Business & the Sustainable Development Goals

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Table of contents

1. Updates on the Post-2015 Agenda and the formulation of Sustainable Development Goals

1.1. Third International Conference on Financing for Development

The Third International Conference on Financing for Development (FfD3) took place in Addis Ababa, Ethiopia, from 13-16 July 2015. Over 11,000 participants attended the Conference, including 18 Heads of State and Government, ministers and representatives from governments, non-governmental and UN organizations, and over 400 media representatives. Eight plenaries were held, in addition to six multi-stakeholder roundtables on two themes: global partnerships and the three dimensions of sustainable development; and ensuring policy coherence and an enabling environment at all levels for sustainable development. A Main Committee, formed during the opening plenary to finalize the draft outcome document, met three times in closed sessions. On Wednesday evening, 15 July, The Committee adopted the Outcome Document of the Conference, the Addis Ababa Action Agenda (AAAA) that was approved by the plenary on the final day of the Conference, on 16 July 2015. In support of the AAAA, a number of significant partnerships were launched during FfD3, including:

- the Addis Tax Initiative, which will support strengthening domestic tax systems;
- the Global Financing Facility in Support of Every Woman Every Child, which brings together countries, donors and the private sector; and
- the Commission on Financing Global Education. (IISD, 2015a)

The AAAA comprises a number of concrete deliverables, such as:

- a technology facilitation mechanism (TFM), which comprises a UN inter-agency task team and a multi-stakeholder forum on STI (Science Technology Innovation)for the SDGs, as well as an online platform;
- a global infrastructure forum to improve alignment and coordination among established and new infrastructure initiatives, multilateral and national development banks, UN agencies, and national institutions, development partners and the private sector;
- an Economic and Social Council (ECOSOC) Forum on Financing for Development (FfD) follow-up that will discuss the follow-up and review of the FfD outcomes and the means of implementation (MOI) of the post-2015 development agenda; and
- an inter-agency Task Force convened by the UN Secretary-General to report annually on progress in implementing the FfD outcomes and the post-2015 MOI. (UN, 2015a)

In terms of official development assistance (ODA), participants reaffirmed their commitments to achieve the ODA target of 0.7% of Gross National Income (GNI), and 0.15 to 0.20% of ODA/GNI to least developed countries (LDCs). (IISD, 2015a)

Partnership for development

According to the official communication of FfD3 the General Assembly has stressed the importance of the full engagement of all stakeholders, including non-governmental organizations and business sector entities, during the Conference and its preparatory process., With 800 registered participants, an International Business Forum was held in conjunction with FfD3.The Business Forum was organized by the FfD Business Steering Group led by the International Chamber of Commerce in collaboration with the International Finance Corporation, UN Foundation, UN Global Compact and the World Economic Forum.

The tone of the forum was set by the so called "partnership for development" narrative of the UN that considers business sector as vital driver of global development and as a new source of financing the post 2015 agenda. The outcome document of the conference, the Addis Ababa Action Agenda (AAAA), also reflected the notion of partnership for development. In this document, Heads of State and Government and High Representatives reaffirm their "strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity"(UN, 2015a). What this would mean for business after September 2015 was not yet clear. However, the declaration listed several items that directly address expectations for business. Hear we quote some of the relevant ones:

- Item 17: "Governments, businesses and households will all need to change behaviors, with a view to ensuring sustainable consumption and production patterns. We will promote corporate sustainability, including reporting on environmental, social and governance impacts, to help to ensure transparency and accountability. Public and private investments in innovations and clean technologies will be needed, while keeping in mind that new technologies will not substitute for efforts to reduce waste or efficiently use natural resources." (p.7)
- Item 35: "Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation…We invite them to engage as partners in the development process, to invest in areas critical to sustainable development, and to shift to more sustainable consumption and production patterns." (p.12)
- Item 36: "We will develop policies and, where appropriate, strengthen regulatory frameworks to better align private sector incentives with public goals, including incentivizing the private sector to adopt sustainable practices, and foster long-term quality investment." (p.12)
- Item 37: "We will foster a dynamic and well-functioning business sector, while protecting labor rights and environmental and health standards in accordance with relevant international standards and agreements, such as the Guiding Principles on Business and Human Rights and the labor standards of ILO, the Convention on the Rights of the Child and key multilateral environmental agreements, for parties to those agreements…We will promote sustainable corporate practices, including integrating environmental, social and governance factors into company reporting as appropriate, with countries deciding on the appropriate balance of voluntary and mandatory rules." (p.12)
- Item 41: "We further encourage the private sector to contribute to advancing gender equality through striving to ensure women's full and productive employment and decent work, equal pay for equal work or work of equal value, and equal opportunities, as well as protecting them against discrimination and abuse in the workplace." (UN, 2015a p.14)

