creation of the SDGs: a 30-year period of rapid economic growth, coupled with an increasing incidence of ecological, societal and economic crises, which precluded “business as usual”. Mr Rasmussen highlighted the overwhelming support for the Goals by the world’s nations, and the key role of business in finding technological solutions to the problems – no constituency was better equipped to do so. Furthermore, global challenges impacted business and the 169 targets provided a compelling growth strategy for companies – so there was a clear business case for sustainable development.

DI did not view the SDGs as simply CSR, which Danish companies had been doing for decades, but rather a new agenda, offering business new ways of achieving a competitive advantage while doing good.

This had given rise to DI’s “From philanthropy to business” initiative which brought together 21 companies, both global and national, to solve some of the world’s greatest problems while doing business. DI had worked with the companies to identify the Goals that best matched their business operations and would continue to support and monitor their engagement, while sharing successes and pitfalls.

DI had adopted a simple five-step process to engage the companies: know, match, strategy, achieve, result. They had created a website; organised events (15 workshops in the next 18 months across Denmark); and used LinkedIn as a primary communications/showcasing platform.

Mr Lacasa opened the Q&A session. One question was how to convince the CEO to incorporate the SDGs at the strategic level. Mr Rasmussen said that companies had to take a long-term approach, which was often difficult for larger companies. However, SMEs could be more agile, and it might be easier for them.

Mr Olawale responded that the EO had to convince the company of the compelling business case – it was crucial to articulate that connection.

Mr Ahmed said that companies resisted uptake because they thought it would increase their costs and reduce their competitiveness.

Ms Shoreh Tasdighi of ICEA (Iran) anticipated that the outcomes of the Forum would assist the IOE, ILO and EU in understanding what the business community needed in terms of technical assistance. The IOE’s Mr Thorns confirmed that this was indeed the case – the outcomes would provide a basis for shaping and delivering ongoing IOE, ACT/EMP and ITCILO support to EOs.

Ms Teresa Fogelberg of GRI found Mr Rasmussen’s response regarding SME agility encouraging, as we heard a lot about MNE activity for the Goals. She also commended the presentation on Colombia, noting this showed “best in class” business and government action in terms of the indicators being used to measure impact, which she found inspiring.

Ms Rasmussen elaborated his point on SME agility by noting that it was easier to access and dialogue with the top level of management, which was essential. Decision-making processes were easier in small companies and the integration process, “walking the talk” and engaging all employees, was also easier.

Ms Ibarra highlighted the importance of the multi-stakeholder relationship in Colombia,
which was contributing to the pace of progress towards the Goals.

Mr Ahmed looked forward to more information on what had happened with the MDGs, especially on the barriers to better performance. With the SDGs, both the private sector and the government were involved, and, crucially, needed to work together.

One participant from Montenegro noted the importance of small countries’ contributions and reaching small companies. He added that the IOE and ILO had a key role to play in supporting SDG promotion in these countries as the main and first course of action. He added that, while it was interesting to hear these examples today, in many countries basic information was lacking on the SDGs as well as on outcomes of the MDGs, which created confusion.

Another participant was interested in learning more about what the trade unions were doing to contribute to the Goals.

Mr Farzan Ali (Trinidad & Tobago) reported that his government had taken the lead, integrated the SDGs into the national development plan and introduced tax rebates for companies undertaking relevant initiatives. The national EO was working with the government and had started awareness-raising campaigning.

Ms Lauter said that USCIB also had a good relationship with working-level people in the government for information sharing, though they did not undertake joint initiatives. The State Department asked for compilations of company initiatives.

**WHAT DO COMPANIES WANT TO FOCUS ON? WHAT SUPPORT AND SERVICES DO THEY EXPECT FROM EOs?**

Mr Michael Sauerzapf, VP HR Strategy & ER/IR and Compliance at Royal Dutch Shell, took the floor to set out Shell’s activities and the type of EO support services appreciated by the company. His PowerPoint may be downloaded [here](#).

Mr Sauerzapf began by highlighting the extent of Shell’s global operations as an integrated oil and gas company, with 86,000 employees in 70+ countries. He added that Shell was on an “energy transition journey”, which linked to SDG 7 for more and cleaner energy. They took a long-term view when it came to renewables and considered gas as a bridging energy as it burned more cleanly and efficiently.

There were various ways in which EOs, including the IOE, provided support: at the global level, the IOE perspective helped to anticipate the way in which the world was changing; Shell also benefitted from an external perspective on the trends and topics determining the political and societal discourse in areas related to human rights and international industrial relations; the IOE provided a conduit to influence the policy discussion – and it was more powerful to speak with a collective voice –; as well as venues for peer-to-peer exchange on best practices and matters of common interest. At the national level, Shell appreciated EO services such as legal, policy and sectoral industrial relations advice, especially where none existed in-house in smaller countries of operation.

Mr José María Bolufer, Head of Global Ethics and Sustainability at Telefónica took the floor. His PowerPoint presentation may be downloaded [here](#).
Mr Bolufer began by introducing Telefónica, an ICT company with more than 100,000 employees in 17 countries.

He noted that the SDGs presented a major challenge, a huge responsibility and a great opportunity. He echoed Mr Rasmussen’s point that optimising technology, as a key driver of progress, was implicit in addressing global development challenges. Telefónica’s aim was to use technology to tackle social and environmental challenges and, at the same time, create financial value. Their particular focus was on SDG 9 (industrial innovation and infrastructure) and 13 (climate action).

Telefónica’s Sustainable Innovation Programme aimed to change the company culture by sensitising employees and optimising the company’s processes and operations to integrate sustainability principles. A major focus was on fostering innovation that had real impact, which could be difficult to measure (he looked forward to the views of the next panel on this subject). Mr Bolufer set out some of Telefónica initiatives, such as using drone technology to send photos from accidents to emergency units.

For Mr Bolufer, EOs were strategic allies who best supported companies’ efforts by organising events to share best practices on SDG topics; facilitating multi-stakeholder engagement; promoting regulatory frameworks that supported private sector engagement in the SDGs; and promoting incentives to companies that engage.

Ms Elaine Mc Kay of JTl, began by introducing this FMCG company, with 40,000 employees in more than 120 countries. JTl buys tobacco leaf directly from 40,000 farmers, and indirectly from 430,000 farmers by auction.

Challenges in agriculture being addressed by JTl, which were present before the adoption of the SDGs, include child labour, lack of freedom of association, and the poor treatment of women, as well as lack of access to clean running water and education in rural communities.

JTl had set targets, specifically to contribute to the achievement of SDG 8 for decent work in the agriculture sector. However, this was not a matter of philanthropy, JTl had understood that sustainability had to be integrated into the business strategy.

