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Stakeholder Preparatory Forum for the Post-2015 Development Agenda Negotiations U.N. Headquarters, New York

Statement by Norine Kennedy, USCIB on behalf of the Global Business Alliance for Post 2015
Serving as discussant in 2nd Session

Good morning. My name is Norine Kennedy, of the United States Council for International Business. I am speaking for the Global Business Alliance for Post 2015.

While business representatives may be few in the room today, we thank you for recognizing the many roles business plays and will need to play in taking sustainable development to the next level -- and including us today. Business enthusiastically welcomes the potential convergence and synergy of the Rio and Monterrey tracks in the Post 2015 Development Agenda. We commend the SG's synthesis report and its 6 high level themes for recognizing these synergies, and their necessity and potential as well.

We are grateful for all member state representatives and stakeholder colleagues attending this meeting, and for the excellent preparatory work of the NGLS and DESA secretariats. In the spirit of partnership and collaboration already established even in the run up to Rio+20 and that has been the modus operandi during the OWG SDGs, the Global Business Alliance looks forward to a continued and substantive participatory approach regarding the future development of the Post-2015 Agenda from the negotiation phase to the national implementation period.

Mobilizing Business Further in the Post 2015 Development Agenda

The frontline involvement already by so many companies and business associations, notably working through the Global Business Alliance for 2015, in the shaping of the Post-2015 Development Agenda shows that the private sector is stepping up to co-lead the transformations that are required for these challenges to be tackled, to eradicate poverty, to advance sustainability and for prosperity to thrive and be widely shared.

As business moves -- as it must -- to bring forward its contributions as a core partner in the post 2015 development agenda, this is about more than a matter solely for corporate social responsibility departments in companies to design philanthropic programs or organize charitable contributions. Rather, work towards fulfilling the SDGs has to be included integrally throughout an enterprise's management and priorities.

The new global sustainable development partnership that we must build together has to include and animate not just large companies in developed countries, but all sizes and sectors of enterprise on all continents. This broad diversity of business is an untapped resource pool, not only for technology and investment, but also for successful approaches and know-hows.

As we now approach the critical months of negotiation to finalize the Post-2015 Development Agenda and Sustainable Development Goals (SDGs) business is encouraged by the scope and direction the agenda is taking as reflected in the SG's Synthesis. We welcome the themes articulated again and again by the High Level Panels, and the final reports of the Open Working Group (OWG) on SDGs and the International Committee of Experts on Sustainable Development Financing (ICESDF): put sustainable development at the core, meaning: transform economies for jobs, inclusive growth and shared prosperity, which is the primary aim of draft Goal 8; build stable and effective, open and accountable institutions for all, which is the primary aim of Goal 16; and, forge a new global partnership.

These resonate strongly with the business community. But where should the deliberations that will be taking up and discussing the U.N. SG's Synthesis Report focus in order to catalyze the engagement of business?

1. Business encourages focus on Governance, Growth and Partnerships

While the three priorities of economic growth, governance and partnerships are each essential elements in their own right, they are also integrally related and are prerequisites for catalyzing the success of all other 15 SDGs and making progress on the entire Post-2015 Development Agenda durable – a view we believe we share with many other stakeholders in the room.

Rule of law and effective institutions called for in Goal 16, are the bedrock of our economies and societies, without which sustainable development would be impossible. Designing good laws is not sufficient in itself. Enforcement is critical in order to uphold rule of law and minimize the risk of bribery and corruption. Concentrating on enabling environments as well as addressing informality in its civic and economic aspects will help countries mobilize and attract domestic and international investment and build the infrastructure necessary to spur inclusive economic growth. Here we see the immediate connection between governance and partnerships; without the proper governance frameworks, partnerships will not be pursued and those that do will be doomed to fail if attempted.

Similarly, economic growth, which is emphasized in Goal 8, is not only dependent on proper governance frameworks, but is also central to transformative, resilient and robust development. Countries can only sustain their development if their economies are allowed to grow and flourish, while people can only exit poverty (and avoid slipping back into it) if they can readily find worthwhile jobs or other dependable sources of income. Here we see the critical role played by partnerships, and thus, by the private sector.

As the SG's Synthesis report recognized, all available financial resources need to be used more effectively and strategically to catalyze additional financing from official and private sectors. This includes not only foreign investment, but also domestic resource mobilization. Both the domestic and international sources of private sector involvement in this resources mobilization again relies on governance: developing countries are encouraged to increase their domestic tax base through improved tax policies and reducing informality and should also build enabling policy environments that are conducive to both domestic and international private finance. In addition, a policy environment that encourages investment, financial innovation and scientific and technological advances strengthens the capacity of developing countries to absorb, adapt, and apply these advances to their local settings.

