

# UN SUSTAINABLE DEVELOPMENT GOALS

## Outreach and advocacy

### HEADLINE MESSAGES

#### Business and the SDGs

- The international business community strongly supports the United Nations (UN) Sustainable Development Goals (SDGs) as a vital framework to promote peace, prosperity and environmental protection.
- ICC has welcomed the opportunity to participate in the extensive consultative process that led to the development of the SDGs. Going forward, business engagement will be central to the success of the new sustainable development agenda.
- In this connection, it will be vital to harness fully the power of the private sector to foster sustainable and inclusive growth across a broad range of areas—from project finance and encouraging foreign direct investment to supporting innovation and removing barriers to trading across borders
- The Addis Ababa Action Agenda—agreed in July 2015—places a significant emphasis on mobilizing private finance to support implementation of the SDGs. ICC considers this to be an important “step-change” in international development cooperation.
- That said, the scale of private sector finance required to support the SDGs is significant and cannot be taken for granted. According to UNCTAD, for instance, the annual investment gap in key sustainable development sectors for developing nations is estimated at up to US\$2.5 trillion annually.
- ICC believes that implementing the SDGs will necessitate the establishment of a new alliance between business and governments to support integration of sustainable development into the mainstream economy. This should include enhanced public-private partnerships at global and national level and enhanced opportunities for engagement to better leverage business expertise and experience.

#### The ICC Business Charter for Sustainable Development

- ICC’s new Business Charter for Sustainable Development—launched at the UN headquarters in June—has been specifically designed to enable companies to contribute to implementing the SDGs.
- The 3rd edition of the Charter, first launched in 1991, has been designed to reflect a more holistic approach to business sustainability, drawing on the expertise of a broad range of international companies.
- Based around eight guidelines, the Charter sets out a strategic framework to enable companies to place sustainability at the heart of their operations—from staff recruitment through to the development of new products and services and environmental management.
- In doing so, the Charter makes the case for sustainability as a key driver of competitiveness in today’s economy, rather than a luxury investment or public relations tool.
- The Charter has been carefully designed to provide a common and accessible starting point for companies to develop a business sustainability strategy. We hope that our Charter will better enable SMEs—particularly those in emerging market markets—to integrate sustainability considerations into their operations.
- To support this objective, we are planning to roll out a range of practical tools to help companies implement the Charter and look forward to collaborating with both governments and businesses on this agenda in the months ahead.

## ISSUE SPECIFIC MESSAGES

(key SDGs are indicated for each)

### Trade (Goals 8 and 17)

- ICC welcomes the recognition within the SDGs and the Addis Ababa Action Agenda that trade policy can play a vital role in creating growth, jobs and broad-based opportunity.
- Trade facilitation reforms to streamline customs and border procedures should be seen as an immediate priority for all governments. Implementation of the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) would have a transformational effect on the ability of entrepreneurs in developing countries to access global markets by reducing unnecessary red tape at borders.
- Implementing the TFA—which would also support broader efforts to eliminate corruption and reduce rates of food wastage—should be seen a quick win to deliver on the promise of the post-2015 development agenda.
- Although the TFA was agreed in 2013, only a handful of countries have ratified the agreement in their national parliaments to date. We encourage all governments to do so in advance of the WTO's 10th Ministerial Conference this December.
- Business will have a key role to play in ensuring effective implementation of the TFA. ICC, together with a number of other leading business networks, will soon launch the Global Alliance for Trade Facilitation—an innovative platform to leverage private sector expertise to deliver on the potential of the TFA to drive global development.
- The WTO Doha Round offers significant potential to reform the global trading system in support of the world's poorest. While the official aim remains to conclude the Round by the end of 2015, ICC is concerned that WTO members have made little progress to date in establishing a roadmap for the negotiations in key areas such as agricultural reform and services liberalization.
- Concluding the Doha Round would send the clearest of signals that the international community is finally serious about turning words into action when it comes to enabling trade for development.

