



IHRB State of Play Report: Business and the SDGs: Mind the Gap

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Private Sector Role in Implementing the SDGs

Business and the SDGs: Angel or Devil or somewhere in between?



“The relationship between business and development – between private gain and public good – is not as straightforward as it would appear from some of the current discourse.”

The Right Kind of Partner



◆ SDGs do not simply require greater business involvement *per se* – but the right sort of business involvement:

- Quantity with quality, returns with responsibility, investment with ethics and with development purpose

◆ Core assumption in the SDGs agenda: that business is on the cusp of that profound change

- But is it?

SDG Implementation Phase



SDG 17: PROPOSED IMPLEMENTATION INDICATORS FOR BUSINESS

1. All Businesses operate according to internationally recognised standards of responsible business conduct

Baseline Expectation

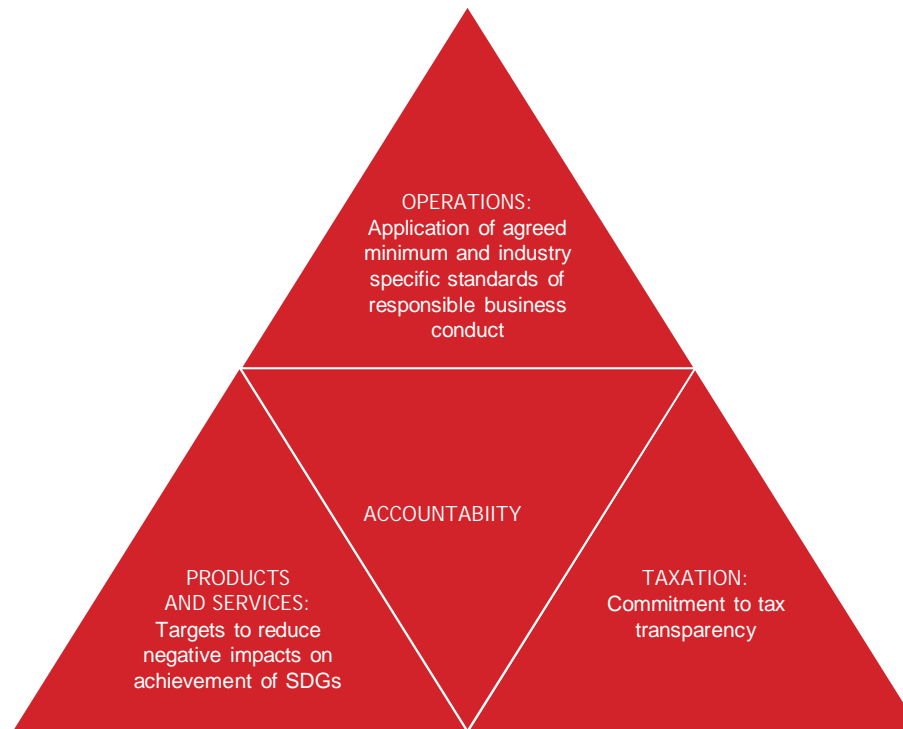
- ❖ Do No Harm
- ❖ Accountability
- ❖ Holistic view of the business

2. If Businesses contribute directly to the Goals according to capacity and expertise

Voluntary Choice

- ❖ Positive contributions do not substitute or offset harms elsewhere in business operations

Baseline Expectation: SDG Framework for Responsible Business



Key Messages

◆ Business *can be a good partner* in delivering on the SDGs

◆ Need to go beyond thinking about business & the SDGs as just “doing good” around one project/partnership, one line of its business

◆ Apply the core concepts of SDGs

→ but it is *not necessarily one* – and it is *certainly not automatically one*

→ Need a far more holistic approach to business

- Carbon offsetting works – human rights and sustainable development offsetting does not

→ Inclusive development, responsibility, accountability, focus on the most vulnerable

The Right Kind of Financing - FDI



◆ Promoting Investment without Promoting Governance Capacity?

◆ Promoting Protection of Investment without Protection of Local Communities?

◆ Promoting Private Sector without Private Sector Responsibility?

- What are the consequences of pouring millions and billions into the poorest countries with little capacity? Into repressive regimes?
- Improve the balance between protecting investment with protecting local communities – in International Investment Agreement / Trade Frameworks
- Private Sector Development (PSD) programmes – missing an explicit link to promoting responsible business conduct

The Right Kind of Finance – PPP Due Diligence



Concerns

- ✓ Shifting of aid money from public to private recipients
- ✓ A needed dose of realism about governance capacity
- ✓ Lack of strategic impact assessment for the sector
- ✓ Lack of consistent environmental, social and human rights safeguards
- ✓ Need for robust accountability for impacts

Questions for Reflection

- Q: Is this the best use of public funds to achieve the purpose
- Q: Have lessons been learned from other PPP? Track record is not great..
- Q: Is there a strategic assessment of the plans for the sector?
- Q: What safeguards are in place?
- Q: Who is accountable – to the end?

