

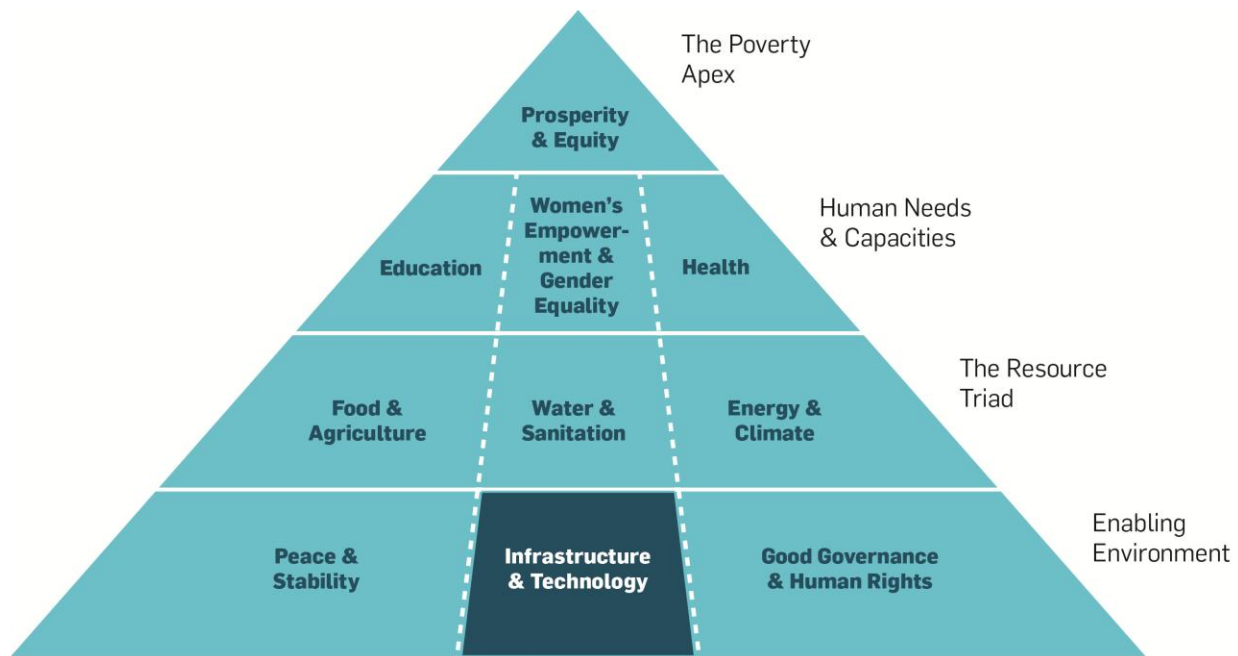
Post-2015 Agenda and Related Sustainable Development Goals Issue Focus: Sustainable Infrastructure and Technology and the Role of Business

Overview

As governments and policymakers work to develop the Post-2015 agenda, the international community is actively discussing the possible scope of potential sustainable development goals. Technology is the beating heart of economic transformation and good infrastructure protects the environment while providing the leverage people need to lift themselves out of poverty.

The United Nations Global Compact has been asked to bring private sector perspectives and action to the Post-2015 global development agenda, creating an historic opportunity to scale up and align business efforts in order to effectively contribute to United Nations priorities. The overlap between public and private interest in sustainable development is becoming increasingly clear, and the development of the Post-2015 agenda will require an unprecedented level of interplay between business, governments, civil societies and other key stakeholders. This public-private convergence and opportunity space is reflected in the Post-2015 Business Engagement Architecture, released at the UN Global Compact Leaders Summit in September 2013. The Architecture provides a resource and roadmap for how to work with the private sector in the new era.

Related to the Architecture, consultations conducted by the UN Global Compact with thousands of companies and stakeholders revealed that businesses committed to sustainability and ethics are energized by the prospect of a newly articulated set of world priorities—including clear goals and targets. From the input received, the UN Global Compact’s LEAD companies developed a series of recommended goals and priority areas (shown below) that they believe would also empower the private sector to make a substantial contribution in the Post-2015 era.



Source: Global Compact LEAD consultations

LEAD companies as well as participants in the UN Global Compact's Business for Peace initiative strongly support the inclusion of infrastructure and technology in the Post-2015 agenda. The establishment of enabling environments conducive to responsible investments and private sector participation in economic planning and policy-making are considered essential building blocks of any future global development framework, and a critical foundation for companies to contribute to the realization of sustainable development.

