



UNDG Co-leads in Private Sector Engagement



Series of Dialogues on Means of Implementation
of the Post-2015 Development Agenda

Engaging with the Private Sector in the Post-2015 Agenda

Consolidated Report on 2014 Consultations



UNDG Co-hosts in Private Sector Engagement



Under the auspices of:



UNITED NATIONS
DEVELOPMENT GROUP

Engaging the Private Sector in the Post-2015 Agenda is jointly published by the United Nations Industrial Development Organization (UNIDO) and the United Nations Global Compact
E-mail: unido@unido.org // globalcompact@un.org

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This document has been produced without formal United Nations editing.

Acknowledgements

This report draws upon the contributions, suggestions and recommendations of numerous people who participated in the post-2015 global dialogues on engaging with the private sector, co-led by the United Nations Industrial Development Organization (UNIDO) and the United Nations Global Compact, under the auspices of the United Nations Development Group (UNDG), and with the generous support of USAID and the Government of Spain. The active engagement and valuable inputs of all those who participated in the consultation events is gratefully acknowledged.

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Foreword

Partnering with the private sector is the foundation of any successful large-scale development strategy. The shared nature of the global development challenges we face today calls for collective action that is inspired and shaped by the challenges and opportunities of the next fifteen years. Building vibrant and systematic partnerships with the private sector is a vital prerequisite for the successful implementation of a transformative agenda to accelerate poverty reduction and sustainable development in the post-2015 era.

In these tumultuous and uncertain times we need to harness the capacities of business and industry to innovate if we are to deliver real solutions for sustainability. Throughout this year of fertile collaboration between UNIDO and the United Nations Global Compact, governments and the private sector around the globe have systematically articulated their priorities and concerns for the post-2015 development agenda that is currently being formulated. The task of implementing this new agenda, which promises to be much broader and more holistic than anything that has gone before, will be enormous. But so is the potential that it can unleash.

The private sector is a strategic partner in this endeavor, with the ability to have a profound impact on areas as wide-ranging as climate change, food security, gender equality, human rights and good governance. Government and business must work together to create clear policy frameworks and incentives to ensure that profits are translated into sustained economic growth, social inclusion and environmental protection. This entails identifying new forms of partnership that put forward innovative business models that respond to commercial priorities while also delivering on the development front.

To achieve the ultimate goal of poverty eradication and sustainable development in each of its three dimensions, policymakers will need to reflect on policies and collaboration mechanisms for enabling private sector actors to make a contribution to sustained economic and industrial growth and job creation, and to achieve shared progress in a socially inclusive and environmentally sound manner. A robust and sustainable industrial base will help all countries, regardless



of their level of development, to grow their economies, reduce poverty and combat climate change.

Good leadership, the right policies and sufficient investment are essential building blocks for unleashing the potential of the private sector as a driver of inclusive and sustainable industrialization. This requires taking account of the needs of large industries, as well as of micro, small and medium-sized enterprises. This, indeed, is what this consultation has striven to do. A continued multi-stakeholder dialogue is imperative to successfully mobilize the extensive resources of the business community towards the achievement of a profound development impact on the ground.

It is very encouraging to witness the renewed attention given to industrialization as a driver of economic growth and sustainable development, both in developing and developed countries. The relationship between inclusive and sustainable industrial development (ISID) on the one hand, and long-term economic, social and environmental goals on the other, remains undeniable. Recognizing this relationship allows us to capitalize on synergies with other partners, as well as their knowledge, innovation and capital.

The impact of our operations at UNIDO extends well beyond the grant-funded, capacity-building assistance we traditionally deliver: our initiatives aim to scale up investments and resources through cooperation with private sector partners, in order to gain the critical mass necessary to make a solid contribution towards national development strategies for realizing ISID.

I am convinced that this report will make a significant contribution towards further shaping global efforts in advancing effective and innovative partnerships with business and industry, and thus to achieving inclusive and sustainable development in the post-2015 era.

LI YONG, DIRECTOR GENERAL, UNIDO

Foreword

Nations and people depend on each other more than ever. National interests are increasingly affected by global challenges. Yet the political will to collaborate has not kept pace with deepening interdependences, and neither have global institutions. Multilateralism is on the retreat.

The Sustainable Development Goals open an avenue for restoring the original spirit of the United Nations, which galvanized the international landscape after a brutal world war. Taking on the world's most pressing issues on a global basis starting in 2015 offers the possibility to revive political will to collaborate and creatively innovate.

Through the SDGs, the UN can renew its proven abilities as a problem-solving entity in global political goods, as demonstrated when it: published the Declaration of Human Rights; invented peacekeeping; laid down multilateral rules of the road for commerce, transportation and communication in conjunction with its family of trade and financial institutions and specialized agencies; plunged into the furthest corners of the globe to vaccinate children and eradicate diseases; and activated the Millennium Development Goals.

The future of markets depends on our collective ability to tackle challenges such as those covered by the SDGs. In today's world, long-term financial success can only be assured if it goes hand in hand with environmental stewardship, social responsibility and good ethics. For business to collaborate effectively, the SDGs must offer ways to mitigate business risks, reduce growth barriers, and help to build new markets, while at the same time advancing public priorities.

For every individual Goal that has been proposed by Governments, there is a clear business case for engagement, based on universal principles agreed by the United Nations. For investors, the SDGs can set guidelines for moving from short-term profit maximization to long-term value creation, by aligning particular investment portfolios with long-term public priorities. New forms of collaboration may be able to unlock effective means of reducing investment risk while shifting asset allocation to better align with better policy priorities.



In the case of either business or investors, crucial resources can be unlocked for implementation.

The private sector has a key role, not only in providing financial support and specific skills but also innovative solutions, while academia should provide scientific support and implementation models. Civil society can support by pointing out the relevant issues for citizens and by contributing to the credibility of initiatives. Governments need to provide the policy framework and sometimes share the capital outlays, to enable collaboration to succeed.

Partnerships for sustainable development take place first and foremost at the local and national levels and build from there, rather than descending from some international apex. Both the United Nations Global Compact and UNIDO are grounded in the grassroots. Through over 80 country-based Global Compact Local Networks, public and private sectors and civil society entities can coordinate their efforts in wide variety of new and unexpected combinations.

This brings us to the round of consultations held by a wide range of actors at the national level this year on private sector engagement in the post-2015 agenda and the Sustainable Development Goals. At times, the participants were aggregated on a regional basis or even with a global span, but always keeping in mind realities on the ground.

I wish to thank these participants profusely, and commend their thoughts and viewpoints to the readers of this report.

GEORG KELL, EXECUTIVE DIRECTOR,
UNITED NATIONS GLOBAL COMPACT

Key Messages

The following key messages have emerged so far from the ongoing dialogue on “Engaging with the Private Sector”:

1. While the Millennium Development Goals (MDGs) provide a framework for tackling some of the world’s most pressing social challenges, they are very much concentrated on meeting basic human needs. The future Sustainable Development Goals framework should go beyond the conceptualization of the MDGs. In addition to eliminating poverty, the new framework will need to address the drivers of change, such as economic growth, job creation, reduced inequality and innovation that makes better and more careful use of natural resources. Industry plays a prominent role in advancing all these drivers.
2. The private sector is not only a source of financing, but is also an actor in development. Its role, especially when motivated by long-term sustainability interests, lies in core operations and the wide impact of business, and relates directly to UN values, poverty eradication and the spectrum of issue areas covered by the proposed SDGs. This dynamic role as a driver of sustainable economic growth brings with it opportunities in value creation as well as important responsibilities for business as a driver of sustainable economic growth.
3. More and more businesses are incorporating social and environmental sustainability criteria in core business operations. This will remain a key challenge and opportunity for the Post-2015 development era, regardless of country of operation. Very sophisticated and transparent techniques are being developed to align corporate long-term goals with global sustainability goals.
4. Partnerships are expected to play a key role in the implementation of the future SDGs. In this regard, it is important to recognize that partnerships come in a wide variety of shapes and sizes, and operate at all levels, from local to global. Transparency, trust and dialogue are extremely important to achieve a successful partnership. Partners must also show what they expect in return and make their own objectives clear within the partnership.
5. The most direct route to innovation, technological advances and productive capacity is through a healthy, engaged industrial sector. An inclusive discussion format, involving business in national development plans, is taking place in many country settings. Multi-sector initiatives involving engaged business, such as United Nations Global Compact’s Local Networks or the UNIDO Green Industry Platform, among others, could support this trend.

