



## TAKING ACTION TO IMPROVE LIVES

### 2018 PARTNERSHIP FORUM

#### *“Partnering for resilient and inclusive societies: contributions of the private sector”*

4 April 2018

#### [Session 1: Inclusive Business Models for Women and Vulnerable Groups](#)

#### ISSUES NOTE

##### *Overview*

The private sector is expected to play a significant role in achieving the 2030 Agenda for Sustainable Development, including the sustainable development goals (SDGs) and the Addis Ababa Action Agenda. While recent inter-governmental discussions on the role of partnerships have been largely focused on how to create enabling environments to incentivize the engagement of the private sector in development efforts, there is a growing attention accorded to the quality and result of their engagement, that can contribute to inclusive economic growth and more resilient and equitable societies. Ensuring more results-based partnerships is a crosscutting endeavour, essential to the achievement of all SDGs.

##### *What does the 2030 Agenda for Sustainable development and the Addis Ababa Action Agenda say about inclusion?*

**The imperative for inclusion and universality is at the core of the 2030 Agenda, with its bold pledge to leave no one behind.** A number of targets across the 17 SDGs reflect this. For example, *target 1.4* seeks to ensure equal rights to economic resources by all including the most vulnerable. *Target 4.5* promotes

*“The success of this global transformation hinges on our ability to work towards new partnerships based on - as the 2030 Agenda states - “a spirit of global solidarity, focused in particular on the needs of the poorest and most vulnerable.”*

*Mary Robinson, first female President of Ireland, speaking at the 2017 ECOSOC Partnership Forum*

equal access to all levels of education and vocational training for the most vulnerable. *Targets for SDG 5* view gender equality and

women’s empowerment as both a means and an objective of all SDGs. *Target 9.C* highlights the need for increased access to information and communications technologies (ICTs) for all including vulnerable groups. *Targets for SDG10* focus on various social, economic and political aspects of inclusion for all. *Target 11.b* stresses the need for more inclusive cities and human settlements. *Target 17.18* calls for more inclusive data that is disaggregated by gender, age, race, ethnicity, migratory status, disability, etc.

##### *What does the 2030 Agenda and the Addis Ababa Action Agenda say about the role of the private sector for inclusive society?*

**The 2030 Agenda and the Addis Ababa Action Agenda underline the key role of the private sector to implement the SDGs as a complementary means of implementation (MoI).** While the main responsibility for the implementation of the SDGs lies with national governments, the 2030 Agenda makes direct reference to the role of the private sector stating that “companies should adopt sustainable practices and integrate sustainability information into their reporting cycle” (SDG target 12.6). The Addis Ababa Action Agenda also recognizes the contributions enterprises could make towards sustainable development including through their business operations; it calls for a rights-based approach that looks into social impacts of their operations. More broadly, the Addis Ababa Action Agenda refers to the potential contributions of the private sector in the context of multi-stakeholder partnerships through leveraging its resources, knowledge



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and ingenuity, in particular (op 10). Similarly, the 2030 Agenda frames these value-added roles of the private sector as important forms of development cooperation under SDG 17.

**A number of SDG targets on inclusion can be readily translated into actual “business goals”<sup>1</sup>.** For instance, the private sector can make direct impacts in developing small and micro-enterprises (SDG 8.3); and ensuring equal job opportunities for all (SDG 8.5) including youth (SDG 8.6). The businesses can also adapt their corporate policies to empower female employees including through enhanced use of technologies (SDG 5.b) and enable them to have equal access to decision-making (SDG 5.5). The private sector can help find innovative solutions to fast track inclusive and equitable access to water and housing for all including vulnerable groups (SDG 6.1 and 11.1)<sup>2</sup>. Addis Agenda also recognizes the need for private investment to scale up efforts to end hunger and malnutrition (op 13); to promote affordable and stable access to microcredit and skills development trainings for all including youth (op 16); and to ensure employment and equal pay for equal work for women as well as protecting them against discrimination (op 41)

### *How have these commitments been implemented so far?*

**There has been attempts to make concrete, comprehensive assessments of the efforts of the private sector.** Most monitoring initiatives focus on the performance of governments rather than the private sector in making progress towards the implementation of the

SDGs. Existing efforts tend to focus on quantitative aspects of assessment, such as measuring how many countries have sustainability reporting policies in place (SDG 12.7.1) or how many sustainability reports are published per country (SDG 12.6.1)<sup>3</sup>.

**There is also a strong call for including more precise targets and follow-up mechanisms for private sector’s performance.** The World Benchmarking Alliance<sup>4</sup> is a prime example of initiative aimed to develop, fund, house and safeguard the free, publicly available corporate sustainability benchmarks aligned with the SDGs.