Ms McKay said that the IOE, and other representative EOs, could support JTl, among others, by addressing the issues at a sectoral level. Multi-stakeholder collaboration was necessary to ensure the rights of the child were respected across the whole agriculture sector. As it was expensive for companies to make mistakes, EOs could provide spaces for best (and worst) practices to be shared. They could also assist in creating partnerships; building technical capacity, e.g. in the area of freedom of association; promoting conducive environments; helping companies to understand that sustainability was not a cost; and encouraging the UN to talk to companies because much more could be done together.

Ms Laura Pujol, Director of the International Association of Authorised Economic Operators/ Customs and Logistics, gave a PowerPoint presentation which may be downloaded here (in English and Spanish).

AEOs are customer logistics service providers; the AEO programme was founded as a standard to facilitate global trade. In 2005, the organisation created the SAFE framework to better manage the risk of goods entering and exiting a country, and to allow companies that fulfil certain conditions to be certified as reliable international trading partners who enjoy certain privileges in terms of customs procedures and controls relating to safety and security. To be certified, companies had to show compliance history and have systems
in place to collect reliable data, and to ensure safety and security measures in the supply chain. Certified companies enjoyed reduced customs clearance times, which translated into financial savings and increased competitiveness. This encouraged large companies to ensure their suppliers were compliant with a range of standards, thus contributing to the SDGs.

Ms Pujol extended an invitation to the organisation’s 2019 international conference, to take place from 26 – 28 June, with a focus on the SDGs.

Mr Thorns summarised the main areas for EO support to companies:

1. Provide a safe place/events/workshops for the sharing of experiences and best practice in contributing to the SDGs;
2. Work with governments for an enabling environment,
3. Advocate for government incentives for company engagement;
4. Provide access to tools and resources;
5. Promote partnerships between companies, for example in combatting child labour;
6. Inform companies on trends at national and international level that will impact them;
7. Engage with other stakeholders, e.g. academia.

He opened the floor for comments and questions.

A representative of EFP (Pakistan) suggested that a logo was needed that companies could use to show their engagement in the SDGs – the private sector would not fully engage without some tangible advantage.

Ms Shoreh Tasdighi of ICEA (Iran) said that business organisations needed the support of international institutions, such as the EU, to build private sector capacity to engage in the SDGs.

Mr Elsayed Torky (Egypt) said that his organisation had designed a strategy with the UN and two companies to address SDG 8.

Ms Liu Hangsong (CEC China) talked about how CEC worked together with the China Business Council for Sustainable Development to promote the SDGs, particularly those related to climate change and gender, among their members. She also underlined the role MNEs could play in promoting the SDGs to SME suppliers.

Ms Fikile Nkosi of FSE&CC (Eswatini) was interested in how Telefónica disposed of obsolete telephone equipment.

Mr Rasmussen wished to acknowledge the impact being made by MNEs, adding that SMEs could also act on the 2030 Agenda.

Mr Sauerzapf added that Shell had embedded the SDGs in their code of conduct and supplier principles and was also a UN Global Compact signatory. The company was constantly learning in what was a highly volatile sector.

Ms McKay noted that tobacco and other companies had come together in recent times, e.g. through the international cocoa initiative, and JTI was very transparent to both shareholders and employees regarding their activities and actions.

In terms of further engaging business, Mr Bolufer said that the EOs could help companies to identify opportunities, of which there were many, and also to understand, assess and evaluate the SDGs internally to decide which ones were most relevant to a company’s focus. For Telefónica, SDG 9 (industry, innovation and infrastructure) had particular relevance, and so they were looking to increase connectivity, working together with Facebook. It was possible for companies to collaborate with their direct competitors by defining rules and common
frameworks. He underlined that sustainability had to be embedded into the business strategy and operations.

REPORTING ON THE SDGS – CHALLENGES AND OPPORTUNITIES

Mr Álvaro Schweinfurth, Deputy Director of International Relations at CEOE was moderator of this session.

The first speaker was Ms Teresa Fogelberg, Deputy Chief Executive of the Global Reporting Initiative (GRI), whose PowerPoint presentation may be downloaded here.

GRI is an independent international organisation that has been pioneering sustainability reporting for two decades by supporting businesses and governments to understand and communicate their impact on crucial sustainability issues. Ms Fogelberg highlighted GRI’s formal strategic partnerships with the IOE, UN Global Compact, UNDP, inter alia, and they were aligned to other reporting frameworks (OECD, IIRC etc.).

She said that reporting was not an end in itself but rather an important starting point for enterprises to sharpen their strategy and showcase outcomes for investors and shareholders, and to think about opportunities and risks.

More and more countries had introduced reporting legislation: the UK and Australia, for example, as well as the EU, with its non-financial reporting directive, which would be reviewed very soon to require large companies to report on additional areas of impact, such as climate change. She forecast that companies operating in Europe would have to integrate SDG reporting.

Ms Fogelberg referred to the 2018 Annual High-level Political Forum at the UN to provide a platform for follow-up and review of the 2030 Agenda and for member States to set out their SDG-related activities on a voluntary basis. Almost 50 countries had presented their activity; with close to 95% of these having consulted the private sector in undertaking the review; and more than 65% recognising the importance of private sector investment in achieving the Goals.

She presented key data on governments’ perception of the role of business in achieving the SDGs: more than half viewed SMEs as key actors; almost 40% saw business and innovation as essential; and, notably almost 70% wanted business to finance the achievement of the Goals.

Ms Fogelberg went on to highlight the power of sustainability reporting, which responded to SDG target 12.6. (encourage companies to adopt sustainable practices and sustainability reporting). For Ms Fogelberg, the clear benefits were that such reporting boosted company accountability; helped companies to identify and manage risks, seize opportunities, protect the environment, improve society, and thrive economically by improving governance and stakeholder relations, enhancing reputation and building trust. Some though not many companies were already linking their corporate responsibility to the SDGs. However, more action was needed, including making the Goals easier for companies to understand by providing guidance, and making aggregated data more accessible, as well as promoting the use of numerous tools designed to
improve company engagement (GRI-UNGC-WBGSD “SDG Compass” etc.).

Ms Fogelberg introduced GRI’s comprehensive published guidance to support the five practical steps needed for business to make its contribution:

1. Understand the SDGs
2. Define priorities
3. Set goals
4. Implement
5. Measure, report, communicate, implement change as necessary

Ms Fogelberg agreed with Ms McKay that some organisations were economical with the truth when it came to reporting but she still believed that the fact that reporting data was public was a useful starting point for dialogue and that transparency was a driver of positive change.