Introduction

The development paradigm has changed significantly since the establishment of the Millennium Development Goals in 2000.

The overlap between public and private interest in sustainable development is becoming increasingly clear, and the development and implementation of the Post-2015 agenda will require an unprecedented level of partnership between industry, governments, civil society and other key stakeholders. It also requires significant institutional capacity, mobilization of resources as well as collaboration and co-investment between stakeholders. These players are pivotal in bringing to the table innovative methods and strengthened mechanisms for leveraging funding, creating decent employment, technology, innovation and research. As Member States work towards a shared vision of a Post-2015 development agenda, a further exploration of partnership opportunities among stakeholders to accelerate the achievement of the future development agenda may offer valuable insights. Governments, at all levels, should provide an enabling environment that facilitates multi-stakeholder--especially private industry and business--involvement, as we move towards the Post-2015 period.

In September 2013, the United Nations Secretary-General unveiled a Post-2015 Business Engagement Architecture that outlines the building blocks of how to motivate and support global business in realizing its full potential to advance sustainable development through action, collaboration and co-investment. The Post-2015 Business Engagement Architecture was created to provide a roadmap for companies, investors, governments, and civil society towards the advancement of corporate sustainability, in turn contributing to global sustainable development. Each of the building blocks – Sustainable Development Goals and Long-term Business Goals; Transparency and Accountability; Progress Review; Platforms for Action and Partnership; Corporate Sustainability; and Drivers and Incentives – within this roadmap must be further strengthened and connected through comprehensive and collective efforts if they are to help take corporate sustainability to scale and turn business into a truly transformative force in the Post-2015 era. The Architecture provides the framework for this series of consultations exploring partnerships with the private sector.

On the other hand, private industry and business are increasingly being recognized as a core sustainable development driver for eradicating poverty in the post-2015 era. This is epitomized in the milestone resolution “Lima Declaration: Towards Inclusive and Sustainable Industrial Development”¹ (ISID), adopted at the UNIDO General Conference in 2013. In recent years, the development community has repeatedly emphasized the crucial role of industry and the private sector for, *inter alia*, fostering innovation, creating jobs, improving public well-being and protecting the environment, both in developing and in developed countries.

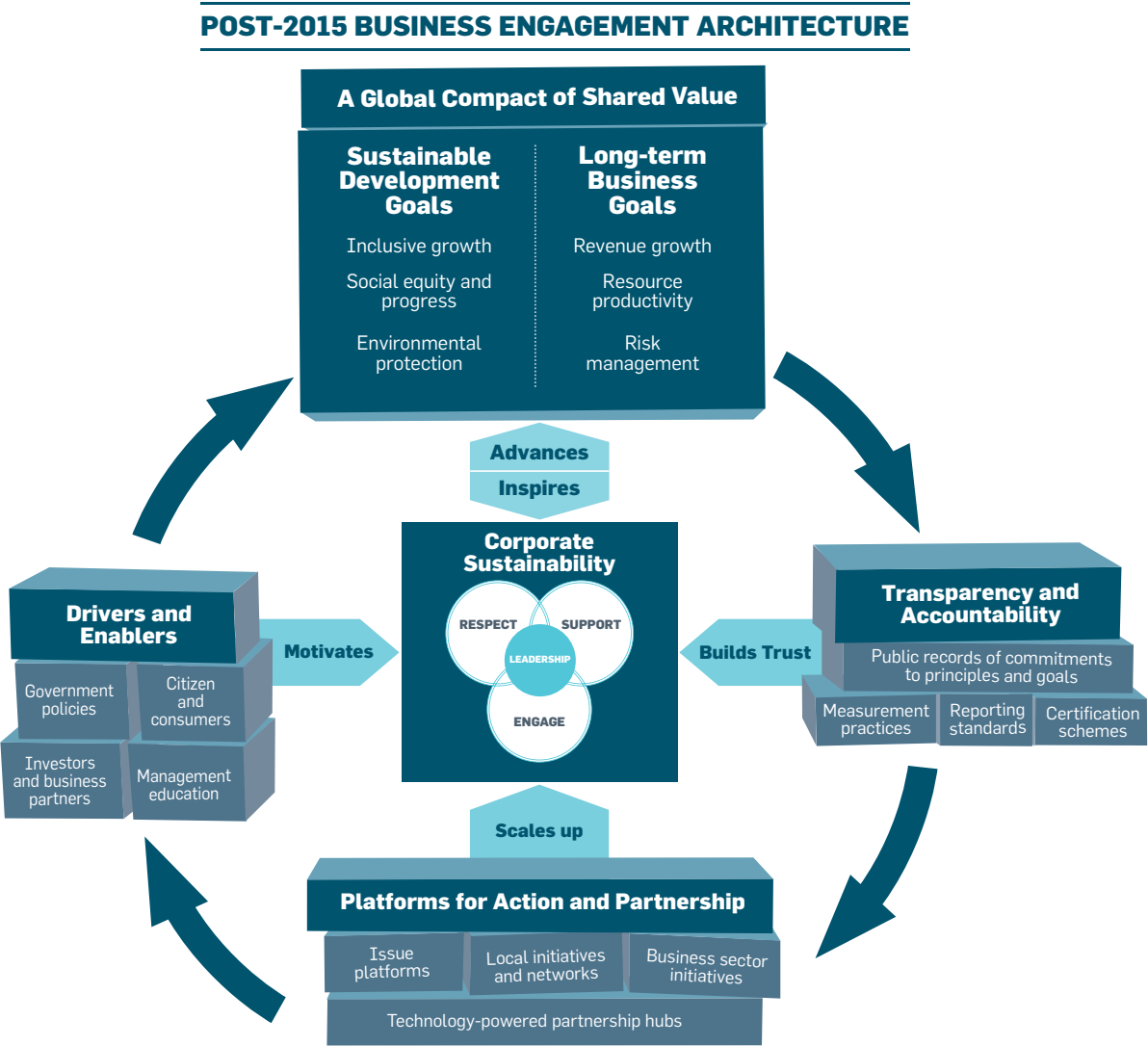
Moreover, the outcome document of the Open Working Group on Sustainable Development Goals (OWG) explicitly stated that “the implementation of sustainable development goals will depend on a global partnership for sustainable development with the active engagement of governments, as well as civil society, the private sector, and the United Nations system.” The OWG also proposed a goal that identifies industry as a driver for development, i.e.: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.”²

In this institutional context leading up to the Post-2015 negotiations, private industry and business are therefore called upon to take the center stage and make a significant contribution towards the achievement of the new development agenda.

Undoubtedly, achieving fundamental outcomes in economic development, environmental and social sustainability, and inclusive growth entails working together across sectors and industries in new and more effective ways. Today, transformative development solutions through industry and businesses are available, along with the capabilities to have far-reaching impacts on a variety of areas, such as gender equality, good governance, human rights, climate change, agriculture and food, water, and good governance. Industry and the private sector have traditionally been the driver of science and technology development, representing a dynamic and powerful force in innovative capacity.