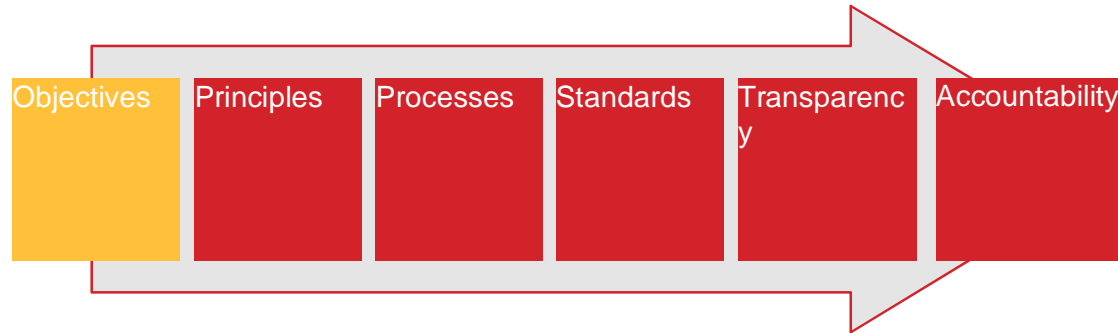
What Would We Like to See for PPPs



Need for SDG Partnership Principles when using Public Funds



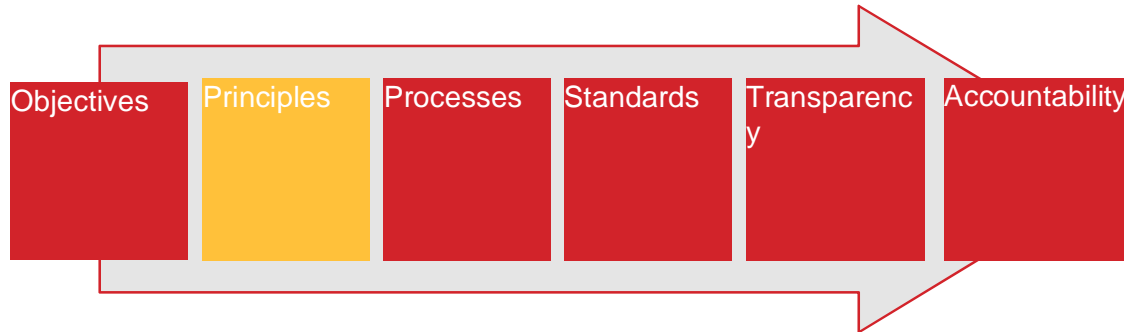
PPP Objectives:



Be explicitly pro-poor, inclusive and targeted at:

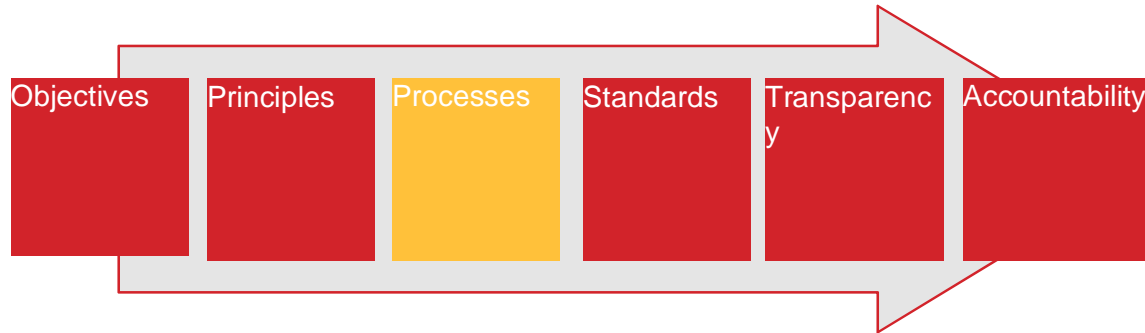
- Defined objectives that specifically focus on one or more SDG
- Facilitating access to services
- Enhancing capacity to participate in the economy

PPP Principles:



Apply a human rights based approach and in particular:
- Be designed to respond to the Availability, Accessibility, Acceptability and Quality Standard to help ensure that such services benefit the poorest communities.