Next to take the floor was Mr Bernardo Cruza, Head of CSR at El Corte Inglés, a Spanish headquartered international company, with 92,000 employees mainly in Spain, ranking as the fourth largest retailer in the world. Mr Cruza’s PowerPoint presentation may be downloaded here.

El Corte Inglés was a privately-owned company, dedicated to transparency just as a public company. It reported in line with EU requirements, was a UNGC signatory and used basic GRI guidelines.

The company had established a working group to focus on integrating primary, secondary and instrumental SDGs into its practices: SDGs 5, 13, 8 and 12 as top-tier goals – for a retail business, the value chain was key and due diligence had been a focus, thus aligning with SDG 8; 65% of the workforce were women, hence interest in SDGs 5, 3, 4, 10, 7, 11, 14, 15 and 9; and SDG 17 (partnerships for the Goals) as instrumental.

As a first step the company had linked its five main goals to the SDGs: commitment to employees, customers, the supply chain, society and the environment. Though they were not yet at the level of working to the targets, this would constitute the next step as El Corte Inglés was in a transition and transformation phase with a view to continuous improvement.

Mr Cruza said that they were incorporating GRI standards and indicators and using the guidance material. However, considering 17 goals, 169 targets and 153 indicators, it was a struggle, and he feared “getting lost in reporting”. The company was restructuring, and all the programmes were being put in motion to allow the company to perform better. They had to be clear which stakeholders were most interested in their reporting and on what – they had to be close to both their customers and their employees (El Corte Inglés was Spain’s largest private employer). He wondered if in fact the customers and employees even knew about the Goals, and if reporting on the SDGs had any impact. The UN and governments had been focusing on raising awareness among companies, but a lot needed to happen for the broader public, consumers, to be aware of and understand the Goals.

Ms Esther Bares, Manager of Sustainability Reporting for PMI spoke next with a PowerPoint presentation which may be downloaded here.

PMI has 80,000 employees and more than 50 million consumers. It therefore had the capacity to tackle all the SDGs but had decided to focus on those where it could have the biggest impact, e.g. on global health.

Ms Bares went on to say that PMI had published only three reports to date and had not yet completed a GRI report, though this was in progress. The company had completed a mapping exercise, which did
show alignment, but it did not show performance in terms of impact and outcomes. Regarding communication with stakeholders, a lot of time was being spent talking to employees. She said that it would be good to be able to aggregate the private sector impact.

Mr Schweinfurth asked Ms Fogelberg if there was confusion around reporting and she replied that there was, simply because of the plethora of initiatives, which would only increase. She added that some wanted to maintain the confusion, because it created business opportunities for service providers. Her view was that there needed to be a big push towards alignment on reporting.

His question to Mr Cruza related to linking trade to the SDGs. Mr Cruza raised the example of AMFORI, which brought together more than 2,000 member-companies (mainly SME retailers), to engage in due diligence in the value chain under the banner of “trade with purpose”. AMFORI provided tools that helped to address SDGs through global initiatives that supported due diligence and decent working conditions. This enabled proving, by means of data, the important impact being created in countries that were sources of supplies.

Mr Ahmed felt that the UN had a tendency to develop initiatives that member States adopted, but then did not have the innovative approaches to address. Ms Fogelberg agreed that a lot of responsibility for the Goals was being placed on business, but it was not clear what the expectations were. She felt that business should not be viewed as a “milking cow” and commended the IOE for including the UN and PPPs on the programme, as this was an important discussion.

Ms Tasdighi asked if there was follow-up on countries’ reporting. Ms Fogelberg said that the ICEA could be in touch with its government to request to input the reporting. ANDI (Colombia) was a very good example of an EO that had been involved in its country’s voluntary reporting.

Ms Jeanne Schmidt of ACT/EMP asked which department within a company was leading the SDG effort. Mr Cruza replied that it was mainly led by the CSR department but that, in fact, addressing the SDGs was a cross-functional matter and the whole company had to be involved. El Corte Inglés had a CSR committee which had the involvement of top leadership.

Ms Bares agreed that a cross-functional approach was needed, as the sustainability team was often quite small. This team was responsible for translating external expectations internally for the employee audience – such translation work was key.

SDGs, Human Rights and Due Diligence – Where are the Interlinkages?

Mr Bennett Freeman (USA) of the UN Working Group on Business and Human Rights took the floor.

Mr Freeman described his 20-year association with the IOE, first through USCIB, recalling joint work on spearheading the 1998 ILO Declaration on Fundamental Principles and Rights at Work. Business had played a seminal role in this and later initiatives such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the SDGs. He asserted that we would not have reached these important milestones were it not for the support of business and the principled pragmatism of the IOE in finding common ground and bringing people together.
Mr Freeman went on to note that the SDGs had appropriately and necessarily attracted the attention and action of business, not simply because they were “a shiny thing”, but because they also addressed factors and forces that impacted the success of companies; they addressed a range of risks and opportunities and had relevance for MNEs and SMEs alike across all industry sectors.

For him, the UNGPs and the SDGs were complementary and mutually reinforcing – neither took precedence over the other and both were grounded in the Universal Declaration of Human Rights as well as the ILO’s fundamental principles and rights at work. The UNGPs and the SDGs had to move together in parallel.

Mr Freeman noted that SDG 16 (peace, justice and strong institutions), emphasised inclusive societies, civil and political rights, fundamental freedoms etc. But he argued that fulfilling all 17 of the Goals depended on varying extents on the rule of law, human rights and civic freedom. The Goals could not be individually or cumulatively met without the state duty to protect and the corporate responsibility to respect human rights.

He acknowledged the complaint that there was too much emphasis on corporate responsibility, and insufficient emphasis on the ground on the state duty to protect. The High Commissioner for Human Rights had said that the world as we saw it today was largely because of states’ neglect of their fundamental responsibilities regarding human rights. There needed to be more attention paid to National Action Plans (NAPs) for the implementation of the UNGPs – corporate responsibility could not be a substitute for government responsibilities. Human rights were the sine qua non in the pursuit of the SDGs.

For the UN Working Group, the most powerful contribution business could make was to embed respect for human rights across value chains. This was difficult to implement beyond first-tier suppliers and raised the matter of government responsibility.

Regarding the current (controversial) process for a legally binding international treaty on business and human rights, Mr Freeman believed it would not be ratified – one could argue that it was a distraction from the real work of getting on with the UNGPs and the SDGs. In his view, the pressure for a treaty would diminish and companies should not worry about it, but rather work on the implementation of commitments already made.

He added that business strategies on the SDGs were no substitute for due diligence, which was essential. One of the great insights of the UNGPs had been to capture a lot of evolving practice in the term “due diligence”, ensuring there was now a whole range of due diligence tools front and centre. Mr Freeman added that companies needed to find the approach that best worked for them, as long as it was broadly consistent with the UNGPs, not least when it came to value chains and particularly on the matter of forced labour.