¹ UNIDO GC.15/Res.1

² Proposed goal 9 in the final OWG report, adopted on 19 July 2014



Source: United Nations Global Compact

Businesses have a built-in motivation to see development succeed. Taking a long term perspective, business does better when the world does better, and like everyone else, suffers losses amidst a backdrop of disease, strife, environmental breakdown, illiteracy, abuse of human rights, arbitrary government practices and impoverishment. Industry is becoming aware of its strategic interest in making use of its developmental power, particularly in a world that is increasingly transparent and interconnected. Businesses that integrate sustainability into their operations are finding themselves in positions of long-term strength: opportunities for risk management, new markets, and product and service innovation open up. Consumer confidence and loyalty are strengthened.

Moreover, we are now witnessing an historic conver-

gence between the incorporation of social and environmental dimensions into business models on the one hand, and the enterprise-oriented development thinking of Governments and multilateral institutions on the other. Corporate sustainability – defined as a company’s delivery of long-term value in financial, social, environmental and ethical terms – is becoming a mainstream concept globally, including in new and unexpected ways in the emerging, developing and post-centralized economies.

Companies also have responsibilities. They are increasingly aware that they need to earn and maintain a social license to operate, as well as a legal one. Corporations face increasing expectations from stakeholders to manage their societal impacts, including on human rights, labour, the environment and corruption. Corporate sustainability, therefore, entails both

respect for universal principles in these areas, as well as proactive *support* for a sustainability agenda.

In light thereof, a discussion has been long underway about the roles that private industry and business can play, and their relevance to the Post-2015 development agenda. Due to its flexibility and social base, industry is a strategic and valuable means for reaching local people and meeting local needs. Industries reorienting practices around systemic development concerns can create positive spillovers by promoting local sustainable development, namely, supporting local infrastructure, creating employment opportunities for all women and men, adopting new forms of sustainable production and consumption, advancing open markets and boosting innovation. Complementarily, business interests towards ensuring supply chains, taking advantage of new investment opportunities, and expanding into new markets so as to become more resilient to internal and external shocks, are also well-maintained.

Mirroring the growth in corporate sustainability are the responsible investment and private sustainability finance movements, whereby increasing numbers of long-term institutional investors are adopting principles of sustainability – with the means of unleashing the trillions of dollars in investment funds that will be required for innovation, infrastructure and service delivery to meet human needs. The shift to a more broad-based platform for sustainability financing should be geared towards creating win-win solutions that recognize and have the ability to cater to the different needs and interests of both governments as well as the private sector. As such, this is a golden opportunity to ensure a deep and central focus on business engagement within any Post-2015 discussion and further negotiation stage.

This interaction may be of a twofold nature. On the one hand, governments should be open to facilitate opportunities for international and local partnerships and cooperation, while providing consistent policies for private sector actors to increase their engagement and contribution to national industrial and broader development priorities. In recent decades, it has become clear that the role of governments has not declined, but has shifted from the exercise of direct ownership and control of institutions for economic, environmental and social development to the provision of an enabling framework required to encourage the expansion and strength of the private sector.

In this context, it is particularly important to further promote the growth of business and industries, with targeted engagement programmes for all businesses, from large multinationals, through state-owned enterprises (SOEs) to micro, small and medium-sized enterprises (MSMEs), which play a highly significant development role as generators of economic and social rewards. In order to enable SMEs to exploit their full potential both domestically and internationally, the need to create an enabling business environment is becoming increasingly recognized, e.g. through conducive policies that address the availability of capital, and of capacity building, to empower countries to manage and resource their own industry and development in a sustainable manner.

On the other hand, businesses and private industries, including large multinational corporations, are encouraged to observe voluntary sustainability standards – when not obliged to meet compulsory ones – including social and environmental norms, in line with their contexts and capabilities. Businesses should be in a position to adopt long-term investment and network strategies that both make business sense and contribute to the common good. In this context, the United Nations system and the broader development community and engaged, sustainable companies and industries are natural partners.

UNIDO and the United Nations Global Compact are leading on behalf of the United Nations System an ongoing Consultation process on “Engaging with the Private Sector”, in recognition of their history at the forefront of the partnership between the United Nations and the private sector. The two agencies are therefore marshaling the process and contributing with their expertise to the discussions. Nevertheless, the real owners of these consultations are the industry and private sector representatives, as well as the other relevant stakeholders, who are actively participating in the consultation, discussing their real-life concerns and aspirations, and voicing their recommendations clearly for the new development framework to be inclusive and sustainable, and its implementation finally achievable.

The result so far is a set of results and recommendations that summarizes the main challenges and opportunities faced daily and strategically by industry and the private sector in their partnership with the United Nations and otherwise in their efforts to incorporate sustainability criteria in their ways of doing business.

Challenges, Concerns and Ways Forward – Consultation Results

The consultations on “Engaging with the Private Sector” offers a unique opportunity for businesses, civil society, academia and other relevant stakeholders to provide their input on the design of the Post-2015 development agenda. The inclusion of the private sector not only in the implementation, but also in the design process of the new agenda is a groundbreaking and a definite step forward towards the recognition of business as essential driver of economic, social and environmental development.

The private sector is not missing its opportunity to engage and is participating in good numbers in the consultation process, which has drawn so far more than a thousand participants to the celebrated dialogue events. This report consolidates the main points discussed throughout the process so far, and attempts to synthesize the main messages from the business community to the United Nations’ System, regarding the shape the Post-2015 agenda. To frame the discussion, this report is structured around the five thematic areas (see Annex I), which were identified by the co-leads, in agreement with the One Secretariat at the UNGG, as the main enablers for business engagement in the Post-2015 era. This categorization has framed the debate throughout the consultation process, in a successful attempt to maintain a focused discussion capable of reaching a concise set of recommendations and conclusions for informing the negotiations of the Sustainable Development Goals.

Developing Government Policies which Drive Corporate Sustainability

Participants in the consultations most often favoured a collaborative approach between government and business in advancing sustainable development.

All stakeholders recognized the leading role of governments in driving the development agenda. Governments alone cannot create a private sector with a corporate culture of sustainability but their ac-

tions can either hinder or facilitate it. Not only does the public sector have an essential role in providing public services related to health and education, environmental stewardship, and infrastructure, among others; it also has a critical role in scaling up the contribution of industry and businesses to development by establishing a collaborative basis for scaling up corporate sustainability.

While industry generally has a lead role in driving the economy and creating jobs, delegates recognized that economic and social policies set by the government provide the essential enabling environment. Not only developing countries, but also developed states grapple with entrenched challenges such as stagnant growth or recession; high unemployment rates, particularly among young people; widening inequality; and high public debt. These issues have bedeviled the developing world for some time now, thus showing their now-universal relevance. Many stakeholders observe that both developing and developed states are experiencing a disconnect between their economies and the needs of their people, such as the right to a decent job, a clean environment, or equal opportunities for all, including women and youth. Renewed attention is now given to real-economy policy issues, including the leading role of industrialization, as well as innovation to generate shared value, areas in which the private sector is a key player.

Governments are thus responsible for providing smart policy frameworks that facilitate, set incentive structures and otherwise encourage the uptake of voluntary corporate and public-private initiatives in alignment with the principles of sustainable development. Rather than being based solely on specific public-private partnerships initiatives, sustainability efforts in industries and businesses should be encouraged on a more systemic and embedded basis. In the words of a representative of the Caribbean manufacturing industry in Aruba, *“Governments should assist in efforts to create a unified vision about sustainable development and provide incentives to private corpo-*

Re-industrialization and Sustainability in Europe and Asia: - Challenges and Opportunities

While there is discussion about re-industrialization in regions like Europe, there is a strong need for a new model of collaboration and cooperation in the context of value chains and competition, as well as of environmental sustainability. Whereas in the past development was linked to development cooperation, now there is a shift to wealth and job creation, growth and sustainability, as noted by participants of the Europe and Central Asia Regional consultation in Bratislava. Re-industrialization in Europe needs to be looked at in a development context, therefore recommendations in this regard were clustered under: diversifying the economy; developing policy principles moving from



philanthropy to solidarity-based and investment-oriented solutions; creating platforms for public-private dialogue; and supporting organizations that can assist with building cohesion among companies and linking them to global supply chains, as well as ensuring that the reindustrialization of Europe is not to the detriment of the rest of the world, but constitutes a shared opportunity for global growth and development.

