



**PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT:
THE OSLO CONFERENCE ON GOOD GOVERNANCE
AND SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

THE OSLO AGENDA FOR CHANGE

OSLO, NORWAY, 28-30 MARCH 2007

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FOREWORD

The Oslo conference was motivated by a joint call from concerned stakeholders on how to advance the sustainability agenda in an era of unprecedented (but disparate) economic growth. A diverse group of participants representing a broad range of interests, NGOs, business and industry, research communities, trade unions, and government representatives were invited by the Norwegian Ministry of Foreign Affairs to respond to the concerns expressed. This was a gentle exercise of the Ministry's "convening power" to encourage cooperation, joint analysis and cross-sector partnering with a view to achieving common goals.

The conference took place in Oslo from 28 to 30 March this year and attracted more than 800 representatives from government, business, academia, trade unions and non-governmental organisations (NGOs) from more than 50 countries, from all regions of the world.

The Oslo conference has been designated by the United Nations Commission on Sustainable Development (CSD) as an official inter-sessional event to the CSD's 15th session. This conference document, the *Oslo Agenda for Change*, is prepared for submission to the policy discussions that will take place at the United Nations Building in May, 2007 in New York.

The Norwegian Ministry of Foreign Affairs wishes to express its gratitude to all conference participants who very actively brought forward their knowledge, experiences, views and recommendations - and would also like to thank the key institutions that supported the conference, including the United Nations Department of Economic and Social Affairs (UN DESA), the United Nations Environment Programme (UNEP), the UN Global Compact, the World Business Council for Sustainable Development (WBCSD), and the Global Reporting Initiative (GRI).

This document has been jointly created by key actors from the conference planning committee, (including business, NGOs, trade unions, academia and government representatives). The Norwegian Ministry of Foreign Affairs has undertaken to shape and draft the conference document.

BACKGROUND

Sustainable development has been on the global agenda for more than two decades and is reaching new levels of urgency. The past decade has seen the corporate social responsibility (CSR) agenda become increasingly important to business, in particular its relation to recruitment, investors' bottom line reporting, profit creation and issues concerning the identity

and brand of the individual company. In this period we have witnessed the formation of innovative partnerships between corporations and NGOs, combining the wealth-creation capacity of business with civil society's insights and proximity to people's concerns and needs. At the same time, NGOs have often criticised corporations for modest or insufficient ethical, social and environmental performance and for not being ambitious enough. In the *tripartite* model, governments add leverage to partnerships by providing public resources and democratic legitimacy, signalling that multi-stakeholder efforts are vital for progress. Research and academic institutions increasingly include CSR on their curricula and in research programmes.

The Oslo conference on good governance and social and environmental responsibility aimed to take the debate about business, society and sustainability beyond just CSR. It asked if solutions could be found within existing paradigms, or if we needed to think and act in radically new ways. The conference addressed questions on how effective partnerships could be designed without undermining the regulatory responsibility of government and crucial watchdog functions of civil society, and without limiting the innovation capability and efficiency of business. A desired objective was to identify measures that could both release the potential of business and ensure that private, public and civil society actors work in partnership towards sustainability, creating long term value. Finally, the conference agreed to target global development in discussions and conclusions.

KEY MESSAGES FROM THE OSLO CONFERENCE

The conference delegates clearly expressed a *common sense of urgency to move forward* on issues of sustainability and CSR. The conference highlighted that much good work is being done by governments and business to meet social and environmental concerns, but that serious gaps in government implementation and serious deficiencies in industrial self-regulation remain.

A clear message from the Oslo conference is that the current situation represents a "tipping point". A priority ahead, for governments and business, is to reduce poverty and better safeguard the environment. We are witnessing a fundamental shift in the perception of the relationship between economy and environment, and we are realising that, on a global scale, we are threatening the life-support systems of the world. With the threat of climate change, business as usual is no longer an option. We all need to change our mindset.