For the UN Working Group, the increased role of business in development must be coupled with accountability, whether through GRI or other reporting methods. He added here that the UK Modern Slavery Act was a template for other governments. Another critical point was that employers needed to interact with workers and workplaces through trade unions and other channels; unions did provide efficient and effective structures for engaging workers, and freedom of association was still being challenged in too many countries.

He also raised the need for respect of human rights defenders, whether individuals,
indigenous peoples, advocacy groups, trade unions, or journalists. Globally, we were witnessing attacks on human rights defenders, civic freedoms and democracies.

Mr Freeman concluded by thanking the IOE membership around the world for their contributions, and for bringing the matter of human rights to the forefront in this SDG discussion.

Implementation of the SDGs in the European Union

The next speaker was Mr Carlos Berrozpe, Head of Sector, SDGs and European Consensus, DG International Cooperation and Development (DEVCO) at the European Commission. Mr Berrozpe’s PowerPoint may be downloaded here.

Mr Berrozpe set out DEVCO’s involvement in the SDGs. As previous speakers, he highlighted the universality of the Goals and the fact that everyone needed to be involved. Sustainable development was central to the European project and the EC had set out a strategic approach for the overarching implementation of the SDGs through the active mainstreaming of the SDGs in both internal and external policies. Mr Berrozpe’s presentation listed some of the policies, including CSR policy, and highlighted the long-term approach.

The EC had launched a New European Consensus on Development, which addressed issues covered by the SDGs, including the eradication of poverty. The New European Consensus had a five-pillar approach: people, planet, prosperity, peace and partnership, and contributed to all the objectives of the EU’s external action. Implementation involved more tailored partnerships, policy coherence, better coordination across EU institutions and member States.

Many EU policies and actions were already consistent with the SDGs, but there were ongoing alignment efforts, and new flagship initiatives such as the European External Investment Plan and SDG-based policy dialogue with partner countries, as well as strengthening work with other stakeholders, such as the private sector. To enable SDG implementation, the EU had introduced a new multiannual financial framework (MFF) and a new external investment plan. In terms of impact measurement, the EU results framework was being aligned to the SDG indicators. Mr Berrozpe’s presentation provided comprehensive financial data and set out the priority areas for investment as: sustainable energy and sustainable connectivity; MSME financing; sustainable agriculture, rural entrepreneurs and agribusiness; sustainable cities; and digitalisation for sustainable development – with a cross-cutting focus on fragile states.

Mr Berrozpe affirmed the commitment of the EU to work with the private sector on the ground in the fulfilment of the SDGs.

Mr Thorns invited comments and questions and EO representatives from Egypt, Uganda and Bangladesh all expressed interest in EU cooperation. Mr Ahmed added that the current system for applying for project funding was too complex and asked if there were plans to simplify this.

Mr Berrozpe reported that 800 million euros of guarantees had been mobilised in Egypt in July; the idea was to combine 1.5 billion euros of guarantees with 2.6 billion of loans. 12 projects had been accepted. Most projects
involved the European investment bank or national agencies (KfW in Germany, or FMO in the Netherlands for example) who had financial expertise – the local bank had to contact the Commission. Mr Berrozpe said he could provide further information on this.

In response to Mr Ahmed, Mr Berrozpe said he was not personally involved in the application process but hoped that complexities might be addressed by EU reforms that were underway.

The day’s agenda complete, the business delegation was formally received by the Spanish Congress to deliver a declaration of commitment to the SDGs, as well as recommendations for joint action with the government.

Tuesday, 2 October 2018

THE SDGs, PPPs, AND UN REFORM: WHAT TO WATCH OUT FOR AND WHERE ARE THE CONCERNS?

This session was moderated by Ms Tugschimeg Sanchir, Senior Adviser at ILO ACT/EMP.

Ms Sanchir began by capturing the clear message from day-one’s deliberations that the SDGs and the 2030 Agenda were very distinct from previous global efforts in recognising the role of the private sector and partnerships in the fulfilment of the Goals.

The aim of the morning’s discussion was to discuss partnerships in the context of UN reform. She added, for those who were not familiar with the reform process, that this was an initiative of the new UN Secretary-General who sought to ensure a UN that was fit for purpose to deliver the SDGs as one.

The first speaker was Ms Fikile Nkosi, of FSE&CC (eSwatini); her PowerPoint may be downloaded here.

Ms Nkosi stated that her aim was to look at the challenges and opportunities presented by UN reform in light of the SDGs and PPPs, and how to move forward from a country perspective. She set out economic indicators for eSwatini, including its 63% poverty rate and 26% unemployment rate. Her government had been working with the UN on implementing the Goals, but the private sector should have been included in the exercise to prioritise certain Goals from the outset in line with the national development strategy. However, the private sector was now engaged in creating the road map.

eSwatini had established seven priority Goals: 8, 4, 3, 7, 9, 4 and 6 (decent work, education, health, energy, infrastructure, zero hunger, clean water); and several cross-cutting Goals including gender and poverty eradication. Partnerships and strong institutions were key enablers.

According to Ms Nkosi, the government had a role to play in enabling the private sector to contribute to the Goals. This included reallocating funds to the SDGs from other areas; providing clarity on the regulatory and legal framework the government would implement in support of the SDGs; providing certainty in the business environment for planning contributions to the SDGs, adopting innovation, and planning long-term. Uncertainty created risks for business and
more clarity would allow the stakeholders to work as a team.

The UN also had a role to play in communicating with the private sector on the SDGs. Ms Nkosi asserted that most businesses had no relationship with the UN. There was a need for a concerted effort in convincing business of the value proposition associated with incorporating the SDGs in corporate strategies. She added that the private sector needed to be educated on the SGS to be able to drive them, especially the informal sector, and MSMEs. These factors called for a more structured dialogue between the UN and the private sector.

Ms Nkosi felt it was necessary to have the institutional capacity in place to create, manage, evaluate and monitor PPPs and to ensure they were undertaken for the right reason.

She set out an approach for businesses to engage in the SDGs. First, they had to identify which of the Goals their business and value chain could best impact directly and indirectly; identify a methodology and measure impact; understand the negative and positive impacts and adjust activity accordingly; understand the priorities of government; and finally incorporate these learnings into the business strategy.

Ms Nkosi acknowledged that measuring impact was problematic but underlined that the success of the SDGs relied hugely on measurement data and the UN needed to tell companies what they were looking for. This might require defining how company metrics could align with SDG indicators, which would represent a significant investment in terms of funds and time for companies.