The consultation also highlighted the overarching goal of decoupling economic growth from natural resource consumption and negative environmental impacts. Moreover, several delegates firmly stated that increasing resource-efficient productivity will also lead to reduced production costs and enhanced competitiveness. Transformation to a green economy will allow the creation of an entire new industry, generating a significant amount of employment. However, selecting the specific policies needed to make this transition possible was identified as the most significant challenge throughout the discussions. Remarkably, the role of consumers was also heavily debated, as consumption choices can effectively influence production-related decisions. Awareness raising actions to make consumers aware of their power could also prove effective in changing not only consumption patterns, but also production technologies and practices.

Another valuable contribution of the Europe and Central Asia meeting lays in the recognition of emerging donor countries as important players of the development landscape. “New” donors, many of which are now EU member states but in the past were recipients of aid, often provide different models of cooperation, based on criteria like



geographic proximity, and cultural ties. These elements, along with experiences and lessons learned from their own recent development history, can make assistance more efficient. In this context, representatives from national development agencies in Turkey, Slovakia, Czech Republic and the Russian Federation highlighted the need to ensure that private sector engagement contributes sufficiently to a development agenda that works for all, from developing countries and economies in transition, to developed European countries facing sustainability and unemployment difficulties.

rations to support them further in executing this.”

Fostering greater cooperation between private sector firms and public institutions will be crucial for

the construction of a robust corporate sustainability framework. Obtaining the buy-in of each sector will be crucial in furthering sustainable business practices. It is noteworthy that throughout the consultation

process, private sector delegates have acknowledged their duty to address the social dimension of their work, while public sector representatives have recognized the constructive role that the private sector can play in strengthening international development frameworks.

Corporate actors see clear standards as being a key element in achieving a greater prioritization of sustainability. However, delegates were somewhat divided on what the best method of implementation would be. While most favor a voluntary standards regime, there is no universal agreement as to the modalities of such a system of standards. Some consultation events recommended the adoption of international standards for corporate sustainability (i.e. the Pacific Regional Consultation) while others, such as the Regional Consultation in Latin America, insisted on frameworks developed at the national-level, with implementation designed to “better fit local realities.” Thus, a multilateral regime, flexible enough to take account of local and regional contexts, would seem to offer the most promise in terms of achieving buy-in from private sector representatives.

Two main streams were apparent on how governments can best tap into the expertise of businesses, without jeopardizing the decision-making vested in them.

Firstly, many participants felt that corporate sustainability regimes are a method of improving regulatory frameworks, their implementation and the quality of reporting procedures. On the other hand, participants also underscored the need to incentivize businesses to implement existing corporate sustainability frameworks more effectively. Public sector agents can assist this aspiration by making the ‘business case’ for sustainability, given that the most efficient firms are often also the most sustainable. Participants at several events, such as in Kenya, the USA and Austria, suggested that public sector bodies should promote sustainability best practices, through publishing success stories on official government websites. An example of such a scheme would be UNIDO’s REAP (Responsible Entrepreneur Achievement Programme) initiative.

Business leaders at every event emphasized that incentives can be set to avoid penalizing firms engaging in ethical business practices. Such incentives include awarding procurement tenders to companies meeting corporate sustainability standards; distributing

export credits to such companies; reducing tariffs for the importation of green technologies; and inserting corporate sustainability or Corporate Social Responsibility (CSR) criteria into calls for tender. *“CSR efforts aimed at improving socio-economic prospects of vulnerable communities need to be sustained and holistic, not short-term and superficial in nature.”*³ Mechanisms for supporting resource productivity via imposing levies on non-renewable energy or unsustainable waste management, as well as licensing business for public-private partnerships (PPPs) in renewable energy were particularly popular areas of discussion among the business community in the small islands developing states of the Caribbean and the Pacific.

Delegates from Latin American countries stressed that inclusivity and a human rights-based framework are essential for the implementation of corporate sustainability standards by private firms in the region. The national consultation in Trinidad and Tobago also highlighted the responsibility of the private sector in its human rights obligations relating to access to safe drinking water and sanitation services in the country.

Notably, sustainability efforts in industries and businesses are also viewed as the preferred tool for battling corruption in private and public sectors in the Latin America and Caribbean (LAC) and African contexts, provided that governments lead by example through sustainable procurement programs, increased transparency and participatory accountability. Local Network leaders at the Addis Ababa consultation, who had been introduced to a “Call to Action” campaign launched by the United Nations Global Compact in regard to transparency in public procurement offers, were keen to see anti-corruption taken up in the discussion on the future SDGs..

One issue that gained particular importance in the Latin American regional consultation is gender equality. Participants explicitly stated that women should be placed at the center of development policies, as described in the box below.

Secondly, a recurrent demand emerging from various discussions in the Caribbean, the Pacific, Mongolia and the Africa-oriented consultation in Ethiopia pointed to a greater emphasis on more traditional policy areas such as employment generation, education and skills development. A hot topic of debate was that national governments are increasingly exploring

³ Statement from a member of the Chamber of Commerce, Trinidad and Tobago, July 2014

Latin American Perspectives on Gender Equality and Women's Empowerment

During the Latin American Regional Consultation in Cartagena, Colombia, participants from across society - governments, the private sector and civil society - prioritized gender equality and female empowerment for the Post-2015 development agenda. Delegates recognized the utility of the Millennium Development Goals framework for offering a benchmark to eradicate gender discrimination and inequality, though they stressed that the future SDGs must address existing gaps, inequality and violations of rights.

Participants also put forward a number of recommendations for a more inclusive development framework, including measures such as increasing the proportion of women in leadership positions within society, creating opportunities for employment and decent work, closing the pay gap between males and females, and forming alliances that allow initiatives for women to realize their market value for companies. Women's empowerment principles endorsed by more than 800 CEOs, for instance, provide guidance to business on how to empower women in the workplace, marketplace and community. The vanguard role of sustainable business in this process was indicated by the high level of participation of women executives and CEOs representing their companies at the meeting.



ways to enter new sectors and develop new activities in order to accelerate industrialization and economic growth, and strengthen the national production apparatus, so as to maintain high and inclusive growth. Transforming production and economic structures towards increased diversification and enhanced competitiveness in developing countries is critical to that effort, and in return would allow these countries to overcome context-specific development challenges.

That said, it was systematically urged by participants to implement the creation of effective business linkages at local, regional and global levels, especially with destination markets and buyers, through multi-national purchasers of goods and services and strong multi-stakeholder partnerships along specific value chains, thereby reinforcing the capacity to meet market requirements.

In addition, the need to drive public and private investment in human capital (including among young people) at the community and country levels was also given high importance. Ensuring that education and training opportunities are responsive to a country's market needs and sustainability prospects would be triggered, to a significant extent, by robust partnerships between governments, business and industries, and civil society.

Communication was also identified as an issue to be addressed. Businesses are often unclear about their responsibilities in terms of sustainability endeavours, and thus require a clear delineation of their obligations from public bodies. A culture of dialogue between business and government should be sought and in some cases even institutionalized in order to ensure open channels for cooperation and systematic interaction.