The Outcome Document is available at:

http://www.un.org/ga/search/view_doc.asp?symbol=A/CONF.227/L.1

Critical voices around FfD3

The FfD3 Conference and its outcome document (AAAA) has been heavily criticized already during the negotiations especially by civil society organizations (CSOs). From the general criticism here we quote the harsh words of the CSO Forum held in conjunction with FfD3:

"The Addis Ababa Action Agenda (AAAA) lost the opportunity to tackle the structural injustices in the current global economic system and ensure that development finance is people-centred and protects the environment. It does not rise to world's current multiple challenges, nor does it contain the necessary leadership, ambition and practical actions. It undermines agreements in the Monterrey Consensus and the Doha Declaration and it is almost entirely devoid of actionable deliverables.

We regret that the negotiations have diminished the FfD mandate to address international systemic issues in macroeconomic, financial, trade, tax, and monetary policies, while also failing to scale up existing resources and commit new financial ones. The AAAA is also deeply inadequate to support the operational Means of Implementation (MoI) for the Post-2015 Development Agenda, exposing an unbridged gap between the rhetoric of the aspirations and reality of the actions." (CSO Forum, 2015 p.1)

Particular issues in the criticism by CSOs can be clustered as follows:

- No strong commitment in terms of transparency and accountability: The positive and consistent references to the importance of transparency and accountability in the follow-up of the Addis Agenda are not adequately matched by concrete commitments from governments and all actors to publish timely, comprehensive, accessible and forward-looking information about all development activities and resource flows;
- Tendency by traditional donors to elude commitments to responsibilities and effectiveness commitments and elude their responsibilities by putting emphasis on South–South cooperation, Domestic Resource Mobilization or the Private Sector. International Development Cooperation remains critical for development financing, and fulfilling the 0.7% commitment made more than four decades ago remains pivotal. Furthermore, the Addis Agenda does not unambiguously address the necessary additionality of climate and biodiversity finance;
- Misplaced optimism towards private finance: The AAAA's optimism towards private finance to deliver a broad sustainable development agenda is misplaced. The AAAA fails to endorse binding commitments to ensure business accountability based on internationally recognized human and labor rights as well as environmental standards. There is a growing body of evidence that substantiates civil society's serious concern for the unconditional support for PPPs and blended financing instruments. Without a parallel recognition of the developmental role of the State and clear safeguards to its ability to regulate in the public interest, there is a great risk that the private sector undermines rather than supports sustainable development;
- Gender Equality as Smart Economics: The additional steps to address gender equality and women's empowerment seem to speak more to "Gender Equality as Smart Economics" than to women and girls' entitlement to human rights and show a strong tendency towards the instrumentalization of women by stating that women's empowerment is vital to enhance economic growth and productivity;
- Recent UN normative developments on debt are ignored: The AAAA ignores the important normative developments in the direction of improving sovereign debt restructuring and establishing guidelines for responsible borrowing and lending that have taken place in the UN over the last few years. It also fails to stop debt sustainability calculations as being the "purely technical" exercise that the Bretton Woods Institutions claim it to be, and embed the moral and legal dimensions that their impacts on human rights call for. (CSO Forum, 2015, p.1-3)

1.2. United Nations Sustainable Development Summit 2015: the adoption of the SDGs

The 70th UN Summit, also referred as United Nations Sustainable Development Summit, was held from 25 to 27 September 2015, in New York. In total, over 9,000 participants, including 136 Heads of State and Government, ministers, business leaders, and civil society representatives attended The Summit. In the frame of this forum the General Assembly adopted the UN's sustainable development agenda for the period 2015-2030, including the OWG proposed SDGs without any objections. During the plenary, many leaders announced national commitments to implement the Sustainable Development Goals (SDGs), and highlighted the importance of reaching a strong global agreement on climate at the Paris Climate Change Conference in December 2015. The UN sustainable development agenda is available at: http://www.un.org/ga/search/view_doc.asp?symbol=A/70/L.1&Lang=E