*“One of the reasons there are so many refugees all over the world is that ordinary people are voting with their feet... they favour inclusion over exclusion...good things happen [when] money, time, material, knowledge and skills [are] contributed by governments, businesses, philanthropists and NGOs.”*

*Bill Clinton, Founder of the Clinton Foundation and former President of the United States, speaking at the 2015 ECOSOC Partnership Forum*

### *What are the opportunities and challenges for the private sector in promoting inclusive societies?*

**According to recent research<sup>5</sup>, sustainable business models could unlock economic opportunities worth up to USD 12 trillion and increase employment by up to 380 million jobs by 2030.** While it requires well-thought-

<sup>1</sup> Institute for Human Rights and Business, “State of Play: Business and the Sustainable Development Goals”, (London, 2015).

<sup>2</sup> Examples of business initiatives aimed at specific SDGs targets can be found on the Business for 2030 website: <http://www.businessfor2030.org/business-sdgs>

<sup>3</sup> More information on the Global Reporting Initiative (GRI) can be found online at: <https://www.globalreporting.org/Pages/default.aspx>

<sup>4</sup> Co-founded by Aviva, the UN Foundation, BSDC and Index Initiative in 2017. For more information, see: <https://www.worldbenchmarkingalliance.org/>

<sup>5</sup> For more information, see: <http://businesscommission.org/news/release-sustainable-business-can-unlock-at-least-us-12-trillion-in-new-market-value-and-repair-economic-system>



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out strategy<sup>6,7,8,9</sup>, involving vulnerable groups as consumers increases the market base of a business and allows them to tap into new commercial potential. For instance, the recent research shows that positive engagement with indigenous peoples have brought a range of benefits, including stronger relationships with communities and governments resulting in fewer disputes; less reputational risks perceived by investors; more employment; increased employee morale; and strategic opportunities to partner with and learn from indigenous peoples.<sup>10</sup>

**Furthermore, sustainable business models are unleashing the potential of women and vulnerable groups — the inclusion of vulnerable groups is happening at various stages of value chains.** For instance, the transparent pricing mechanisms can be put in place to create an inclusive value chain for farmers. Companies can provide capacity-building support, including employability training, as well as inclusive financial services to economically disadvantaged youth; Blockchain solutions can be used to support social entrepreneurship led by youth and women; Corporations can include vulnerable groups as a part of its business value chain through hiring; Companies can also train retirees to go back to workforce, creating a number of jobs for older persons. The private sector can also set specific targets for female employees in key corporate leadership roles with clear timelines; Companies can also establish a code of conduct for supplier factories, including labour and environmental standards for employees, to ensure decent

world of work for all including the vulnerable groups.

### Way forward

The 2030 Agenda for Sustainable Development challenges us to expand our concept of wellbeing and development beyond prosperity, unto planet and people. The private sector should take the 2030 Agenda as an opportunity to rethink its approach to sustainable value creation and aim for better business diplomacy – with more inclusive business practices, not only as a part of risk-management strategies, but also as a “smart” investment.

### Focus Questions for Afternoon Session

- *From commitment to action: How are we doing?*
- *What are the opportunities and challenges for the private sector in promoting inclusion and participation in the work place and in local communities?*
- *What are the best practices and lessons learned from implementing the inclusive business strategies for vulnerable groups through supply chains including R&D?*

<sup>6</sup> IFC, WRI, “Market Size and Business Strategy at the base of the Pyramid”, (Washington DC, 2007).

<sup>7</sup> UNDP, “Barriers and opportunities and the base of the pyramid: the role of the private sector in inclusive development”, (Istanbul, 2014).

<sup>8</sup> C.K. Prahalad, A. Hammond, “Serving the World’s Poor, Profitably”, *Harvard Business Review*, (September 2002). Available at: <https://hbr.org/2002/09/serving-the-worlds-poor-profitably>

<sup>9</sup> E. Simanis, “Reality check at the Bottom of the Pyramid”, *Harvard Business Review*, (June 2012).

Available at: <https://hbr.org/2012/06/reality-check-at-the-bottom-of-the-pyramid>

<sup>10</sup> UN Global Compact. (2013). *A Reference Business Guide: United Nations Declaration on the Rights of Indigenous Peoples*. Available online at:

[https://www.unglobalcompact.org/docs/issues\\_doc/human\\_rights/IndigenousPeoples/BusinessGuide.pdf](https://www.unglobalcompact.org/docs/issues_doc/human_rights/IndigenousPeoples/BusinessGuide.pdf)