Enhancing Partnerships

Partnerships come in a wide variety of shapes and sizes, and operate at all levels, from local to global. This series of consultations shed light on the added value and the transformative potential of public-private partnerships (PPPs), as well as multi-sector and business-to-business (B2B) partnerships. Thus, a proper identification of specific procedures and roles needs to be clearly established so as to address the peculiarities and complexities of each collaboration programme, directly impacting the effectiveness of partnerships. As stated by a representative of the Mongolian National Chamber of Commerce and Industry, *"A sustainable mechanism is needed; PPP has been discussed over the past 10 years but implementation strategies are still lacking."*

When partnerships build on the resources, capabilities and influence of a range of stakeholders to tackle complex challenges, they become powerful mechanisms to accelerate development. Among Global Compact Local Networks, there is a strong feeling that transformational or impactful partnerships

are based upon universal values, such as those enshrined in United Nations agreements, and are driven by each actor's core strengths. As acknowledged by participants and panelists at the meeting in Ethiopia, issue-based partnerships mobilize effective mechanisms to engage different stakeholders around sustainability challenges and to leverage differing capacities and areas of expertise.

Concerning public-private partnerships, there seems

Aligning Business and Education Priorities in Public-Private Partnerships

The global consultation in Addis Ababa devoted a workshop to innovative approaches to public-private partnerships that align business and education priorities. Panelists and participants agreed that business investment in education must be viewed from a long-term perspective and tailored to local market needs and realities. Conversation focused on concrete examples of collaboration that could be scaled up or replicated to improve access, quality, and relevance of education, tackling unemployment by better aligning academic curricula with market needs. Examples included: business associations addressing skills shortages by participating in curriculum development; United Nations Global Compact Local Networks working with companies to offer training courses which increase employability of vulnerable youth; businesses providing greater on-the-job training opportunities; United Nations-business collaboration to conduct skills gap assessments and contribute to education policy; boosting CSR investments in the educational sector and increasing government incentives for such investments; leveraging the 'Roadmap Framework for Business Investment in Education' developed by UNESCO, UNICEF and the United Nations Global Compact; investing in ICT, and providing stronger training and support to educators.



to be a considerable amount of goodwill on both sides. Private sector firms across the board have acknowledged their social obligations, while the public sector representatives have reaffirmed their support for private sector involvement in the Post-2015 development agenda.

One caveat from private sector participants is that public sector and civil society bodies must be judged as rigorously as private firms concerning sustainability endeavors. A positive step in this direction could be higher transparency and better circulation of successful examples of public-private cooperation through public communication channels.

The Pacific regional event further augmented its recommendations on PPPs with those for multi-stakeholder partnerships between governments, private firms and technical cooperation agencies, with a clear cost-benefit analysis to justify intervention at each stage of the cooperation process. Clearly, the strengthening of local, regional and global networks in this context has the potential to unleash new sources of growth, competitiveness, innovation and job creation.

The potential benefits of stronger interaction between private sector representatives and the United Nations system, at the country, regional and multilateral levels were addressed in the events in Addis Ababa and Cartagena. Similarly, a role for the United Nations as a convener and arbiter in setting "the rules of the game" was also suggested. Some industry participants in the USA and the Caribbean also expressed a desire to craft better relations with trade unions and/or labour representatives so as to promote and support business alignment with sustainable development strategies.

Throughout the consultation process, participants from Kenya, Indonesia, Mongolia, LAC, Europe, Spain, and the Pacific identified trust building as the most vital component for constructing successful public-private partnerships, along with the need of relevant actors to "speak the same language" or at least to improve communication channels (the US, LAC, Europe, Turkey, Ethiopia). In some cases, there was a clear sense that the relationship between the public and private sector had broken down or contained a considerable level of mistrust.

Participants to the global consultation in Addis Ababa discussed the rapid expansion of econom-

The Green Industry Platform – An Action-Based Initiative for a Greener Industrial Footprint

Since the Platform's launch at the United Nations Conference on Sustainable Development (Rio+20) in June 2012, UNIDO and the United Nations Environment Programme (UNEP) have been working side by side with businesses around the world to promote best practices in Green Industry, with the aim of encouraging the more efficient use of energy and raw materials in manufacturing processes and services. The Platform thus contributes both to cleaner and more competitive industrial development while improving the contributions of enterprises to societal and ecological protection.

However, the Platform above all provides an engagement mechanism to develop substantive road maps and partnerships to integrate green industry strategies and practices into policies and business plans alike. Only when concrete action is linked with knowledge-sharing and advocacy, will a systematic transformation of the global manufacturing sector be achieved.

Around half of the Platform's 150 signatories to date are businesses, ranging from SMEs, such as the Cambodian Modern Rattan company, to global multinational companies such as Microsoft Corporation and Total S.A.

The Platform enjoys high-level support from key policy actors, including the European Commission, the Global Environment Facility, and the International Chamber of Commerce, as well as a wide range of national governments and international organizations.



ic ties between countries in the global South that has catapulted South-South Cooperation to an unprecedented level. Such global partnerships, particularly in energy and infrastructure, are playing a significant role in Africa's economic transformation. Participants and panelists expressed their hope that this could be part of a move beyond traditional approaches based largely on resource extraction, which often fail to provide meaningful local employment or add value to local economies. Joint ventures between investing countries and host markets are to be encouraged and scaled up; governments also have an important role to play to incentivize partnerships with greater shared value. CSR in the context of South-South collaboration must also move beyond traditional notions of philanthropy to embrace principles of sustainability and harness the transformational power of a shared value approach focused on people.

Mobilizing Private Sustainability Finance

With a global trajectory of slower growth, and official development assistance (ODA) gradually becoming more constrained, a growing consensus is emerging on the role of the private sector as the main provider of innovative sustainable development financing.

It was suggested that more dialogue and a deeper collaboration between public and private actors will be needed. Institutional investors, companies and foundations, as the largest sources of capital available for investment, should be an integral part in the design and implementation of the strategy to finance the SDGs.

Private financial flows represent volumes significantly larger than the future SDG investment needs. Therefore mobilizing private investment for sustainable development should not be seen merely as an exercise of raising more capital but of reallocation. With the right incentives, private resource flows could be redirected towards sustainability issues and regions in need, and away from areas with negative externalities.

As cited in the consultations, building economic resilience, realizing the potential of the private sector and improving economic governance are critical elements towards creating a dynamic and sound investment climate. While many of these conditions relate to actions that governments need to take or frame,



also prominent among these is the market allocation of resources, led by the private sector.

Investors and companies have different ways of embedding sustainability considerations in their investment decisions, an integrated approach with common metrics to measure impact will be necessary in order to create synergies.

With the development of the corporate sustainability movement, growing numbers of investors, companies and foundations are embedding sustainability criteria in their investment decisions and seeking to deliver value for both business and society. Strong support for the sustainability benefits of foreign direct investment (FDI) was indicated in global feedback. FDI is evolving, investors are now increasingly investing in a way to grow with the markets, and become stakeholders. This in return makes them aware of issues of stability and competitiveness, among others. FDI will exert a greater impact on development if it contributes to expanding productive capacity, enhancing sectoral linkages, transferring technology and complementing domestic resources mobilization via tax generation. These issues were discussed in most consultation events.

Financial resources can be directed toward sustainable development through risk mitigating mechanisms for investments in sustainability – e.g. loan guarantees on infrastructure projects that are environmentally protective, creating decent jobs and benefitting the poor and marginalized, which requires large amounts of upfront capital and may have a very distant horizon on returns. On the other hand, private investors also have the capacity to support business growth and influence the way industries improve their social and environmental performance – particularly via responsible approaches to private investment, thus ensuring a mutually reinforcing con-



tribution of public and private actors.

Access to new forms of finance is essential in creating an enabling environment for startup firms to be established, for maintaining investment cycles to harness the dynamism of private sector companies, and to underwrite transport, farm, water and energy infrastructure to the tune of at least \$1 trillion a year.