2. Productive Partnerships are the Key to Achieving the SDGs

The world's most daunting development challenges are too large and complex for any one segment of society to solve alone. We must incentivize and advance collective action and partnerships uniting all relevant global stakeholders, including the private sector.

Significantly, enabling environments for economic growth go hand-in-hand with the ideal conditions for productive partnerships that will be needed at all levels – national, regional and global, i.e., at the UN level – to achieve the SDGs.

A centerpiece of effective governance is the development of open and accountable institutions. Open institutions by definition set and implement state priorities and planning agendas through the promotion of consensus-building through stakeholder dialogue between governments, business and civil society. Involvement of all relevant stakeholders is vital for designing and implementing effective solutions and for a shared sense of accountability and responsibility.

Public Private Partnerships simultaneously contribute to a better understanding by the private sector of public needs and more strategic planning by governments that accommodates private sector needs so governments can better leverage private sector capacities, leading to a more efficient allocation of resources. Beyond the obvious examples of infrastructure development of all kinds (including transportation networks, industrial projects, and health and information technology networks), a clear example of this symbiosis is in education and skills-building: without collaboration and knowledge sharing of educational and skill attainment levels on a national basis, businesses cannot precisely plan for strategic growth and job creation, nor implement the necessary training programs to complement national educational and skills development.

We suggest using business and commercial connections – such as value chains, business networks, chambers of commerce, etc. as vehicles for partnerships and other forms of business contribution to the Post 2015 Development agenda.

We also encourage consideration of other necessary attributes for successful durable partnerships, such as: capacity building, scaleability, institutional infrastructure, and sharing of good practice. Without due account of the full picture of enabling factors, partnerships will not emerge in the numbers and at the scale needed for impact.

3. Actively Encourage and Incentivize Private Sector Contributions by aligning SDG metrics and Corporate Sustainability Reporting

Accountability mechanisms and sound metrics are at the heart of tracking progress and informing stakeholders of achievements. The next steps in framing these elements should move in a direction where business is already measuring environmental and social impacts along with financial results. Most large companies already report extensively on their efforts for sustainable development, while SMEs and business communities in emerging and developing countries still need to climb reporting learning curves. In general, we would observe that more needs to be done to strategically align the SDG's and their targets with the reporting frameworks that the business community already uses; central questions about audiences and users of information reported have to be reflected on as well.

As there is no "one-size-fits-all" approach, the OWG Outcome Document correctly did not include binding rules with regard to reporting standards. Much more could be done to synthesize reporting frameworks alignment with the SDGs, and the UN should actively participate in that important work, as it will be another means to efficiently catalyse the private sector's contributions to achieving the SDGs.

Conclusion

For the Post 2015 Development Agenda to live up to its potential, it will be essential that businesses of all sizes behave, grow and flourish in a responsible and sustainable manner. It is these businesses, in developing and developed countries, that will create the jobs and livelihoods, and provide the necessary technical resources to create and deploy new solutions to the development challenges the international community is facing today. The right governance frameworks can incentivize this growth and contributions that flow from it.

To summarize, as business we would direct this forum's attention to 3 key actions to enhance the potential for a transforming Post 2015 Development Agenda:

- 1) Enable: The chief aims of the SDGs – eradicating poverty, reducing inequality and transforming economies for sustained and sustainable growth will be driven primarily by economic growth and empowerment. The investment, financing, infrastructure and job creation such development depends on depends in turn on the conditions that governments put in place: good governance, strong rule of law and political stability, respect for human rights, social cohesion, fighting bribery and corruption wherever it occurs, streamlining the procedures to start and run businesses, and addressing informality such as rights to legal and civic identity and title to property.
- 2) Assess and Communicate: It will be necessary for business to work together with national governments, civil society and other stakeholders to support greater dialogue and transparency, learning, sharing and increasingly integrated reporting with a focus on development outcomes, for instance employment outcomes and revenues to governments.
- 3) Scale up: We must find ways to spread the early lessons from the front runners and show the value added to others. This responsibility lies not only with large MNEs but also with governments at the national, regional and municipal levels. It will mean involving the local business groups and chambers of commerce throughout the world, of which there are many, in decisionmaking. Moreover, business works through global value chains and through trade – these commercial transactions offer a powerful set of channels to spread technologies, good practices, know hows and improvements on all fronts.



About the GBA

Launched in 2013, the GBA is an alliance of global and sectoral business associations representing small and medium size enterprises to large multi-national companies from all geographic regions. The combined business networks in the GBA encompass more than 20 million companies. We jointly promote: the market economy system; sound economic policies that encourage entrepreneurship; economic growth and job creation; an open international trade and investment system; practical business engagement in advancing sustainable development and private sector investment for development. The GBA was launched to provide a coordinated business voice to the United Nations intergovernmental processes supporting the elaboration of the Post-2015 Development Agenda.