Ms Nkosi concluded with five key points: good governance was critical for success; private sector investment required inclusive dialogue; PPPs could be an effective tool for sustainable development; harmonisation of measurement data was needed; and collaboration and partnerships were key for the achievement of the Goals.

Mr Gabriel Molina Delgado of COHEP (Honduras) spoke next. Mr Molina said that the private sector had to support the government with proposals on how to implement the SDGs. COHEP was working with the ILO on a 17-pillar plan defining the role of the private and public sectors in promoting sustainable enterprises. They were working on the alignment of these pillars with the Goals.

COHEP had a decisive strategy and agenda to contribute to the sustainable development of Honduras. Mr Molina was on the high commission for education reform which aimed to foster a highly-skilled workforce to meet the needs of the private sector and to give Honduras a competitive advantage.

COHEP had a centre for entrepreneurial development, which helped MSMEs. They had also been working with the UN on four projects related to the SDGs as part of the reform process. Mr Molina believed that the UN was closer to the private sector nowadays, although the private sector found the pace a little slow. The projects related to inclusive business in specific sectors, mining and coffee, and they were working on a methodology for developing suppliers, where they linked big companies with SMEs. He said that it was not easy to “sell” the SDGs to SMEs; for them it was not something tangible, so it was important to be able to show impact.

Another project involved working with small hotel owners, teaching them how to manage waste. This company had also improved productivity and motivated employees to be committed.

COHEP worked through different alliances, including with academia, to align their activities with the SDGs. They also worked with the country’s biggest CSR contributors to
encourage them to align with the 2030 Agenda. The local Global Compact network would be led by COHEP.

**Mr Petru Dumitriu, Inspector at the United Nations Joint Inspection Unit** announced that their report on [Private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development](https://www.jiu.un.org/) could be downloaded on the JIU website.

He thanked the IOE for the opportunity to present the report; this was the first time the JIU had addressed the global business community on the topic. He began by noting that the 12 recommendations contained in the report were addressed to 28 UN organisations, ECOSOC, UNDP, FAO, etc.

Mr Dumitriu set out the key messages. First was that the UN considered the private sector to be “conscientious partners”. The report and its recommendations recognised that if the UN wanted to change, it would have to change the way in which it interacted with the private sector. They currently did not have the kind of arrangements that facilitated working with the private sector; they would need to create a user-friendly environment and show that the UN could take the needs of the private sector into account.

He went on to acknowledge that people had a fragmented view of the UN and that the UN had a role to play in enriching knowledge in this regard. However, an important point the private sector had to understand was that while the private sector looked to profits, the UN was a provider of global public good – that was their “merchandise”.

The first recommendation pointed to the need to improve flexibility between the private sector and the UN. However, the private sector had to understand that UN rules and regulations reflected the exigencies of governments, because they were spending public money and had to spend with maximum control and rigour, which inevitably created bureaucracy. The recommendation called for a review of all administrative and financial rules, e.g. on procurement, so that the procedures were more compatible with the private sector’s ways of working. An important matter was the legal use of UN symbols, which could not be mis-used – a lot of private companies had been using the logo, which had resulted in some prohibition on the commercial use of the UN symbol. The SDG agenda was for the benefit of everyone, so commercial use of the logo was inappropriate.

Another recommendation was to have the UN General Assembly reconsider its 1945 resolution on the private sector and reinterpret it for today’s world, given the increasing importance of the private sector in development.

Recommendation 5 called for private sector focal points for information and advice on partnership opportunities. He advised companies to seek out their focal points and reminded the audience that the UN had to check out the profiles of companies for suitability – the UN could not work with polluting companies, or producers of weapons or drugs. It was important that only well-intentioned companies benefited from partnerships with the UN. There was also a recommendation to simplify procedures for the benefit of smaller organisations within the UN family who did not have the resources to undertake due diligence, and sometimes had to forego partnerships because of this.

Mr Dimitriu recognised that the ILO was the most advanced of the UN agencies at forging partnerships with the private sector because employers were already part of the tripartite structure. The hope was that the private sector would take ownership at local and national level to help to define problems and find innovative solutions. He called on the EOs to help SMEs to understand the opportunities the SDGs offered, as these
companies did not have the resources to do so themselves.

He concluded by expressing his hope that the report would provide useful guidance to business in entering into partnerships with UN agencies to engage in the service of UN goals.

SMEs AND THE SDGSs: HOW TO UNTAP THE POTENTIAL

This panel discussion was moderated by Mr Steven MacAndrew, STIA (Suriname).

First to take the floor was Mr Carlos Ruiz, Director, Economy and Innovation Affairs of the Spanish Confederation of SMEs (CEPYME).

Mr Ruiz began by emphasising the importance of involving SMEs in the achievement of the global goals of the 2030 Agenda because SMEs made a major contribution to all economies and tended to have a special link with the societies and environments within which they operate.

However, he felt that until SMEs were truly convinced that good practices were not just a matter of compliance, but an essential element in the creation of economic, social and environmental benefit, the SDGs would not be achieved.

There were more and more examples of SMEs offering products and services aligned to the Goals, but SMEs also had to undergo internal organisational change and generate efficiencies in management and production processes. The commitment of management in small companies was essential and management had to understand that integrating the SDGs into the company’s operations not only improved efficiency, accountability and corporate responsibility, it also addressed consumer/customer expectations and therefore increased demand and profitability. This was called the “sustainability virtuous circle”.

Ms Ruiz went on to explore the challenges being faced by SMEs in terms of human and financial resource, as well as in accessing markets. Incorporating the SDGs had to be linked to achieving a return on investment, access to markets, partnerships with the public sector, and the potential for incorporation into global value chains.

Mr Douglas Opio, Executive Director of FUE (Uganda), delivered a PowerPoint presentation which may be downloaded here.

Mr Opio began by giving an economic overview of Uganda, the nature of SMEs in his country and their potential in general to contribute to the SDGs as employers of 95% of the working population globally.

SMEs tended to employ more individuals from marginalised sectors, such as women and youth, and so much of their everyday work already addressed some of the SDGs. They were also more agile at seizing new opportunities and had a huge opportunity to address inequality and pay gaps because organisational structures tended to be flatter in small companies and therefore fairer. For Mr Opio, SMEs could contribute to all the Goals.

However, he conceded that SMEs faced particular constraints that impeded releasing their potential to contribute, including difficulties in setting up a business and adjusting to regulations; accessing finance – many SMEs were start-ups; the high cost of capital; high competition; lack of
management skills - many SME owners had become so out of economic necessity; and lack of trust. Mr Opio felt that these barriers could be addressed by advocating for a more enabling business environment; improving access to affordable financing; increasing access to global markets; facilitating acquisition of business management skills; and building trust through dialogue.