Moreover, private sustainability finance should also be leveraged through a smart combination of local MSME creation, investment promotion, adapted financing and incentive schemes, technology transfer and specialized capacity building. In order to bring about local ownership and long-term impact for any development effort, financing needs can be accompanied by a sector-specific and a country/region specific agenda, as suggested in the Europe and Central Asia event. SMEs in Mongolia, for example, were advised to work more closely with non-banking financial institutions (NBFIs), which are seen as being more responsive to their needs and specificities. Moreover, in countries with a large proportion of small enterprises, such as small developing islands, export promotion strategies focusing on value-chain development are seen as essential, with clear delineation of responsibilities for each actor, and with clear linkages established.

There were ideas on how to leverage and scale-up corporate sustainability efforts in line with future development priorities through particular corporate volunteer programmes. As identified by representatives of the private banking group in Turkey, such programmes include not only community service-related activities but financial literacy training essential to improve MSMEs access to finance, and therefore their potential to increase the impact of their sustainability initiatives.

Finally, it was noted that not all investments in sustainability are suitable for private investment. ODA remains a critical financing source for extreme poverty eradication, especially in least developed countries and countries in special situations.

Localizing the Architecture for SME Engagement

This strand of the debate on private sector engagement arose in the majority of the consultation events, highlighting the crucial elements of innovation and dynamism that SMEs bring to any growing economy. The contribution that private businesses can make to development and prosperity is dependent on their success. Successful companies are usually investing, increasing productivity, employing people, paying salaries, providing goods and services, generating profits and paying taxes, while displaying resilience against social, economic, and environmental shocks. Especially through engagement with larger value chains, SMEs can and should have the opportunity to adopt and activate sustainability principles. Throughout the consultations, national governments, regional and international organizations have all recognized greater SME engagement as imperative towards the realization of any development goal, given the large proportion of employment provided by this category of firms (99 per cent in the European Union, and over 50 per cent in Mongolia).

Unfortunately, SMEs face a financing gap that greatly restricts their access to the capital they require to grow and expand, and contributes to economic prosperity. As raised by European, Caribbean and Mongolian delegates, SMEs lack the resources of large multi-nationals to develop sophisticated solutions for making production, transport and consumption more environmentally sustainable. Moreover, they are not likely to be able to realize their rightful and key place in contributing to economic transformation and local socio-economic development as long as they face difficulties obtaining finance.

Some experts speaking at the consultations drew attention to specific challenges for SMEs, such as building their capacity to implement international development frameworks and to partner with multinational companies in whose supply chain they find themselves to build capacity; this was a particular concern for participants from Europe and Central Asia. Discussion also turned, in most consultation events, to the

specific challenge of SMEs (including cooperatives) and their need for capacity building. The capacities of the SME sector are relatively weak in most of the developing countries consulted. They can be strengthened with strategic training programmes that focus on, and are oriented to, skills acquisition –ranging from technical and management capacities to access to markets, market intelligence, and the use of appropriate technologies. A participant from the business community during the consultations reminded the audience that *“SMEs need capacity building, not just sporadic training but skill-based training.”* These issues are very clear to entrepreneurs.

Building a robust and more diversified SME fabric is also hindered by outstanding obstacles to entrepreneurship, such as complicated local governance procedures, excessive red-tape, and barriers to market access and to new technologies.

A strong message emerged from several events, from the Pacific to Spain, that SMEs should not be overburdened with complex sustainability frameworks and standards, due to their lesser capacity to take on related administration and transaction costs. As noted by a scholar at the Europe and Central Asia event, SMEs do not have the same capacity as larger corporations to effectively implement voluntary standards. Thus, industry delegates (particularly in Latin America) have emphasized that any future corporate sustainability regimes must take into account firm size and local conditions. Above all, private industry and business representatives insisted that SMEs must not be penalized for their implementation of ethical business principles in terms of loss of cost competitiveness in the market.

Discussions emphasized the need to differentiate between small and micro enterprises on the one hand, and medium enterprises on the other, insofar as the latter holds greater capacity to access global value chains, which is seen as essential to implementing sustainability approaches and practices. Either way, support for SMEs from governments and large end-user corporations was deemed fundamental to ensure their impactful and long-term involvement in social and environmentally friendly practices. Participants have also highlighted that the spectrum of SMEs is extremely diverse and often fragmented. For many private sector actors, empowerment of micro entrepreneurs through joint public-private sectoral policies is necessary. Thus, local governments play an important role in offering the right incentives.

The Caribbean case

Participants in the regional consultation in Aruba firmly stressed the need to create value added activities and develop new areas of competitive advantage for companies to drive the economy. Economic diversification through SME development in the region would lead to more resilient economies that succeed in generating greater opportunities for job creation and steady growth.

As the preponderance of MSMEs, small domestic economies, and limited pools of specialized inputs and resources characterize the region's economy, representatives from the business community urged Caribbean countries to explore innovative ways of facilitating the access of local businesses to larger and more sophisticated markets through the necessary infrastructure, the right economic and industrial policy reforms, adequate investment strategies and partnership promotion. Moreover, it was outlined that economic development strategies framed by governments must make it easier for SMEs to operate at a lower cost, for example by helping them to become sustainable and greener.

Enhanced and dynamic collaboration between the business community and research and academic institutions within the region was also identified as central to providing valuable opportunities for advancing growth, innovation and competitiveness in the SME sector, thus boosting regional integration while also leading to a more inclusive development. The fact that there is currently limited dialogue between these two mutually-benefitting sectors is seen as a major constraint for sustainable economic development in the region.



Much of the responsibility for establishing an enabling environment for SMEs is borne by governments. However, multinationals can take on a leadership role in pursuit of this goal, namely through partnering in global value chains that encourage smaller suppliers to meet sustainability criteria as well as international standards. This was particularly endorsed in the consultations in LAC, Europe and Central Asia, the Pacific and the Caribbean. To this end, it becomes particularly important to ensure that specialized knowledge and assistance is brought to local businesses and industries, in order to increase their capability to comply with standards on international trade and sustainability. Technology transfer and the sharing of best practices from large-scale businesses, academic and research institutions and the public sector is one important form that such support can take.

The active support and the creativity, agility and resilience that are characteristic of many SMEs will help to further strengthen their role as active socio-economic agents for transformational change and sustainable development, geared toward translating universal principles of sustainability into the local context.

Building Trust through Transparency and Accountability

To build trust and to be considered credible partners in the Post-2015 era, companies should be transparent with regard to social and environmental impact, be accountable for how their activities create or deplete value for society, and report on what they are doing to improve performance. Throughout the consultation events, some private sector participants articulated a lack of trust between stakeholders implementing transparency measures, i.e. between the private sector, governments and civil society. Such a deficit is not conducive to creating an enabling environment for new modes of accountability to flourish.

To foster transparency, it was suggested that public bodies should publish details of their decision-making on their websites. On the business side of the equation, participants at the majority of events advocated for improved transparency and accountability in non-financial performance with related indicators, such as contribution to poverty eradication, support for decent work, respect for gender equality and the need for sex-disaggregated data, and promotion of



environmental sustainability, which benchmark international best practices and business ethics. The Addis Ababa event on the ethical dimension of sustainability highlighted the potential of multi-stakeholder platforms and work streams focused on the role of the private sector in advancing transparency, anti-corruption, and the rule of law, all pre-requisites to create enabling environments for broad-based economic development and prosperity.

Transparency and Accountability Framework and the United Nations Global Compact

United Nations Global Compact signatories commit to issue an annual Communication on Progress (COP), a public disclosure to stakeholders (e.g. consumers, investors, civil society, Governments, etc.) on progress made on the ten principles of the United Nations Global Compact and in supporting broader UN goals. The COP requirement serves several purposes: Advances transparency and accountability; drives continuous performance improvement; safeguards the integrity of the United Nations Global Compact and the United Nations; and helps build a growing repository of corporate practices to promote dialogue and learning.

