

**PM Denmark Side Event  
Business Action on SDGs  
17 February 1:30pm EST  
UNHQ CR 12, NY**

*A Collaboration of UN Global Compact, Global Reporting Initiative and the World  
Business Council for Sustainable Development*

Chaired by Teresa Fogelberg

**H.E. Mr. Erik Laursen (Deputy Permanent Representative, PM Denmark)**

The Ambassador stressed the *necessity for the involvement of the private sector* in the implementation and financing of SDGS

- Private sector needs to be partner in this process
- There are already many businesses involved (more than 8000 companies involved)
- Private sector engagement can be helpful for
  - o Inclusive growth and *sustainable infrastructure* (given importance for implementation of SDG agenda)
  - o Linking goals of SDGs and private sector (can create win-win situation)
- People become incentivized to partake in this win-win situation because they can see and show others the success, so we need transparency and proper measurement of impact of private sector involvement
- Expectation from UN/governments to businesses: respect internationally recognized guidelines (e.g. Human Rights)

The Ambassador also pointed out *ways in which governments can incentivize private sector involvement*, including:

- Creating an enabling environment to make it attractive for private sector to invest (especially in high-risk environment)
  - o Rules and legislation (sustainable business practices)
  - o Make specific investments
  - o Framework conditions for doing business: respect for private property, workers right, access to credit (finance investment, esp SMEs)
- Developing financing strategies
  - o Long term investments can come from pension funds, insurance companies
  - o Finance institutions can make a difference: development finance institutions are catalytic and additional; can leverage investments
  - o Global Green Growth Institute<sup>1</sup>: long term inclusive growth
- Finding common interests and mutual strengths and weaknesses

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<sup>1</sup><http://gggi.org/about-gggi/background/organizational-overview/>

### **Mr. Georg Kell (Executive Director, UN Global Compact<sup>2</sup>)**

Mr. Kell pointed out that more and more business have an intrinsic interest in participating in the sustainability movement:

- Quiet revolution in markets
  - o What is external to a firm has material relevance
  - o Previously: externalities didn't really matter (waste disposal and pollution, corruption, etc.)
  - o Now: externalities are closely linked to value chains; world has become very interconnected/interdependent
  - o Increasingly, business are not looking for cheap labor, but shifting towards emerging markets
- The degree of collaboration between businesses, businesses and the UN as well as business and governments is increasing
- Businesses look for proactive solutions (pendulum is swinging)
  - o Rio+20 as shifting point

Mr. Kell pointed specific ways in which the SDGs can take advantage of this development in designing the SDGs:

- Three aspects (which also correspond to the three institutions that hosted the event)
  - o Goal setting (If corporate profit motivation and diplomatic purpose come together, that is a big success)
    - Goal alignment can unleash strong forces
    - Corporate sustainability should align with public policy
  - o Indicators are key
  - o Tools for measurements
- More businesses recognize corruption as a cost (solution: make public procurement public)
- How to unlock potential of SMEs?
  - o Supply chains
  - o Changing business case (diversity as profit, creating economies of scale, fostering competition and trade)

### **Ms. Teresa Fogelberg (Deputy Chief Executive, Global Reporting Initiative)**

Ms. Fogelberg pointed out 4 key elements of involving businesses into the SDGs:

1. Articulate the business case for private sector to advance the SDGs
2. Steer companies to find the most relevant linkages between their business strategies and the SDGs
3. Support companies in assessing impact across the SDGs, applying relevant and commonly used indicators and methodologies
4. Direct companies to make meaningful and ambitious corporate goals that support the SDGS

In assessing how best to do this, Ms. Fogelberg pointed out that mapping of KPIs [Key Performance Indicators] to SDGs would serve as the basis for impact assessment and goal setting narrative of the guide.

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<sup>2</sup><https://www.unglobalcompact.org/AboutTheGC/index.html>

- The preliminary mapping shows that
  - o On SDGs: 100% of the goals are relevant for business
  - o Of indicators available: relevant
  - o Target level: not everything is relevant
- Currently using proxy-indicators because actual indicators need to be formally reviewed and globally accepted
- Aligns very closely with SDSN, which focuses on national contributions, but these three institutions listed above will measure corporate contributions (role of these three institutions)
  - o Working with SDSN to avoid duplication/overlap

## **Discussion**

During the discussion, the panelists responded to questions from representatives of the PMs and civil society.

### Georg Kell

- On the question of the importance of the consumer
  - o Consumer is a sleeping giant (externalities matter, but the impact of consumer demand is limited)
  - o Consumers in emerging markets care more about sustainability because it's closer to them
- On the question of role of the UN:
  - o Business is moving ahead anyhow, but sustainability is happening even without UN, but because of that the UN can shape sustainability
  - o Bottom-up: supply chains, water scarcity, local ownership/networks
  - o Human rights: requirements for annual disclosure
  - o Local level: capacity building for challenging
  - o Central message: respect and support.

### Laursen

- On the direct impact of the SDGs on businesses
  - o SDGs mainly responsibility of governments, but there's a need to find ways to make goals relevant to businesses

## **Notes:**

- Only 20-25 participants
- Peter Bakker (World Business Council) was supposed to sit on the panel, but there were last minute issues, so he couldn't attend
- For more information, contact Marie Wilbe, Policy Advisory, Government Affairs & Post-2015 Agenda UN Global Compact: [wibe@un.org](mailto:wibe@un.org)