In terms of EO assistance, Mr Opio said SMEs needed stronger advocates - in his organisation, they spoke more for big businesses who constituted most of FUE’s membership; EOs could facilitate the inclusion of SMEs in global supply chains by linking them with big businesses, which would build trust; and provide management skills training.

Mr José Luis Altamiza, Director of Regions and SMEs provided the case of CONFIEP (Peru) with a PowerPoint presentation which may be downloaded here (in Spanish only).

He began by highlighting CONFIEP’s close and valued alliance with the UN Global Compact, which was being constantly strengthened.

Peru’s high growth rate had enabled real SME growth in the country, who were taking advantage of national and international markets across a range of sectors. CONFIEP worked with sectoral SME organisations with a common vision and agenda to empower SMEs. In recent years, representatives of these different groups had participated in national and international events, thus giving a voice to SMEs.

CONFIEP valued its strategic alliance with the UN, the Global Compact and the IOE, all of which shared guidelines, webinars etc that made knowledge-sharing possible, and took advantage of all the tools available to help SMEs through supply chains, sectoral organisations, international (ILO) programmes, and universities, etc.

They had established five steps for contributing to the 2030 Agenda in Peru: 1) understand the UN and Global Compact indicators; 2) establish mechanisms and strategies for conveying information; 3) identify, with the SMEs, best practices that align with the SDGs; 4) see which sectors have most potential for alignment; and 5) identify which sectoral goals can complement and be integrated into the SDGs.

Several roundtables had taken place with the external affairs and social development ministries and civil society was cooperating with the government. However, there was still the need to visualise and recognise best practices.

SMEs had integrated the SDGs into their dialogue and now the challenge was to work together with strategic partners such as the Global Compact to create a new entrepreneurial culture that enhanced inclusiveness.

Mr MacAndrew opened the floor for comments and questions. Mr Ali from Trinidad & Tobago said that, in his country, SMEs did not feel part of the national agenda. How could this be overcome?

Ms Schmitt asked how to induce cultural change and awareness, besides simply involving SMEs in the debate.

Ms Nazreen Mannie of BUSA (South Africa) referred to ILO Recommendation 204 and the responsibility of big business to encourage SMEs into formalisation. She also asked how SMEs could be mentored to contribute to the SDGs.

Ms Liu referred to Mr Opio’s comment about building trust in SMEs and wondered if he could elaborate on that point.

Mr Molina remarked that the presentations highlighted the shared problems: the constraints to SME growth in Uganda were the same as those in Honduras, which had a
large informal sector that was working well. How to convince SMEs in Honduras in the informal sector to formalise? Social protection was poor, so it would not work as an incentive.

In response to Mr Ali, Mr Opio said that Uganda had an MSME policy in place which helped this sector of the economy to feel involved in the national agenda. Regarding formalisation, he argued that as long as it was costly for a company to be formal, there would be no benefit to transitioning from informality.

To Ms Liu’s question, Mr Opio said that lack of skills sometimes resulted in SMEs producing inconsistent products that lacked reliability, certification and guarantees. Sometimes SMEs could not manage their own success, which could result in poor delivery.

Mr Altamiza said that the number and diversity of SMEs could make it difficult to identify entities to engage with. CONFIEP worked at grassroots level to familiarise themselves with the SMEs and understand how their decision-making worked and had created institutions that allowed SME leaders to dialogue with the authorities on the importance of private enterprise. He added that SMEs had to be formal to truly engage in the SDGs through partnerships with big companies or public procurement. This would create jobs, and people would send their children to school. Because there were so many SMEs, the potential for impact was huge.

Mr Ruiz insisted that SMEs had the ability to adapt rapidly to market demand (from customers and big companies) for products and services that were aligned to the SDGs – this was therefore a business opportunity and should not be characterised as a threat. SDGs needed to be included in regulation but not be an obstacle for SMEs. He said there were transition regimes (in terms of regulation and tax policy) that facilitated transition to formality.

Ms Sanchir raised a point about the Global Compact, which was mostly involved with big companies. How could SMEs be included?

Mr Altamiza responded that CONFIEP’s relationship with the Global Compact was 12 years’ old and had always been a win-win situation. For him, the Global Compact was not the same organisation that it had been ten, or even three, years before and UN reform would mean further evolution. He added that small companies had no room to duplicate activities and had to learn from the experiences and practices of other companies.

Mr Kanishkaw Weerasinghe of FEC (Sri Lanka) wondered how SMEs could access the UN system generally (the ILO was different because of its tripartite structure).

Mr Opio said that, in Uganda, FUE was the local Global Compact host and really collaborated. From his point of view, UN access had not been a problem, FUE worked with UN Women, UNDP et on specific interventions related to child labour and women’s empowerment.

THE HIGH-LEVEL REVIEW OF THE SDGs IN 2019 – KEY EMPLOYER MESSAGES ON SDGs 4,8,10,13, 16 AND 17

Mr Pierre Vincensini, IOE Adviser, set the scene for the UN High-level Political Forum in July 2019 responsible for reviewing progress on the
implementation of SDGs 4 (quality education); 8 (decent work); 10 (reduced inequality); 13 (climate action) and 16 (peace and strong institutions) and 17 (partnerships). He announced that there would be a global business event to present private sector initiatives, look at challenges, share best practices and explore how to scale up action. Each of the four speakers on this panel would look at a specific goal, and together they would consider Goals 8 and 13.

The first speaker was Mr Kris de Meester of FEB (Belgium), who delivered a Prezi presentation which may be viewed here.

Mr De Meester’s focus was on Goal 4 from an international perspective, but with examples from his own country. Before homing in on Goal 4, he had a key message, which was that whatever the Goal, there was always a business benefit, whether it related to access to water or healthcare, because fulfilment of all the economic, social and environmental goals spelled progress for everyone.

On Goal 4 itself, he noted that this raised discussion around the future of work, and skills for the future; it was not a separate discussion. Basic skills were still necessary, and to these should be added communication skills and creativity.

Mr De Meester reported that 77% of employers said that soft skills were as important as hard skills, but he questioned whether they had a policy to develop the former. He believed that individuals had to take responsibility for educating themselves, learning from successful countries and sectors. There was, he went on, no need to change the system for the acquisition of basic skills, but we had to change how we learned and collaborated. In the past, monks had been the guardians of knowledge, then teachers. Now knowledge was everywhere, so we needed a new way of dealing with learning outside the school walls. We needed to find innovative ways of stimulating peer-to-peer learning. In the future, there would be more technology-assisted learning.