The conference clearly stated that working in partnership is key to meet these global challenges. Both resource depleting businesses, weak civil societies and failed governments are part of the problem, but responsible companies, engaged governments, vigilant NGOs and knowledge communities are part of the solution. Future progress will require broad participation, sophisticated knowledge, strong and consistent political will, integrated policies and long term commitment. The conference delegates recalled decisions made at the World Summit on Sustainable Development in Johannesburg and the adopted plan of implementation, according to which the international community should promote CSR, accountability and the exchange of best practices in the context of sustainable development. The conference clearly established that there is a need for:

- **addressing the needs of the poor in a way that promotes sustainability.** Models for wealth creation should encompass both economic and social aspects, ensuring broad participation and a social safety net. Microfinance has proved highly effective. Information and communications technology is another excellent example.

- **increased efforts by governments and companies to fill the implementation gap.** The laws, regulations and commitments are in many instances in place, but the means and the will to effectively implement them are often insufficient. Concerted action by governments, local authorities, industry associations and corporate front runners is vital to scale up implementation and to pull hesitant companies along. Companies should not lobby against setting international and national objectives on ethics and standards on sustainability, but actively participate in finding credible and durable ways to advance the sustainability agenda, securing business involvement and a level playing field.
- **strengthening and developing existing voluntary international instruments and mechanisms on CSR.** Business needs a level playing field, and governments should seek to provide this. Where this cannot be done rapidly, voluntary and well verified mechanisms need to be further evolved to move faster towards desired outcomes. Wider application of existing voluntary regional and multilateral frameworks is encouraged.
- **increased attention and engagement by the international community.** Cooperation between multilateral and global organisations such as the UN and its agencies, in particular the UN Global Compact, ILO and UNEP should be reinforced, and cooperation between these organisations and business, NGOs and the knowledge communities is strongly encouraged.
- **broad alliances** between governments, international organisations, local authorities, business, civil society and knowledge communities to define and advance partnerships, drive improvements, and secure implementation at the international, national and local levels. Partnerships have proved efficient in fostering understanding and achieving mutually defined objectives.
- **new knowledge and enhanced support for science to address the poverty and environment challenges more effectively.** How can we establish effective pro-poor business models? How can we bring energy innovation to the markets that need them the most? How can we advance the concept of socially and environmentally responsible investment (SRI) and develop a tool for investors to handle long-term risk?

FOCUS AREAS FOR ADVANCING CORPORATE SOCIAL RESPONSIBILITY

The conference identified three main areas of unrealised potential for improving sustainability and corporate social responsibility:

Advancing corporate responsibility by respecting human rights and decent work standards. The protection of human rights is a moral imperative, for governments, individuals, and for companies. Human rights, health issues like HIV/Aids, employment and decent work need to be higher up on the sustainable development agenda. The creation and promotion of decent work is important in the fight against poverty and in order to stop unwanted migration. Governments should ratify the ILO core conventions and implement them nationally. When government implementation fails, companies are encouraged to establish and implement corporate standards in line with the ILO core conventions.

Advancing corporate responsibility by environmentally and climate-change friendly practices. There is a need for a shift towards low carbon technologies, focusing on energy efficiency and renewable energy. This should not deprive developing countries of their

prospects of economic growth. Business needs predictability to make the necessary investments and all governments should enter a new international agreement post Kyoto. Investors play a crucial role and have the potential to advance the sustainable development agenda in the private sector. Technological leapfrogging and innovation should be stimulated and environmentally harmful and distorting subsidies should be eliminated globally.

Advancing corporate responsibility by improving transparency and securing validation.

The credibility of corporate social responsibility is linked to the confidence of all stakeholders, especially in the local community. Transparency allows debate and assessment, thereby creating an arena for reward and disincentive – and fair play. Investors, procurers, customers and organisations want simple, reliable, credible information on government and corporate conduct. Information should reflect generally accepted principles and objectives to enhance the sustainability and ethics agenda. Hence, good governance and corporate transparency is crucial. Companies should ensure that internationally recognised standards on human rights, labour rights, corruption, and environment are implemented in the company and that implementation of such standards is demanded of suppliers. There is a need for increased capacity building and training among suppliers as well as social validators. International standards on the different aspects of CSR combined with sound sustainability reporting and independent audits, peer review mechanisms or certification systems are excellent sources of discipline and continuous improvements.