Participants clearly highlighted the need to streamline measurement and reporting tools to be affordable and understandable for SMEs as essential to increasing impact and accountability. However, *“new modes of accountability and transparency for businesses should take into account the size, needs and possibilities of the firm in question”*, as a Colombian Government representative pointed out.

The Austrian consultation pointed out that United Nations Member States should work towards a global

reporting initiative within the Sustainable Development Goals framework, similar to the EU’s non-financial reporting directive. Participants at other consultation events, such as that of the Pacific, also suggested an international transparency regime (though not explicitly within the United Nations system) and a series of further measures, including participatory decision-making and control mechanisms, involving the public sector and local communities. Firms already publishing sustainability reports have voiced a desire to gain some form of incentive, such as tax breaks or consideration for public procurement contracts.

Recommendations for Private Sector engagement in the implementation of Post-2015 Development Agenda

The above sections described the insights gleaned so far from the global consultation on “Engaging with the private sector in the Post-2015 development agenda.”

This consultation process highlights the strong commitment of private industry and business towards being an active part of cooperation for development. Private sector representatives have shown their willingness to further strengthen their corporate sustainability commitments and include sustainability criteria in their core business operations and strategies. However, this cannot mean that the private sector becomes a substitute for governments in the development context. On the contrary, governments are urged to design policy measures to provide the right incentives for sustainable business action, to increase their transparency and to lead by example, so as to strengthen, and create when needed, the necessary trust for further engagement of businesses.

The private sector is now seen as a development cooperation actor, along with aid donors, the United Nations system, NGOs and governments. On the other hand, industries are active players in the economy and, as such, are themselves creators of employment, income and ultimately development. This is a reason why Post-2015 aspires to be more than an aid agenda. The new sustainable development framework is universal and all players, from developed and developing countries, are faced with opportunities and responsibilities. Such an agenda includes the private sector, which is called to explore new business opportunities while further raising its ethical bar, as well as its transparency and sustainability standards.

The engagement of private industry and business in designing and implementing growth and development policies and actions is key for a successful

Post-2015 development agenda. This conclusion was reached by discussants throughout the consultation process so far, regardless of their geographical location. Furthermore, this consultation has provided the clear message that despite often ineffective communication between the public and the private sector, both sides (and the United Nations system alike) are aligned in recognizing the mutually beneficial role of such business engagement in development. This agreement, in principle, is perhaps the most welcome conclusion of this consultation process up to this point.

However, a real paradigm shift must now be put in place to decouple industrial activity from environmental degradation. Much work is still needed to ensure efficient public-private partnerships, reliable and affordable transparency and sustainability reporting, gender equality in the labor force and in households, and to meet all other challenges facing the private and the public sector in the new era.

Despite the diversity of players, local contexts and opinions in these consultations, it is possible to identify the outlines of key “asks” and recommendations coming from the private sector for an implementation framework that facilitates its engagement within the new development agenda.

These recommendations are summarized below and conclude this report.

Developing Government Policies Which Drive Corporate Sustainability

- Government and business should engage in a collaborative approach to sustainable development, respecting and valuing the roles and capacities of one another.

- Government, which plays a leading role in the post-2015, SDG process, can put policy measures in place to incentivize greater implementation of voluntary sustainability regimes. These include tax breaks, access to export credits, promotion of best practices in the realm of sustainability, and integration and prioritization of sustainability criteria within transparent procurement tender contracts, etc.
- Policies to promote innovation should be prioritized as they are key to industrial development.
- Corporate actors should hold themselves responsible for the environmental and social impact of their actions, above and beyond what is required by legislation and regulation.
- A green industry framework can entail financial incentives; feasibility studies; alignment with international standards and norms; waste management systems; and support for resource productivity. Taxation could be shifted from labour to natural resource use, together with the removal of harmful subsidies.

Mobilizing Private Sector Sustainability Finance

- There is an emerging consensus that the private sector will need to provide the bulk of innovative sustainable development financing.
- Governments can set conditions for dependable and fair access to credit for SMEs in order for them to be able to meet sustainability criteria, while meeting their economic return.
- Private sector entities should provide clear, accurate triple bottom line - economic, social and environmental - information about their operations to facilitate the workings of private sustainability finance.
- Non-traditional financial sectors must also be considered as potential sources of financing for sustainable development processes, including the philanthropic sector, corporate foundations, impact investors, etc. In order to further discuss and to better define these and other possible measures, it is recommended that two days be allotted for formal interactive hearings with representatives of the business sector and civil society

between September 2014 and March 2015. This time should also be used to prepare inputs for the preparations of the Third Conference on Financing for Development.

- ODA remains a critical financing source for extreme poverty eradication, especially in least developed countries and countries in special situations.

Localizing the Architecture for SME Engagement

- SMEs should play an active role in the formulation of the SDGs, as the implementation of the Post-2015 agenda will depend to a large extent on their take-up.
- SMEs are flexible and innovative, yet they often lack the capacity to access global value chains. Enhancing this capacity should be a priority.
- Support for SMEs can be enhanced through financing instruments, but also through technology transfer and capacity building. Training, mentoring and knowledge – sharing platforms for SMEs and micro-enterprises can be provided, often by larger companies in a supply-chain relationship.
- Corporate sustainability and CSR measurement and reporting costs should be simplified in order to be affordable for SMEs.

Enhancing Partnerships

- Spaces for dialogue should be created to enhance, strengthen and create new partnerships. A collaborative relationship between governments and business should set the rules of engagement and responsibilities for partnership initiatives.
- Public-Private Partnerships are vital to gaining the shared buy-in necessary, on the part of all stakeholders, needed to achieve the objectives of international development frameworks. Neutral and independent bodies may be required to assist in the implementation of public-private partnerships. The United Nations system may also act as a catalyst for such relationships.
- Official Development Assistance (ODA) should be complemented by business partnerships solutions.

- Joint ventures between investing countries and host markets, such as are occurring under South-South cooperation, should be encouraged and scaled up and sustainability aspects emphasized by governments, business and SOEs.

Building Trust through Enhanced Transparency and Accountability

- To build trust and to be considered credible partners in the Post-2015 era, companies should be transparent with regard to their social and environmental impact, be accountable for how their activities create or deplete societal wellbeing, and report on what they are doing to improve performance.
- Dialogue and closer engagement in international development processes should be fostered between governments, donors and SMEs, with clearly defined roles and responsibilities for each party.
- Transparent and participatory policymaking processes should be fortified, involving the local community and the private sector, based on sound research capacity, market data and measuring development impact. Desired outputs should include greater financial investment, improved production, enhanced job creation, manufacturing value added (MVA), rising competitiveness and profitability. Mechanisms identifying best practices should be established, in addition to knowledge-building and innovation tools. Accountability mechanisms should be adjustable to the size, needs and capabilities of an enterprise.
- Awareness-raising and public education on transparency and accountability and developing curricula for training in secondary schools may be beneficial to realizing international development objectives.
- Greater transparency can be achieved in the delivery of public services through traceability audits.

Annex I: Background on the consultations

The Secretary-General has requested that the United Nations system build on the outcomes of consultations already conducted, keeping channels of debate and engagement open as the intergovernmental process moves into its next phase, and that the private sector be heavily engaged. While the first round of high-level consultations on the Post-2015 Development Agenda focused on the potential issues and areas to be included in a post-2015 development agenda, it was decided that the second round of system-wide consultations should address the implementation mechanisms.

