

Informal Summary

Breakfast Meeting with the Private Sector

In preparation for the 2018 ECOSOC Special Meeting

“Towards sustainable, resilient and inclusive societies through participation of all”

8:15-10:30 AM, New York, 24 January 2018

Highlights

- Evidence shows that the private sector, through “**principled**” **business models**, can make concrete contributions to the efforts towards building more resilient and inclusive societies. Policy makers should establish incentivizing policies and viable environments for the private sector to better align with the public agenda. **Mutual trust** between public and private sector should be strengthened as it is essential for the alignment of objectives of both sectors.
- Engaging the private sector requires a hybrid approach where companies are not just “named and shamed” but can also benefit from a “**race to the top**” in support of the SDGs.
- In advancing the SDGs, the private sector plays a vital role in **providing employment opportunities**. Despite progress in some sectors, some groups, including women, are still underrepresented particularly in leadership positions. Further efforts are necessary to ensure an appropriate balance across the private (and also public) sectors.
- The private sector can help facilitate the measurement of progress in the implementation of the SDGs, including through providing access to **big data**.
- **Partnerships** can support inclusive, participatory and evidence-based policy-making and enhance the delivery of quality public services on all levels. It is critical to enhance capacities for building multi-stakeholder partnerships, including public-private partnerships (PPPs) when appropriate. The UN development system can play a catalytic role in this regard, including through broad policy guidance.

Summary of Discussion

Public-Private Dialogue

One of the challenges in SDG implementation is explaining the goals and targets to stakeholders, including private sector actors. Only if citizens are more involved in the process, will they take ownership for SDG progress, holding all stakeholders accountable. In the current environment, trade has played a key role in framing public perceptions of the private sector. People fear the loss of income which can result from increased competition

and introduction of advanced technologies. To ensure that there is mutual trust between citizens, the public and private sectors, all actors need to work together so that the benefits of going global are shared locally. The contribution of the private sector to the implementation of the SDGs comes in many forms – from long-term investment in infrastructure, to transfer of technological innovation and job creation. To take full advantage of the potential of technological advancements, policy makers need to create an enabling environment at the national level, as the diffusion of technology does not occur in a vacuum but through active policies.

Private sector engagement with the public sector occurs through a myriad of channels. The private sector represents a diverse group of actors, ranging from micro, small and medium enterprises to multinationals. An important channel for small and medium sized enterprises to engage with the SDGs is the national or local chamber of commerce, which represents thousands of medium and small-sized businesses in many parts of the world. Creating awareness of the SDGs among SMEs represent an important aspect of Agenda implementation, as these businesses represent a significant percentage of the private sectors in developing and developed countries alike. Chambers of Commerce could provide a platform for the tutoring of SMEs on how to approach the SDGs, including by highlighting the role that SMEs are already playing in implementation and new policies that could be introduced to further support implementation to strengthen SME ownership of SDGs.

One of the largest obstacles to implementing the SDGs continues to be financing. Many countries are lacking financial means to implement the 2030 Agenda in all its dimensions. Beyond these challenges, the world has changed significantly since the adoption of the Addis Ababa Action Agenda in 2015. The push back to globalization that has gained traction over recent years jeopardizes global commitments to the 2030 Agenda. Nonetheless, many organizations have stepped up their engagement to counteract such tendencies, including the G20 - most recently as part of the Hamburg principles on crowding-in private finance for the SDGs. Other actors are also increasing their commitments, particularly in sectors with limited markets: The World Bank, for instance, has earmarked 2.5 billion USD for LDCs and middle-income countries to support the establishment of public health facilities. At the national level, the success story of economic development in Colombia shows how countries can strengthen institutions and infrastructure to attract private sector investments.

Role of the Private Sector

The private sector contributes over 60 per cent to the GDP in developing countries. There is now a broad consensus that the private sector can contribute more to development than fostering economic growth. It is also increasingly understood that businesses are motivated by more than simply increasing shareholder value. As more and more professionals are also seeking to work in companies that advance the social good, engagement also becomes increasingly important for shareholders. As different companies engage to varying degrees on sustainable development, incentivizing the private sector to do good for their communities becomes ever more important.

Specific examples of business engagement highlight avenues to foster the SDGs¹: Avast, a Czech-based software company, promotes inclusion and participation of vulnerable populations, including persons with disabilities by providing employment opportunities within the company. Some countries, including the Czech Republic, have also introduced legislation to make employment of persons with disabilities mandatory, highlighting the role for proactive policy-making. Increasingly large multinationals are also engaging to advance social and environmental goals. Major law firms, for instance, have broadened their horizon beyond pro-bono work to engage actively in communities around the world. More and more private sector entities participate in proactive form of engagement with the communities by running philanthropic programmes of their own, going beyond passive “donation” approaches to engagement, which support concrete causes. Corporate sustainability benchmarking is also growing in popularity, as firms seek to create long-term value rather than short-term gains.

National policies can play a key role in supporting sustainable business. Good governance, smart regulations for a pro-business environment, inclusive social policies and commitment to fight corruption represent pre-requisites to unleash the potential contributions of the private sector for the public good. Speakers highlighted the need to strengthen local engagement of the private sector, to counteract the current backlash to trade and globalization.

As the private sector continues to seek direct engagement with the UN, avenues for engagement should be strengthened. This may include further efforts to promote the concept of “principled business” and normative UN frameworks to facilitate sustainable business practices in support of the 2030 Agenda.

¹ Other concrete examples of private sector engagement for the SDGs can be found on www.businessfor2030.org