The achievement of Goal 4 would require more PPPs. Business should not only demand the workforce, it should share expertise. The best way to be equipped for the future was to invest in future workers. There needed to be a new culture/mindset of continuously developing skills. Access to quality education had to begin for boys and girls from a young age; it would improve countries enormously and decrease poverty, as well as having a knock-on effect in terms of fulfilling the other Goals.

His concluding message was therefore not to change the system, but to change the culture around learning.

Ms Nazrene Mannie of Business Leadership South Africa introduced SDG 10.

She began by noting that in any review of SDG 10 (reduce inequality) it had to be understood that this was the one on which insignificant progress had been made, both in terms of reducing inequalities within as well as among countries. South Africa was a case in point.

South Africa has sophisticated industries but was not creating jobs. The post-
apartheid era had been one of jobless growth. South Africa had one of the most progressive constitutions in the world, but failed on implementation. In recent years, xenophobia had been on the rise towards South Africa’s neighbours, often resulting in violent protests against foreigners and a rise in populist politics. In recent months, there had been increasing discussion on the expropriation of land without compensation (as provided for in the constitution). The people had been denied land, and you could not have opportunity without collateral.

On the positive side, South Africa had strong social development and social protection policies. The problem was that there were only 5 million tax payers for a population of about 60 million. The country’s financial soundness ranked among the best and the country was very active and visible in international bodies.

By 2030 Africa would have the youngest population in the world, a youth dividend. The downside was that around 400 million jobs would have to be created between now and 2050. Where would these come from? Big business could not create them; we had to be innovative in growing the SME sector and emerging industries and seize “Future of Work” opportunities.

Ms Mannie set out the challenges highlighted in South Africa’s National Development Plan: too few people worked in the formal economy; poor quality of public education, though a lot of effort was being invested in improving the schooling system; lack of maintenance of infrastructure; spatial divide – people of colour lived on the periphery; lack of public transport; poor public healthcare system, which exacerbated inequality; high corruption; regulation – the high cost of doing business, etc. The key aim was to address unemployment issues with the government and there were plans for a tripartite summit.

She concluded by reaffirming that South African business was fully committed to participating in the process to eradicate inequality but had to embrace more bold and imaginative approaches.

Mr Francisco Martínez, former President of FEDECAMARAS (Venezuela) took the floor; his PowerPoint presentation may be downloaded here (Spanish only).

Mr Martínez had the task of exploring the business contribution to SDG 16. He explained that his country was undergoing a crisis; there was lack of food, medical supplies, utilities and services, with the result that there was no attention being paid to climate change. People were focused on survival only. He described his country’s experience as “a living example of how not to achieve the Goals”.

As far as Goal 16 (peace and strong institutions) was concerned, Venezuela was facing a very complicated situation in terms of legal security and fundamental human rights. It ranked as one of the worst 25 countries in the world in the Institutional Quality Index (184 out of 191 countries). There was lack of respect of human rights and no concept of the separation of powers leading, to the inappropriate exercise of functions of the
constitutional bodies, public attorney’s office, ombudsman etc. High corruption levels pervaded every aspect of life and destroyed institutions. Mr Martinez said that Transparency International ranked Venezuela 169th out of 180 countries; the most corrupt country in Latin America. Freedom of expression was also eroded, with journalists in jail. Criminality was increasing.

In conclusion, Mr Martinez said that there was no peace, stability or human rights, and no effective governability based on the rule of law. In short, fulfilling Goal 16 in Venezuela was not on the horizon.

Mr Kanishkaw Weerasinghe of FEC (Sri Lanka) explored SDG 17 (partnership for the goals). Mr Weerasinghe began by noting that contributing to the SDGs was a learning curve for his country, which had only started reporting this year.

In his view, we could not forget that whatever we do had to be linked to sustainable enterprise and national economics. Sri Lanka was a small country, with a workforce of 8 million, an ageing population, high youth unemployment, and high women’s unemployment. Partnerships were key when it came to education: active collaboration was necessary with ministries of skills, and others, and FEC had encouraged its members to get involved in the national education commission.

For Sri Lanka, certification and development projects were important – this related to Goal 4 – to ensure the entire workforce had certification.

The FEC had regional partners and worked on supply chain issues. More recently it had partnered with the government to develop a code of conduct to address bribery and corruption.

Mr Vincensini turned to SDG 13 and invited the panellists to give their views on climate action and protecting the planet.

Mr De Meester said the aim was indeed to preserve resources, but the economic argument should prevail over ideology. A key question for him was how much had to be invested to reduce a certain amount of pollution: there had to be a balance between the benefit and the cost. The problem was that a lot of current efforts were inefficient and based on the wrong premises: action needed to be based on science and economics. In many cases, businesses did not have accurate data. He advocated for adopting technology to ensure minimal impact on the environment.

Ms Mannie highlighted that South Africa had a water scarcity issue: Cape Town had been 30 days away from running out of water. There had been four years of drought, poor planning, and last-minute efforts at desalination and other extractive technologies. The authorities had been late in appreciating the enormity of the problem. The best way to tackle such a problem would be through science and technology. The country had been coal-intensive and now a shift was needed.

Mr Martinez pointed out that everyone in Venezuela was affected by climate change, but especially the poor. He added
that the government had taken no action at all to address climate-change related issues, despite having signed “all the agreements, pacts and protocols” and that a temperature increase of more than 2 degrees would decrease rainfall by 10-25% which, combined with Niño, would reduce water supplies, power generation and food production.

Mr Weerasinghe said that climate-change response policy had to be evidence-based and efforts needed to be directed towards more efficient use of energy.

The discussion turned to Goal 8 (decent work) and Mr Vincensini invited the speakers to consider the role of the private sector.

Mr De Meester’s key message was that the private sector’s approach had to be based on grasping the opportunities rather than focussing on the threats. From his point of view, decent work was about building a great place to work where individuals could do their best work; allowing people to develop the freedom to organise their work and be inspired and motivated. He believed that creating such an environment would automatically inspire dialogue with workers. In general, fulfilling Goal 8 would depend heavily on innovation, which was business-driven.

Ms Mannie highlighted the interconnectedness between Goal 8 and Goal 10 (reduced inequalities/discrimination). She said that South Africa was a hub for human trafficking and that both the government and the private sector played a key role (the UK and Australian provided a good benchmark). The Home Affairs Ministry worked actively with the private sector to combat the illegal entry and exit of vulnerable people and the private sector had to be act responsibly and carefully with regard to its supply chain. Individual responsibility was also important; we could all be whistle-blowers and “speak with our dollar” - i.e. stop supporting irresponsible companies by not buying their products.

