

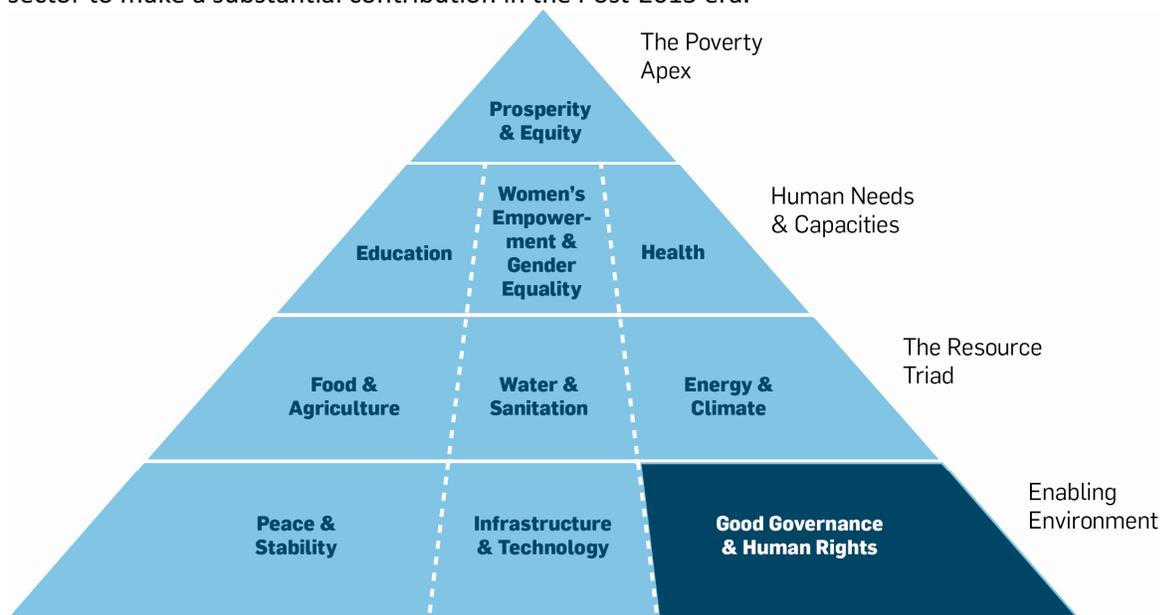
## Post-2015 Agenda and Related Sustainable Development Goals Issue Focus: the Role of Business in Governance and Respect for Human Rights

### Overview

As governments and policymakers work to develop the Post-2015 agenda, the international community is actively discussing the possible scope of potential sustainable development goals (SDGs). In dedicated consultations, companies associated with the United Nations Global Compact identified fair and efficient governance and an environment where human rights can flourish as not only benefiting business, but to be necessary features of a sustainable society.

The United Nations Global Compact has been asked to bring private sector perspectives and action to the Post-2015 global development agenda, creating an historic opportunity to scale up and align business efforts in order to effectively contribute to United Nations priorities. The overlap between public and private interest in sustainable development is becoming increasingly clear, and the development of the Post-2015 agenda will require an unprecedented level of interplay between business, governments, civil societies and other key stakeholders. This public-private convergence and opportunity space is reflected in the Post-2015 Business Engagement Architecture, released at the UN Global Compact Leaders Summit in September 2013. The Architecture provides a resource and roadmap for how to work with the private sector in the new era.

Related to the Architecture, consultations conducted by the UN Global Compact with thousands of companies and stakeholders revealed that businesses committed to sustainability and ethics are energized by the prospect of a newly articulated set of world priorities—including clear goals and targets. From the input received, the UN Global Compact’s LEAD companies developed a series of recommended goals and priority areas (shown below) that they believe would also empower the private sector to make a substantial contribution in the Post-2015 era.



Source: Global Compact LEAD consultations

LEAD Companies as well as participants in both the UN Global Compact’s Working Group on the 10<sup>th</sup> Principle against Corruption and the Business for Peace initiative strongly support the inclusion of good

governance and human rights in the Post-2015 agenda. The establishment of enabling environments conducive to responsible investments and private sector participation in economic planning and policy-making are considered essential building blocks of any future global development framework, and a critical foundation for companies to contribute to the realization of sustainable development.