1.2.1. Sustainable development goals and targets

In our previous three progress reports we included thorough discussions on the MDGs-SDGs related policy process and debates started with the UN conference on Sustainable Development (UNCSD, or Rio+20) in Rio de Janeiro, Brazil in June 2012. Here the international community agreed to launch a process to develop a set of SDGs and called for establishing an Open Working Group (OWG) that would   submit a proposal for SDGs. As discussed earlier, the OWG on SDGs held its first eight meetings, also referred to as the "input" or "stocktaking" phase, between March 2013 and February 2014 at UN Headquarters in New York. A "zero draft" of the goals and targets was issued on 2 June 2014. After further rounds of discussions on 19 July 2014, the Group adopted a report containing 17 proposed SDGs and 169 targets, and agreed to submit the proposal to the UNGA for consideration and action at its 68th session. Later, on 10 September 2014, the UNGA adopted resolution 68/309, by which it acknowledged the conclusion of the work of the OWG, welcomed its report and decided that the proposal of the OWG contained in its report shall be the main basis for integrating the SDGs into the post-2015 development agenda. (IISD, 2015b)

In the final rounds of the policy cycle a series of eight week-long intergovernmental sessions were held between 19 January and 31 July, 2015 to prepare the outcome of the UN Summit to adopt the post-2015 development agenda. These sessions also included interactive dialogues with Major Groups and other stakeholders, including CSOs and business. However, these inputs could not significantly influence the final set of 17 SDGs. The 2015 UN Summit adopted the same 17 SDGs that had been proposed by the OWG on 19 July 2014. The Sustainable Development Goals for the period 2015-2030 are as follows:

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Ensure access to affordable, reliable, sustainable, and modern energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10. Reduce inequality within and among countries
11. Make cities and human settlements inclusive, safe, resilient and sustainable
12. Ensure sustainable consumption and production patterns
13. Take urgent action to combat climate change and its impacts
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

While negotiations and stakeholder inputs could not change the number or wording of the OWG proposed goals, we recognized the following amendments adopted in the final set of 169 targets:

- In Target 3.2, the finally adopted version complements the OWG proposal with target figures and reads as:

"By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births." (UN, 2015b p.16);

- The final Target 8.7 uses a somewhat different wording with for the same message and reads as: "Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms." (UN 2015b p.20);
- In the adopted version of Target 17.2 the international community not only reaffirms that developed countries should implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries, but also encourages ODA providers to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries.

The full list of targets is available at:

http://www.un.org/ga/search/view_doc.asp?symbol=A/70/L.1&Lang=E

1.2.2. Remaining challenges

Measuring the implementation

Most speakers highlighted the importance of creating appropriate indicators for measuring and verifying that their lofty goals are attained. By March 2016 the 17 goals and 169 targets will be joined by a set of indicators currently under development by the UN Statistical Commission. These indicators are would demonstrate which goals are on track, and where further effort should be expended. Disaggregated data also will be critical, Summit participants emphasized, for measuring each indicator and ensuring that the 2030 Agenda leaves no one behind. In addition speakers also highlighted the need for capacity building to ensure that each of the UN's 193 Member States can gather the requisite data to track and assess the indicators. Some refer to this element of implementation as the "data revolution," and many noted that the 2030 Agenda will be incomplete until this component is finalized.(IISD, 2015b).