Further, they have proposed sustainable technology and infrastructure as a stand-alone goal and an integral element within the proposed ten goals. This goal and related targets are articulated as follows:

“Goal 9: Modernize infrastructure and technology, targets include:

- Deploy investment sufficient to meet requirements for “green” transport, energy and water systems in the developing world, and for upgrading or replacing old and “brown” infrastructure in the developed world.
- Universal and affordable access to the Internet and computing technology.
- Effective use of e-governance at national and state/provincial level in all countries, to increase managerial capacity as well as transparency.
- Double the share of the population with easy and affordable access to public transportation systems.
- Step up R&D in both public and private sectors.
- Reduce carbon emissions from the construction and operation of buildings.”

The purpose of this issue paper is to inform governments and policy makers of the responsible business community's willingness to contribute to the formation of any goals on fair, peaceful and prosperous societies, as well as future implementation efforts involving the private sector.

Business Platforms for Action and Partnership

An early example of multi-sector partnership was the 2001 formation of an ICT (information and communication technologies) Task Force at the United Nations, bringing together industry, academia, government and civil society to address the digital divide. This took place in an era when many governments regarded the still-new Internet with suspicion. They also resisted the liberalization needed for Internet and cell phone systems, as public monopolies of traditional telecoms were dependable revenue sources. A turning point came when Silicon Valley CEOs dialogued with ambassadors at a unique meeting of the Economic and Social Council, and ECOSOC held an ICT trade fair, leading to creation of the Task Force.

Other partnerships for technology transfer followed. Submarine optical cables that ring Africa multiplied Internet connectivity on the continent tenfold since activation in 2009. The product of private and foundation capital and expertise, This initiative is 75 per cent African owned.

Technology firms have the opportunity to address the clear gender divide in this area, which limits access for women and girls to information technology, and to jobs in this sector.

Physical infrastructure presents a huge challenge and an equally massive opportunity. With developing economies expanding and populations expecting higher living standards, estimates of annual investment requirements for new infrastructure vary from \$200 to \$1 trillion per year, depending on which sectors are included – energy, transport, water and sanitation, agriculture, ICT, and so on. Within advanced economies, much public infrastructure is crumbling and is inconsistent as is with stated goals of

curtailing carbon consumption. Putting in “green” rather than “brown” infrastructure often raises start-up costs – but pays off in efficiency, long-term return and compliance with likely future regulations.

Pension funds and other long-term investors are well suited for putting forward the capital that is needed. Principles for Responsible Investment (PRI) is a UN-supported network of investment firms that apply sustainability principles as lending criteria, and is among the options for breaking the current deadlock in underwriting brought on by financial turbulence and disruptions in some emerging economies.

Launched by the World Economic Forum and a G20-linked business alliance (B20), the Green Growth Action Alliance is driving investment to renewable energy, clean transportation and sustainable agriculture. A principal strategy of finance groups, development banks and corporations in G2A2 is to use public dollars to leverage private capital flows.

Key Driver: Public Policy and Enabling Incentives

Because much infrastructure is large-scale, cross-country collaboration allows for economies of scale and, in the case of renewable energy, smooth the intermittency of solar and wind sources. As a side effect, protection of environments and cross-border trade may also improve.

Cost recovery, ie, charges for use, will mitigate difficulties in attracting long-term investment in energy, transport and water, and also encourage conservation. Rather than provide overall discounts, price reductions should be targeted to the poor.

To improve private appetite for exposure to developing country infrastructure, governments can help build credit-ratings firms capacity to assess risk in new projects, backed by support from multilateral development banks. Infrastructure bonds can also help lift private interest.

Accountability

In recent years, increasing numbers of companies are reinforcing sustainability efforts with public commitments in relation to accountability, responsibility, and transparency. To build trust and be considered a credible partner in the Post-2015 era, companies should be – and increasingly are – transparent about their social and environmental impacts, and need to be accountable for how their business activities create or deplete value for society and what they are doing to improve their performance. Moreover, as infrastructure and technology related industries are typically labour intensive, particular care should be applied to preventing forced and child labour in operations and in supply chains, and to ensuring a safe and healthy working environment by respecting national and international labour standards..

Participants of the UN Global Compact have made public commitments to the Global Compact’s ten principles and are required to report annually on their sustainability efforts through a Communication on Progress (COP) report. Businesses engaging with the UN Global Compact’s Issue Platforms, such as Business for Peace, are also asked to additionally report on their efforts surrounding those particular issues.

Generally speaking, the UN Global Compact organizes its companies into three categories based on the level of COPs submitted. These levels – Learner, Active and Advanced – allow the UN Global Compact to encourage and challenge participants to use more sophisticated methodology and release more detailed COPs. Companies are increasingly rising to the challenge to report in a more advanced, detailed and

transparent manner. This sort of accountability is crucial in instilling confidence in all stakeholders that companies are truly making meaningful progress towards global sustainability.

At the same time, companies are being encouraged to publicly commit to longer-range sustainability objectives and goals in order to better align their efforts and strategies in relation to the broad global sustainable development agenda.

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