Further, they have proposed a stand-alone goal on governance and human rights as an integral element within the proposed ten goals. This goal and related targets are articulated as follows:

**“Goal 9: Good governance and realization of human rights, targets include:**

- Raise awareness and implementation of all UN human rights conventions and instruments among all people and at all levels of governance.
- Achieve competitive and transparent procurement processes through public advertising of all government procurement cases.
- Develop further an open, rule-based, non-discriminatory international trading and financial system.
- Establish a climate supportive of business and investment at home and from overseas, including incentives in favour of sustainability.”

The purpose of this issue paper is to inform governments and policy makers of the responsible business community’s willingness to contribute to the formation of any goals on fair, peaceful and prosperous societies, as well as future implementation efforts involving the private sector.

### **Business Platforms for Action and Partnership**

While public-private partnerships are becoming the order of the day, it remains important to maintain clear distinctions between the role of the government and that of business. The public does not welcome undue influence of moneyed interests on government, while corporate leaders for their part are wary of “state duties” being shifted over to the private sector by purpose or by default.

One way that business can contribute is through scrupulous respect for human rights in the workplace and in their dealings with customers, suppliers and neighbours, and especially in times of conflict or uncertainty. The UN Guiding Principles for Business and Human Rights sets out a clear framework for this approach, which is not only a social responsibility but also a means for strengthening brand credentials, building customer loyalty and attracting investment.

The Global Business Initiative on Human Rights utilizes the Guiding Principles is an example of a platform for an enhanced approach to global leadership and risk management, helping to provide access to markets, customers and capital. GBI is led by a core group of 18 major corporations headquartered respectively in all major world regions.

One area where the shared responsibility of the private and public sector notably appears is that of corruption. Due to the mechanics of graft, the only workable approach is to involve businesses in numbers, state agencies and civil society watchdogs in collective pacts to minimize or eliminate its practice, while at the same time improving both corporate and government transparency and accountability.

After the UN Global Compact accepted the anti-corruption as its 10th Principle (the other nine cover human rights and the environment) in 2004, a multi-stakeholder working group was convened to catalyze action and provide resource tools. The Working Group is also mobilizing companies around

the post-2015 development framework through a Call to Action campaign from the private sector, which urges Governments to integrate anti-corruption and good governance into this agenda.

### **Key Driver: Public Policy and Enabling Incentives**

From the business view, the rule of law, an enabling political environment for economic development, wise regulation with a minimum of bureaucracy, and transparency highlight the requisites of governance. Government protection of human rights is among these qualities.

While maintaining a level playing field for businesses, governments can also *raise* the level of the playing field, by maintaining even-handed rules that sanction socially corrosive action by businesses and incentivize sustainability, both within countries and, increasingly, via shared international standards. Public advertising of all government procurement cases is an immediate step that can be taken to build confidence in the public sector and support a level playing field.

After a long-term surge following the end of the Cold War, the trend toward multilateralism has been wearing at the edges in recent years. Governments should support existing and if possible improved agreements and protocol on trade, investment and migration, with an emphasis on openness and fairness. Multilateral cooperation in terms of development, conflict resolution, economic interchange, the free and unforced movement of people has been at the heart of advances in living standards in the new century. It is a vital resource that needs to be guarded and nurtured as much as the natural environment.

### **Accountability**

In recent years, increasing numbers of companies are reinforcing sustainability efforts with public commitments in relation to accountability, responsibility, and transparency. To build trust and be considered a credible partner in the Post-2015 era, companies should be – and increasingly are – transparent about their social and environmental impacts, and need to be accountable for how their business activities create or deplete value for society and what they are doing to improve their performance.

Participants of the UN Global Compact have made public commitments to the Global Compact's ten principles and are required to report annually on their sustainability efforts through a Communication on Progress (COP) report. Businesses engaging with the UN Global Compact's Issue Platforms, such as Business for Peace, are also asked to additionally report on their efforts surrounding those particular issues.

Generally speaking, the UN Global Compact organizes its companies into three categories based on the level of COPs submitted. These levels – Learner, Active and Advanced – allow the UN Global Compact to encourage and challenge participants to use more sophisticated methodology and release more detailed COPs. Companies are increasingly rising to the challenge to report in a more advanced, detailed and transparent manner. This sort of accountability is crucial in instilling confidence in all stakeholders that companies are truly making meaningful progress towards global sustainability.

At the same time, companies are being encouraged to publicly commit to longer-range sustainability objectives and goals in order to better align their efforts and strategies in relation to the broad global sustainable development agenda.

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