Follow-up and review

During the Summit, participants have highlighted that in addition to the indicators and data, the Agenda's follow-up and review mechanism also must be further detailed. As they put, while the 2030 Agenda outlines general modalities for follow-up and review at the national, regional and global levels, operational details remain to be defined. Discussions are expected to take place in the next several months to:

- clarify the High Level Political Forum's (HLPF) organizational arrangements for state-led review;
- consider institutional responsibilities, the annual themes and the sequence of thematic reviews, among other aspects of the follow-up and review framework. (IISD, 2015b)

Climate change

While speakers hailed the AAAA as the financing framework for the 2030 Agenda, and praised the UN's Sustainable Development Agenda and its SDGs, it has been widely noted that only with an outcome from the Paris Climate Change Conference can the framework for the SDGs be truly set. According to a widely shared position a legally binding agreement is needed that should aim to keep global warming under 1.5°C. (IISD, 2015b)

1.2.3. Pros and Cons around the UN Summit and the 2030 SD Agenda

After 18 month of negotiations at different levels of the policy cycle, the 2015 UN Summit finally adopted the 2030 SD Agenda. As discussed in our previous reports this process faced numerous challenges and received both negative and positive feedbacks from all kinds of different groups of society. As far as supporters concern, especially representatives of governments and global governmental organizations, this policy process and the final set of goals have been declared as a great achievement that exceeded all expectations. More particularly, here we list some issues highlighted by supporters, as a way to successfully reflect to previous challenges and criticism:

- Universality, as an overarching concept of the SDGs and final 2030 SD Agenda;

- As the SDGs have been accepted by all governments, not only from developing countries, the SDGs have the potential to be a transformative agenda that will change the world;

- The SDGs go beyond the Millennium Development Goals (MDGs) in several key ways, including: the "zero goal" on poverty; the focus on environment, with both dedicated Goals and integration of environmental issues throughout the Goal set; increased attention to systemic challenges and approaches; attention to new topics, such as sustainable consumption and production (SCP) and peace and security; and inclusion of the North and South in a global action agenda;

- Among other actors business and the private sector can also find their stake in the implementation of the SDGs. Supporters often refer to SDGs and targets as investment opportunities   for   the   private   sector;

- While critics often consider the excessive number of goals and targets a feature that could undermine the success of the SD Agenda, supporters argue that the goals and targets reflect the world's complexity, stressing it is not a question of numbers but recognition that the world must address all of the crucial social and environmental issues. (IISD, 2015c).

Certainly, there is also the other side of the coin. Below, we discuss some of the frequently cited arguments criticizing the SD Agenda and the SDGs:

Global vs. country specific goals

Some of the critics argue that the final set of 17 SDGs and 169 targets are too broad to be seriously applicable in all_countries. Despite the laudable goals, the end product is anything but focused and strategic. If everything is urgent, nothing is urgent; if everything is a priority, nothing is a priority. The critics object that rather than focusing on one or two crucial goals the international community aims to tackle 169 targets. That makes it next to impossible to measure results and hold anyone accountable, let alone make breakthrough progress. A country-focused approach could be probably the only way the international community would not wind up hurting the world's poor instead of helping them. (Pomerantz, 2015)

Refusing external oversight mechanisms

While each member of the 2015 UN Summit had accepted the adoption of the 2030 SD Agenda, some countries, especially developing countries stressed that sovereign countries should not be subjected to external oversight mechanism to measure their progress in achieving sustainable development goals. The following lines from Sumitra Mahajan (Speaker of the Indian parliament) well represents this stand point: "Every country faces specific challenges to achieve sustainable development and may follow different approaches, visions, models and tools, in accordance with the national circumstances and priorities... no sovereign country should be subjected to external oversight mechanism or benchmark with regard to progress on these goals" (The Economic Times, 2015).

Global partnership for Sustainable Development

SDG 17 that encourages global partnership for development has been constant target of criticism from different angles over the post-2015 process and even after the adoption of the 2015-2030 SD Agenda. Latest criticism focuses on issues such as engagement of civil society in the partnership for SD development; trade regimes and the access of developing countries to global value chains; fight against illicit financial flows and transfers; and claim that these issues are not adequately elaborated or do not receive enough emphasis.