Engaging with the Private Sector is one of the six themes on which the United Nations Development Group (UNDG) has organized consultations to support United Nations Member States in negotiating and formulating the Post-2015 development agenda, particularly with regard to its Means of Implementation. The co-leads of the consultations – UNIDO and the United Nations Global Compact -- identified the following five implementation themes:

- *Developing Government Policies that Drive Corporate Sustainability:* For the private sector to succeed, and in order for companies to be supported in pursuing sustainability, national governments play a key role in creating the right conditions. Consultations explored how governments can put in place systems to systematically and across disciplines – whether it be infrastructure, health care, education or water provision – enhance the engagement of the private sector as a solution provider, whilst recognizing the various sizes and capacities of different private sector entities.
- *Enhancing Partnerships:* Transformative partnerships and collective action is needed to achieve systemic change. Consultations examined how partnerships with the private sector can most effectively be advanced and expanded – especially with a view to better include actors from the global South so as to leverage on their context-specific knowledge. Discussions on how localized implementation platforms can foster impactful

partnerships at local level also featured throughout the consultations.

- *Mobilizing Private Sustainability Finance:* It is clear that mobilizing financial resources and investment will be required to achieve critical global objectives in the new era. Private finance and investment, in particular, will be required as a complement to public funding, especially given expected fiscal constraints within the public sector. Portfolio investment, private equity, bank project finance, insurance, and corporate capital investment can all have an important role -- provided investment decisions are rooted in principles of sustainability. Consultations focused on the ways to catalyze so-called “private sustainability finance”, and how to align investment decisions squarely with the Post-2015 Agenda.
- *Localizing the Architecture for SME Engagement:* Small and medium-sized enterprises (SMEs) make up an integral part of the global economy and thus play an important role in implementing the Post-2015 Development Agenda. Though most SMEs do not operate on a global scale, it is crucial that they are engaged through local and national mechanisms so to be able to contribute to the international Post-2015 era. Consultations covered tools and approaches to support and encourage SMEs in making sustainable development a serious priority.
- *Building Trust through Enhanced Transparency and Accountability:* Consultations have systematically explored how measurement practices, reporting standards, and certification schemes can be utilized by companies in order to enhance legitimacy and build trust, as they engage as partners in sustainable development.

The United Nations Global Compact and UNIDO, in conjunction with the United Nations Country Teams, United Nations Resident Coordinators, Global Compact Local Networks and respective governments, have organized a series of local, regional and glob-

al consultation events, some of which financed and supported by USAID and the Spanish Government. To date, seventeen (17) events on four continents (see Annex II) have taken place with the purpose of soliciting input from private sector stakeholders, as well as from related government institutions, international organizations, civil society organizations and academia. Over 1,000 participants have been involved in the following series of consultation events in the period from February to August⁴ 2014, however, the report also builds on consultations carried out in 2013 in 43 countries and involving thousands of participants⁵.

The 2014 consultations have been structured as follows:

- **Global consultations.** Two global consultations served as platforms to facilitate private sector contributions to the post-2015 process and explore innovative models of partnerships to advance sustainable development. A kick-off event was hosted by UNIDO and the Center for Strategic and International Studies (CSIS) in Washington, DC, USA; followed by a second event intended to provide valuable inputs to the consultation through the particular frame of the United Nations Global Compact's Annual Local Network Forum / United Nations System Private Sector Focal Points Meeting, held in Addis Ababa, Ethiopia. Additionally, a dedicated online dialogue platform and a survey were set up to complement the physical meetings organized for this consultation. In addition, a dedicated space on the "World We Want" site was opened for consultations on "Engaging with the Private Sector" from May through August 2014. A comprehensive survey with closed-ended questions was filled out by respondents, three quarters of whom identified themselves as participating in a Global Compact Local Network.

- **Regional consultations.** Four (4) regional events have been organized under the UNDG consultation framework so far, directly by the co-leads or with their close collaboration via technical assistance, attendance and logistical support. A UNIDO-led consultation in Bratislava, in close cooperation with the Government of Slovakia, addressed the specific development issues of the European and Central Asia region, while the regional consultation in Port Vila, Vanuatu, covered the Pacific region, with greater

attention on the context of Small Island Developing States (SIDS). The Latin American regional dialogue in Cartagena, Colombia, was planned and conceived together with the Spanish government and UNDP, along with the activities of the Second Business Forum on Gender Equality. Aruba was the venue of the Caribbean regional event which brought together business representatives from the Dutch, English, Spanish and French speaking Caribbean countries to address the vulnerabilities and opportunities of the region's public and private sectors in contributing to the future development agenda. All regional consultations successfully addressed five core thematic areas or enabling elements previously identified in a cross-cutting manner.

- **National UNCT-led consultations.** Two national consultations have taken place in Mongolia and Trinidad and Tobago. UNIDO and the UN Global Compact have consistently supported UNCT and RC in this exercise through direct participation and close collaboration with UNIDO's local representatives and regional directors, as well as UNGC's local networks. UNCT in Mongolia organized two extensive consultative meetings with the private sector, jointly with the Mongolian National Chamber of Commerce and Industry, to further tap into a National Forum on strengthening partnership among State, private sector and civil society organizations on anti-corruption efforts. Issues related to localizing the architecture for SMEs engagement and building trust through transparency and accountability were broadly discussed during this particular process. Similarly, the Resident Coordinator in Trinidad and Tobago carried out a national consultation with the support and collaboration of the country's Chamber of Industry and Commerce whose conclusions are expected to be echoed in the upcoming VIII Americas Competitiveness Forum in Trinidad and Tobago later in the year. The thematic focus of this meeting, however, included charting a path for sustainable economic growth and building high impact partnerships for sustainable business development. In addition, two (2) preparatory meetings intended to feed into the Turkish National Consultation scheduled for late September have been carried out in Istanbul.

⁴ As of 27 August, 2014

⁵ Corporate Sustainability and the United Nations Post-2015 Development Agenda, 17 June 2013, United Nations Global Compact report to the Secretary-General

- Global Compact Local Networks-led consultations.

The Local Networks have been particularly encouraged to undertake consultations to complement to the UNCT and RC. In this context, eight events have been organized: Brazil, China, Indonesia, Austria, Kenya, Spain, United Arab Emirates and Mexico.

It is worth noting that, due to the national and regional focus of the consultations, there has been a significant level of heterogeneity in terms of priorities. In many instances, cross-cutting issues received considerable attention in the discussion. Themes such as gender equality, good governance and environmental protection, as well as sustainable industrialization as a policy priority, have been the subject of considerable debate therein, and thus have yielded a broader set of clearly-defined proposals.

Annex II: List of Events

Continuing Inclusive Dialogue on the Post-2015 Development Agenda: Engaging with the Private Sector

(As of 15 .09.2014)

DATE	EVENT and COVERAGE
27 February	UNGC local network consultation in Jakarta. Coverage: Indonesia
4 April	UNGC local network consultation in Vienna. Coverage: Austria
10 April	Kick-off consultation in Washington DC. Coverage: Global
30 April	UNGC local network consultation in Nairobi. Coverage: Kenya
9-10 June	UNGC-led Consultation in Addis Ababa. Coverage: Global
16-17 June	Regional consultation in Bratislava. Coverage: Europe and Central Asia
17/25 June	National consultation in Ulaanbaatar. Coverage: Mongolia
26-27 June	Regional consultation in Oranjestad. Coverage: Caribbean
27 June	Regional consultation in Port Vila. Coverage: The Pacific
30 Jun-1 Jul	Regional consultation in Cartagena. Coverage: LAC
10 July	UNGC local network consultation in Madrid. Coverage: Spain
18 July	National Consultation in Port of Spain. Coverage: Trinidad and Tobago
1-31 August	National Online Consultation in Dubai. Coverage: United Arab Emirates
15 August	Consultation in Beijing. Coverage: China
18 August	Consultation in Mexico City. Coverage: Mexico
27 August	UNGC local network consultation in Sao Paulo. Coverage: Brazil
19 Sept (prep. 25 June and 2 July)	National consultation in Istanbul. Coverage: Turkey