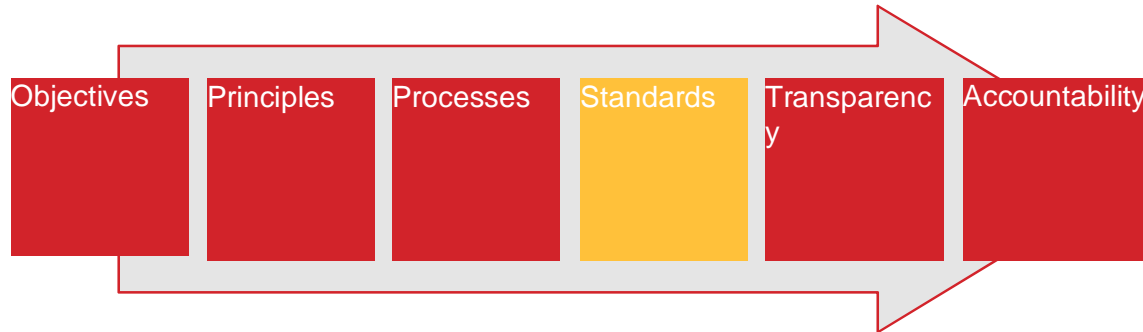
PPP Processes:



Be informed by:

- social, environmental and human rights due diligence,
- broad based and inclusive engagement with potentially affect stakeholders (rights-holders) and other relevant stakeholders.

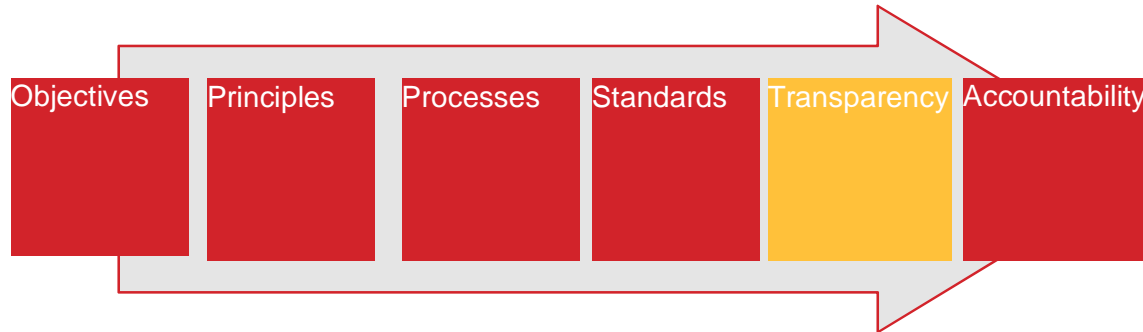
PPP Standards:



Apply relevant standards of responsible business conduct to the private sector participants, including at a minimum:

- UN Guiding Principles on Business and Human Rights,
- ILO Core Conventions and those relevant to the partnership,
- International standards on corruption, the environment and partnerships.

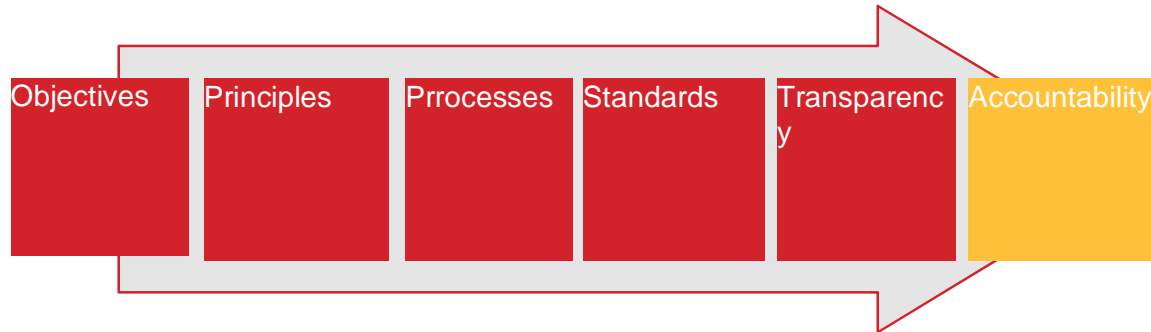
PPP Transparency:



Be transparent by default (with permitted exceptions limited to well-defined and justified areas of confidentiality), covering:

- Governance arrangements,
- Financing arrangements.
- Operating agreements.
- Revenue payments.
- Periodic public reporting.

PPP Accountability:



Include a range of accountability mechanisms:

- Ensuring accountability for development impacts,
- Carrying out independent evaluation,
- Specific mechanisms that can adequately deal with grievance from rights-holders and stakeholders negatively impacted by the PPP.

Links to the Business and Human Rights National Action Plan

- ✓ 3 Priority Sectors in NAP
 - good opportunity to trickle down into rural communities through value chains
 - But poverty reduction, focus on the most vulnerable, reduced environmental impact -- won't happen automatically!
 - Need to do the work of incorporating SDG standards into the policy, laws and contracts for these sectors
- ✓ SDGs are about delivering positive development impacts
 - But must start with not delivering negative impacts – Do No Harm approach of the UN Guiding Principles should be the baseline
- ✓ Importance of role of both Government & business in delivering positive outcomes – requires both
 - PPP that follow these standards more likely to be sustainable and competitive

Thank you



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