Civil societies also criticize the final set of SDGs and the SD Agenda. They claim that the envisaged CSO engagement and broader participation and inclusion aspirations as part of the SDG Monitoring Framework remains to be seen. They argue that CSOs are one of many partners anticipated to contribute to SDG implementation, while the Outcome Document makes no specific reference to the CSO enabling environment as part and parcel of peaceful and inclusive societies, despite numerous efforts by various stakeholders to this end. In addition, the CSO Task Team is skeptical whether the protection of fundamental freedoms would include core freedoms of civil society, including the freedoms of association, assembly, and expression. As they put, the SDGs' silence on the CSO enabling environment reflects the political challenge that this topic faces in the UN forum. "Its exclusion does not bode well for the prospect of progress in an environment where the space for CSOs continues to shrink in many countries around the world." (Ceelen and Wood, 2015 p.1)

Others argue that the SDGs should place more emphasis on global economic governance issues, some of which are not at all or only inadequately addressed. In a briefing paper they emphasize that greater adjustments to the international trading system are needed to ensure that trade and foreign investment would support sustainable development. More particularly, the access of developing countries to global value chains should be further increased, their costs should be reduced, and the multilateral trading system should be reformed, especially against the background of 'mega-regional' trade agreements[i] (Berensmann, et al. 20125).

Questionable measurability

Critics are still skeptical about the possibility of applying scientifically sound measurement of the success or failure of a staggeringly large number of goals and targets, far outnumbering those of the MDGs. While many organizations and NGOs have been involved in the process of finalizing indicators and the system itself, huge responsibility rests with the statisticians in national capitals and at the UN Statistical Commission, whose membership is drawn from national offices. "The quality and the reliability of data come into play, especially because the statistical capacities among the 48 least developed countries are limited and weak" according to Joseph Chamie, former director of the UN Population Division (Crosette 2015). An official argues that the UN Statistical Commission will indeed find it difficult to assess the data and national reports—if they are produced and submitted at all (Crosette 2015). Further she explains that many countries collect a great deal of data according to international guidelines and standards, but they lack the technical expertise to analyze and interpret the statistics.

Many describes the reliance on national statistical offices the pitfall of the measurement issue, a major shift away from the MDG system, where monitoring of the goals and data analysis in developing countries was done mostly by experienced UN Development Programme representatives or consultants to other UN organizations. Finally, Crosette claims that turning over monitoring to governments—which many would argue are the source of many problems—diminishes the independent role of the United Nations and the likelihood of any significant naming and blaming (2015).

1.3. Second IAEG-SDG meeting: list of reviewed SDG indicators

26-28 October 2015 The Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs) held its second meeting in Bangkok, Thailand. During the meeting the group reviewed and discussed a list of potential SDG indicators based on earlier open consultations and agreed upon a working document in which they lists the indicators by using the following color codes:

- GREEN: Indicators for which there is general agreement (or small modifications proposed), based on the fact that less than 25% of respondents have strong concerns/expressed need to discuss on priority basis; no strong opposing views by members; furthermore, some of these indicators are already well established;
- YELLOW: Indicators where there are some unresolved issues or different alternative proposals, which could be resolved;
- GREY: Indicators where it appears that more in-depth discussion is still needed and/or methodological development needs to be undertaken.

The results of the indicators reviewed at the second IAEG-SDG meeting is available at: http://unstats.un.org/sdgs/files/meetings/iaeg-sdgs-meeting-02/Outcomes/Agenda%20Item%204%20-%20Review%20of%20proposed%20indicators%20-%202%20Nov%202015.pdf

Between 1 December 2015 and 15 February 2016 the group addressed the grey-marked indicators. Their latest report is available at: http://unstats.un.org/unsd/statcom/47th-session/documents/2016-2-IAEG-SDGs-E.pdf The IAEG-SDGs will consider the inputs received during this consultation period as it prepares the final set of indicators to be submitted to the UN Statistical Commission (UNSC) at its 47th Session, in March 2016. The Group notes, in its summary of IAEG-SDGs 2, that the final decision on the number, type and formulation of the list of indicators will remain with the IAEG-SDGs Members.

Integrated assessment

According to several experts while SDG indicators have a potential role in monitoring and progress review with suitable statistical instruments for measuring progress, moving SDG into the mainstream will also require analytic tools and methods that can address SDGs as a system, analyze their relationships, and allow policymakers, experts and the public to identify and test hypotheses about implementation options in the context of scenarios. The hypothesis is that the conceptual approach, tools and methods of integrated assessment make it an interesting candidate to play a role (TIAS, 2015).