Mr Martinez showed data highlighting Venezuela’s 55% economic contraction over the last five years, despite the high oil prices. The country was living off its oil income, which was problematic because of poor government management of the oil sector and public spending. Venezuela was the third worst place to do business in the world. One of the country’s biggest challenges was malnutrition -90% of the population could not eat more than once a day. The high rate of violent crime, and lack of trust in the police, meant that people stayed at home. The private sector did not trust the public sector, and even within the private sector, lack of trust was rife. All this added up to the lack of an environment where Goal 8 could be fulfilled.

Mr Weerasinghe said there was a huge onus on the private sector to create the best conditions for women to work, even at home.

Mr Vincensini opened the floor for questions and comments. Ms Tasdighi thanked Mr Martinez for his openness and honesty about the conditions in his country, saying that recognition was a step towards finding a solution. She wondered how the SDGs would be met, given that there was no supervisory
mechanism, only a mechanism for reporting.

Mr Ahmed wondered how management behaviour could be encouraged to change in line with Mr De Meester’s suggestion. He added too that individuals had to take responsibility for excessive consumption.

Ms Liu said that, in practice, most companies would find it difficult to integrate all 17 of the Goals. Perhaps it would be more practical for a company to focus on the two or three that best aligned with their business.

Mr De Meester was less concerned about meeting the 2030 “deadline”, as he saw working towards the Goals as a process, a political programme for improvement, and it was more important to be concerned about going in the right direction. He acknowledged that “Industry 4.0” would present challenges and that it would be important to ensure transition for people who would be left behind. Some businesses were agile enough to adapt and survive, but others would be swept away. For Mr De Meester, Industry 4.0 also meant producing more with less and that would have an impact. His focus, however, was on the positive – replacing hazardous jobs with robotisation for example. He envisaged technological advances in desalination, which would address the shortage of fresh water. In response to Mr Ahmed’s question about management behaviour, Mr De Meester agreed that people generally resisted change, but he did not use this term. His belief was that fostering trust and respect in the work environment would bring about a natural evolution in attitudes.

In terms of addressing inequality, Ms Mannie noted that South Africa was probably the only country in the world that needed an affirmative action policy for 80 % of the population. The predominance of the white male in management in South Africa was still very much the case. The private sector had a lot of work to do; it should not wait for government but take the lead itself. She added that it was critical for the private sector to empower young people with agile and transferrable skills.

**CLOSING SESSION**

**Mr José María Lacasa** thanked all the employers’ organisation and private sector representatives from around the world for sharing their best practices in contributing to the fulfilment of the Goals. He reinforced the message that the private sector had a key role to play, not only because it was the right thing to do, but also because of the solid business opportunities that were presented. He highlighted the role and value of PPPs, and exploiting synergies, in implementing the blueprint for a better and more sustainable future for all.

**Mr Gabriel Ferrero y de Loma-Osario, General Director of Sustainable Development Policies, Secretary of State for International Cooperation (Spain)** took the floor to convey a message on behalf of the Secretary of State, the first of which was that the private sector did need clear signals from
the public sector regarding support for business development in line with the Goals, and vice-versa.

He added that he believed public policies did testify to the commitment of the government of Spain, among others, to the 2030 Agenda, recalling the speech of the President of Spain to the UN General Assembly that placed the SDGs at the heart of the government’s vision for the country.

Mr Ferrero underlined that the government wished to help Spanish companies that integrated the Goals into their business operations and practices to be competitive around the world. The government was working on an action plan, approved and presented to the UN in July, that involved all levels of government – from local to central. The SDGs were to be core to the presentation and image of Spain around the world, including in the image presented by Spain’s private sector. Over the coming months, the government would be reviewing policies as well as its cooperation with the private sector and civil society. He regarded Goals 7, 8 and 9 to be particularly relevant to the high involvement of the private sector, and not just in financial terms.

Mr Ferrero added that it would also be important to work with the UN Global Compact in this regard. In terms of support to the private sector, sustainability requirements could be included in procurement contracts; incentives could be provided for companies that met certain criteria; and a generally favourable environment for doing business in line with the Goals could be enabled by the right policies.

KEY TAKEAWAYS FOR THE IOE AND ITS MEMBERS

Ms Elenea Feoktistova, RSPP (Russia) and Chair of the IOE Policy Working Group on Sustainable Development captured the key takeaways from the two-days of very fruitful deliberations.

She began by noting that the Forum highlighted the importance of employers’ organisations and their member companies in contributing to the fulfilment of the Goals. The discussions had confirmed that there was a real need for a “safe place” for both organisations and companies to share experiences and best practices, including disclosure of performance. This is where the IOE’s Policy Working Group played a key role, and it would continue to host meetings twice a year to this end. Participation in these meetings could take place in person or online.

Ms Feoktistova underlined the ongoing need to continue gathering information from IOE members and their affiliates, including from members who had not been able to attend the Forum.

The IOE planned to send a questionnaire to all its members regarding their activities and efforts towards achieving the 2030 Agenda and would publish the findings in a brochure. The new IOE website would provide a member-password-protected platform for sharing all new information, and the presentations from the Forum would also be posted there.

Ms Feoktistova said that employers’ organisations had the important task of promoting the 2030 Agenda and supporting companies to contribute to the achievement of the Goals. However, real success could only be achieved through collaboration
between governments, the private sector and civil society. Employers’ organisations role involved fully engaging with governments and facilitating networking between their members.

The IOE’s role would be to continue to engage with international organisations to bring the voice of business to the table, including in discussions on UN reform.

Looking ahead to the UN High-level Review of the SDGs to take place in 2019, the IOE would formulate a draft position paper on Goal 8 (decent work and economic growth) in consultation with, and for discussion among, the members to arrive at the business position. The IOE would organise a high-level event for members in New York in 2020, the IOE’s 100th anniversary year.

Ms Feoktistova opened the floor for any further comments.

Mr Ahmed (Bangladesh) expressed the view that the Forum had been comprehensive and had covered almost everything that needed to be considered to achieve a better life for all. Now the roadmap was in place, he wondered about next steps. He felt that looking to 2030 could even be restrictive and that an open-ended approach was needed.

Mr Thorns suggested that a ten-year timeframe was useful for mapping action and support to members. He encouraged the participants to join the IOE Policy Working Group; to subscribe to the IOE newsletter; and to respond to the IOE survey when it was launched so that the IOE could take these examples to New York to showcase the private sector contribution—which was useful for external stakeholders as well as for sharing experiences of best practice. He also encouraged the members and companies present to share their experiences on US CIB’s Business for 2030 platform.

Mr Lacasa supported these IOE activities and suggested they be voluntary. He believed that company activity was assured, because working towards the Goals increased competitiveness.

Mr Thorns concluded by thanking everyone concerned for their various contributions and announced that there would be a joint IOE-CEOE human rights conference in the same venue in the Spring of 2019.

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