### Trade finance (Goal 8 and 17)

- Bank-intermediated trade finance underpins around 30% of global trade flows. It is one of the safest forms of financing and has the advantage of directly promoting development through trade.
- Urgent action is also needed to enhance the supply of trade finance to SMEs amid growing concerns over significant financing gaps in some developing markets.
- According to the Asian Development Bank, there is currently a US\$1.9tn financing gap for trade globally—with as much as US\$900bn of the shortfall in developing Asian economies alone. This shortfall may partly explain the recent flat lining of world trade.
- Bridging the trade finance gap would unlock the trading potential of many thousands of individuals and small businesses in developing and emerging economies. This will require a comprehensive policy agenda, including action to address unintended regulatory barriers to the provision of trade finance by commercial banks.

### Climate change (Goal 13 and 7)

- Businesses are already taking action to build the prosperous, low carbon economy of the future. In all sectors, business has developed solutions, continues to innovate and is preparing to accelerate the scale and pace of deployment.
- But ambitious and smart policies from government—both national and international—are required to help more companies take low-carbon solutions to scale.
- That's why ICC is calling for an ambitious global agreement at COP21 that works with business to speed emissions reductions and build climate resilience.

- The future global architecture for climate change should incorporate :
  - an inclusive, long-term UNFCCC agreement;
  - ambitious national commitments;
  - reliable accounting/and reporting transparency frameworks to measure, report and verify emissions reductions.
- It should also encompass mechanisms to de-risk investment in climate friendly technologies, especially in developing countries, and to scale up technology development and deployment and innovation.
- ICC calls on governments to establish a recognized role for business in the implementation of any climate agreement. We stand ready to work with governments and the UN to develop a mutually beneficial interface to include a recognized substantive role for the private sector.

### **Tax (Goal 10, 16 and 17)**

- ICC strongly believes harmonized, transparent and predictable tax regimes are key for economic growth and development.
- ICC applauds the efforts of the G20 and other governments to globalize taxation standards in the framework of the OECD's Base Erosion and Profit Shifting (BEPS) project. However, it is vital that OECD and non-OECD countries work closely together on a common understanding to avoid inconsistencies between national tax legislations while ensuring the integrity of the international tax system.
- There is growing concern within the business community that the BEPS project and other unilateral initiatives could inadvertently lead to a significant rise in double taxation and associated disputes. This makes it more pressing than ever for the UN Committee of Experts on International Cooperation in Tax Matters to move forward on its planned work on tax dispute resolution.
- In this context, ICC also welcomes the consensus reached at the Third International Conference on Financing for Development in Addis Ababa to allocate additional resources to the UN Committee—allowing it to increase its operational speed and efficiency.
- However, it is important that: (i) the work of the UN Committee remains to be technical rather than political in nature to ensure beneficial and effective results; and (ii) that there is close cooperation with the G20/OECD BEPS project to ensure synergy and to work towards one single set of rules with a sense of joint ownership.
- ICC calls upon all governments to work closely together with tax payers to ensure the necessary increased legal certainty for international trade and investment—and to lessen compliance and administration costs for both business and tax authorities. In this regard, ICC values its close working relationship with the UN Committee and the OECD.

### **Anti-corruption (Goal 16)**

- Corruption is one of the main obstacles to sustainable economic, political and social development, for developing, emerging and developed economies alike.
- Overall, corruption reduces efficiency and increases inequality. Estimates show that the cost of corruption equals more than 5% of global GDP (US\$ 2.6 trillion, World Economic Forum) with over US\$ 1 trillion paid in bribes each year (World Bank).
- ICC has been a pioneer in the business fight against corruption, and is at the forefront of the development of ethics, anti-corruption and corporate responsibility advocacy codes and guidelines.
- ICC's robust suite of anti-corruption tools can play a key role in reducing corruption and bribery in business transactions to promote sustainable growth.

## The digital economy (Goal 4, 5, 9 and 17)

- We believe that information and communication technologies (ICTs) and the information society must be evaluated holistically within the context of sustainable development, given their central role in furthering sustainable development.
- Direct references to the catalytic power of ICTs for development are cited as specific targets in four of the 17 goals (in targets related to education, gender empowerment, infrastructure, and as a means of implementation).
- However, business considers that the majority, if not all, of the sustainable development goals can be supported by the application of ICTs, both using emerging and existing technologies.
- Multistakeholder collaboration is essential to maximizing the potential of ICTs—while addressing issues that are relevant locally and respecting local cultural and social norms. Business views continued cooperation and a flexible policy environment for ICTs as critical in empowering sustainable development.