2. Latest outcomes of the post-2015 process for business

2.1. Upgraded expectation towards business

With the finalization of the 2030 SD Agenda the UNO and its members officially declared their upgraded expectations for the role of the private sector. As reported earlier responsible companies are expected to work together with governments (national and international ones), civil society and other stakeholders in the form of a "revitalized" global partnership for development. This recent understanding of global partnership includes basically two things:

Responsible business conduct as a minimal requirement

Responsible business conduct means that companies, as a minimal requirement, align their operations to protect labour rights, comply with relevant international environmental and health standards and agreements and other related on-going initiatives. According to the SD Agenda these standards should include the Guiding Principles on Business and Human Rights, the labour standards of ILO, the Convention on the Rights of the Child, etc.

Business as new source of financing

Private sector resources are expected to play a key role in the financing of the SD Agenda. Several studies highlight the enormous amount of money needed to achieve the ambitious goals of the Agenda. According to a recent study by Schmidt-Traub from SDSN, low- and lower-middle-income countries (LICs and LMICs) may need to increase public and private expenditure by some $1.4 trillion per year ($343-360 billion for LICs and $900-944 billion for LMICs) in order to reach the SDGs. This corresponds to 4% of these countries' estimated GDP over the period measured in purchasing power parity (PPP) and 11.5% of GDP in international dollars, or 0.8-1.3% of world GDP. At the global level an incremental 1.5-2.5% of world GDP may be required to finance the efforts to achieve the SDGs in all countries (Schmidt-Traub, 2015). To reach these numbers, in addition to public money and traditional forms of ODA, the UN seriously intends to build on private sector resources, however specific policies are still to be set.

2.2. UN Private Sector Forum

On 26th of September 2015, as part of the 70th UN Summit, a so called UN Private Sector Forum was held. The UN Global Compact led the organization of the Forum in which participation was possible by invitation only. Selected chief executives and leaders from civil society organizations, including labour organizations and business associations that are UN Global Compact signatories or actively working with the United Nations, had priority in attending the event. The Forum sought to communicate the expectations of the UN towards the private sector and at the same time aimed to improve the understanding of the efforts initiated by the private sector and civil society. It also provided a platform for the private sector to announce long-term goals and partnerships as forms of contributions towards achieving sustainable development. (UN Global Compact, 2015) Concrete announcements by participating business sector organizations are available at the following link:

https://www.unglobalcompact.org/docs/issues_doc/development/PSF2015Announcements.pdf

Finally, the Forum also featured the launch of the SDG Compass. The following section includes the introduction and preliminary assessment of this tool.

2.3. SDG Compass

The SDG Compass, developed by GRI, the UN Global Compact and the WBCSD, and presented at the end of September 2015 (SDG Compass 2015) is a guide for businesses on how they can align their strategies with the SDGs and how to measure and manage their contributions to SDGs. It is not a tool in the sense that it does not provide an interface through which company data could be channeled/analyzed in order to gain new results, but rather a broad 5 step framework on how to engage with the SDGs. The SDG Compass website includes the full SDG Compass guide, in pdf format[ii], explaining the five steps and their implementation in more details; an on-line inventory of over 800 existing business indicators[iii] from relevant and widely recognized sources, mapped against the 17 SDGs and their targets and filterable by business themes, by sources of the indicators and searchable by keywords; an on-line inventory of 57 business tools[iv] filterable by the SDGs and the tool developers, and searchable by keywords; and a two-page overview for each SDG, covering the role of business, and offering illustrative examples.

2.4. The business case for SDGs

In a recent paper Torres-Rahman and associates from Harvard Kennedy School of Government have presented the business case for SDGs (Torres-Rahman 2015). As they argue responsible business practices with respect to human rights, the environment, social impact and corporate governance are the minimum conditions for businesses to enhance development. In line with Porter's Strategic CSR argument Torres-Rahman et al. also highlight the importance of strategic involvement of business in the implementation of the new SD Agenda in order to utilize untapped opportunities for creating business benefits and competitive advantage as well as development impact. As they write "business can engage in development most effectively and strategically through its core business investments and activities. In every industry sector, it is these core business investments and activities that offer the greatest potential for achieving sustained results at scale. At the same time, we recognize the value of strategic corporate philanthropy and social investments, and the role that companies play, for good and bad, in public policy advocacy" (p. 8). When it comes to the Benefits of Engaging Business in the SDGs, the authors list the following points:

- Business is the engine of growth, innovation and job creation, which are fundamental drivers of the bold economic, social and environmental solutions that we need.
- Through its core business, the private sector can make a powerful contribution. For instance, creating new technologies, products, services or business models that enhance people's lives; investing in the skills and health of its workforce; or implementing responsible social and environmental business standards and supporting human rights.
- Business also brings competencies built on understanding and delivering value to customers, designing business models to meet specific needs in a scalable way.
- Through its direct access to consumers, business can play an important role in shifting attitudes towards more sustainable patterns of consumption. (p. 10)

COMMENT: At this point it is important to highlight that the above paper, though does not emphasize Milton Friedman's argument that business should simply continue to do its job: "The social responsibility of business Is to increase its profits" (1970), its main logic is stunningly similar to that of Friedman. The enlisted benefits are simply repeating the regular business arguments why business does not need to go beyond its core activities. When Torres-Rahman et al. emphasize that responsible business practices with respect to human rights, the environment, social impact and corporate governance are the minimum conditions for business to enhance development they apply Friedman' qualifying statement – namely that business needs to operate with respect to the existing laws and prevailing social norms – for the 21st century social expectations.

They do not offer any genuinely new model and do not require business to devote additional and/or new resources to meet SDGs.

We quote three arguments from the report that aim to gain business attention and promote private sector involvement. These arguments prove that the authors do not require specific new actions from business, just emphasize that the SDGs offer excellent opportunities to businesses (particularly big MNCs) for being more competitive, more efficient and gaining new markets and costumers.

A shared imperative

The majority of companies benefit from operating in healthy, thriving societies, with effective infrastructure, good governance and predictable policy environments. For many of these companies, sustainable management of natural resources such as water, energy, land and biodiversity is also key for their long-term growth. New business innovations, whether they are new technologies, products, services or business models, very often face constraints within the wider ecosystem that are beyond the control of any single business. For example, lack of financial institutions and effective capital markets, or weak education and health systems, limit business growth and social development.

Protecting the Business

Protecting an organization's capital base is a well-accepted business principle. Yet organizations do not generally recognize the possibility of extending this notion to the world's natural and human resources. According to one of the SD definition for a business enterprise, sustainable development means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future (IISD, 2013). This interpretation highlights business's dependence on human and natural resources (such as water, fertile soil, metals and minerals), in addition to physical and financial capital. Thus, enhancing global sustainable development could result in the mitigation of material risks and costs posed by specific challenges such as reliability of raw material supply and availability and quality of other resources.

In addition, engaging in development challenges is an important way to build trust and reputation, among local community and other stakeholders. Furthermore incorporating social and environmental issues in the operations of a company can gain and maintain social license to operate that, by definition, exists when an operation has the ongoing approval within the local community and other stakeholders, or at least an ongoing acceptance. At the level of a single company action the Social License is rooted in the beliefs, perceptions and opinions held by the local population and other stakeholders. (Social License, n.d.)

Growing the business

Finding solutions to the world's greatest challenges also represents some of the world's greatest business opportunities, such as providing low-income, previously underserved communities with access to affordable, quality products and services for health, water and sanitation, education, energy and finance. New business models that create opportunities for low-income people as employees, suppliers and distributors can also offer companies ways to reach new markets and meet consumer demand profitably. Embedding a commitment to finding solutions to SDG challenges at the heart of business strategy can also provide opportunities to gain competitive advantage. This is especially true in the case of the growing green competition in which SDGs can boost novel ideas and technologies at the macro scale and stimulate new business practices. (Torres-Rahmann et al, 2015, p. 12-13).

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[i] Mega- regional trade agreements are referred as trade agreements negotiated between the main trading powers against WTO. The two main examples of these 'mega- regionals' are the Transatlantic Trade and Investment Partnership (TTIP) and the Transpacific Investment Partnership (TPP). (Berensmann et al, 2015)

[ii] Available at:
http://sdgcompass.org/wp-content/uploads/2015/10/SDG_Compass_Guide.pdf

[iii] Available at:
http://sdgcompass.org/business-indicators/

[iv] Available at:
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