

## High-level Panel on UN System-wide Coherence

Submission made by Business & Industry represented by the International Chamber of Commerce (ICC) and the World Business Council for Sustainable Development (WBCSD)

### Consultations to be held in Geneva on 2 July 2006 on Topic IV

#### Introduction

A strong, efficient and effective United Nations (UN) is in the interest of business, because business cannot succeed in societies that fail. The ongoing process of UN reform should recognize business' contribution to the implementation of the Millennium Development Goals and other governmental commitments by building wealth, generating entrepreneurship, creating employment and paying taxes.

Since 1946, business has engaged in a broad range of activities with the UN and has been supportively involved in almost every part of the UN system. Business understands the critical importance of the UN to global development, economic growth, human rights and environmental protection and attaches the highest importance to preserving and improving interaction with the UN. Progress in these areas is of direct benefit to the business community and its employees, investors, customers and other stakeholders.

Business leaders and senior UN officials headed by UN Secretary-General Kofi Annan met in New York in 1998 to review the scope for closer cooperation between the UN and the private sector in two main areas: establishing global rules for global markets, and raising the productive potential of the least developed countries by building up the private sector and encouraging inward private investment. The ICC and the WBCSD have also worked with UNDP, UNEP, UNCTAD, the Global Compact and various UN bodies, to promote the positive role of business in society and to find solutions to the world's key sustainable development challenges. Finally ICC and the WBCSD are organizing partners of the Business & Industry Major Group at the UNCTAD, and have cooperated in Business Action initiatives on Sustainable Development, Water and Energy.

To attain the Millennium Development Goals, Johannesburg Plan of Implementation and other sustainable development objectives, civil society organizations, including the business community, need to be actively engaged. Across the board, companies of all sectors, sizes and nationalities are critical implementation partners in a wide range of UN endeavours and are making real contributions. The diversity of the business community – in terms of nationality, sector, size, expertise, experience and viewpoint – is a resource of innovation for the UN. Business organizations should be broadly invited to engage in UN consultations and initiatives in order to make that “talent pool” available in support of successful and effective outcomes in the UN's work.

#### Mainstreaming Sustainable Development at the UN

A balanced approach to economic, social and environmental issues is more important than ever in light of the Millennium Declaration, Monterrey Consensus and WSSD - all ambitious multi-disciplinary efforts to tackle poverty and promote sustainable development.

The UN and its relevant agencies and programmes are the recognized global institutions for promoting human rights and raising environmental and labour standards – the core values advocated by the UN Secretary-General in his Global Compact with business. History has shown that improvements in human rights and in labour and environmental standards are more readily attainable in conditions of rising prosperity, produced by the interaction of the market economy and good governance.

Strong commitment to open markets and the effective treatment of these issues are mutually reinforcing and should go hand in hand. Environmental and trade disciplines need not clash; rather they should each be formulated and implemented with due awareness of their respective rules and procedures.

World business recognizes the need for the UN to have sufficient resources and authority to tackle the complex and often inter-related global problems of today, while urging further streamlining as part of UN institutional reforms to improve efficiency, reduce overlaps and duplication of tasks, and increase the UN's effectiveness in coordinating international activities. The UN should ensure that greater coordination of UN programmes and activities takes place at the national level and help governments implementing strong national development agendas. UN reform should also emphasize efforts to identify and inform cost effective, science- and risk-based policies to address agreed priorities.

## **Role of Business in Civil Society and Engagement of Stakeholders**

As recognized by the UNGA, WSSD, Agenda 21 and the Millennium Declaration, business is a fundamental and unique component of society, and should have access and engagement in UN discussions and consultations, commensurate with its role in society, expertise, resources and inter-disciplinary knowledge and impact. For business to make substantive contributions in UN discussions and consultations, it must be allowed to have an early seat at the table.

Business welcomes the growing openness of UN processes and efforts made to include business expertise and views. The UN must recognize and give priority to stakeholders that bring expertise, resources and capacity to address issues and make progress. We are concerned that there is a proliferation of multistakeholder dialogues and forums that could crowd out substantive interactions and deplete limited institutional resources. Indiscriminately including more groups, or putting all groups on an equal footing, regardless of their size and constituency, will likely lead to important views being curtailed or lost altogether.

Business is increasingly engaged with the UN at local level and encourages the UN to more fully recognize and seize on business' local expertise and knowledge to promote sustainable development for all.

## **Deployment of UN expertise and best practice for Implementation**

In parallel to the multilateral institutions and intergovernmental cooperation to address transboundary and global issues, UN reform should strengthen national resources and capacity building for implementation, taking into account the necessary flexibility needed to reflect different country circumstances and priorities. Business operates well under sound and predictable long-term enabling frameworks and the UN should promote such frameworks through transparency, impartiality and arbitration. The UN should also continue its efforts to encourage concepts of accountability, good governance, transparent tendering and adequate incentives at country-level. It should assist governments to set local strategies and economic, environmental and poverty reduction priorities, coherent with agreed international objectives. Finally it should encourage voluntary approaches and partnerships as helpful supplements to governmental commitments and actions.

## **The Role of the Commission for Sustainable Development (CSD)**

As organizing partners of the Business & Industry Major Group at the CSD, ICC and the WBCSD believe that, in order to make progress, the Commission must be strengthened, with clear priorities, long-term frameworks and accountability to deliver results. The CSD must obtain the mandate and resources within the UN to ensure that its policy recommendations are fully integrated into other UN programmes and activities and in individual national policies. It should also strike a fair balance between the three pillars of sustainable development and hence be supported not only by environmental ministers, but also those concerned with finance, habitat and development cooperation.

A committed Chair and Bureau are required to ensure that the outcomes are focused and pragmatic. Calls for input of the Bureau to all stakeholders on the currently discussed sustainable development topics would increase the understanding of the participants of the issues, barriers and problems leading to better informed discussions. The majority of discussions should be held in small working groups or task forces, which report their findings back to the Bureau or plenary rather than having large sessions with the reading of various statements. Examples of these practices are the meetings of the UNFCCC. Business needs to be engaged in the sessions including those associated with investment, access and technologies. A transparent and consultative process with the major group organizing partners needs to be undertaken in the selection of speakers/panellists.

## **Efficiency and Integration**

Business welcomes simplification of entry points into the UN and strong coordinating units at the UN (for ex on water), greater integration of UN standard-setting and operational activities and coherence among UN entities, Bretton Woods institutions other intergovernmental bodies including the various MEA secretariats. We believe that development and environment considerations should be more fully integrated in the UN's work, particularly on matters relating to economics and commercial activity.

Using resources more efficiently and bringing new financing into UN activities are both important. Business has consistently emphasized the importance of mobilization of domestic resources and encouragement of

local entrepreneurship; foreign direct investment and other private capital flows; good governance; overseas development assistance; and bringing the informal economy into the formal economy – UN reform should strive to enable and facilitate these important financing sources working in concert.

We are concerned about the overlap between this process and that arising from para 169 of the World Summit Outcome Document. Few organizations have the resources to seriously tackle two sets of consultations at the same time and on similar topics and it would be helpful if the consultations, which take place July 2, would be integrated with the para 169 consultations.

## **Conclusion**

The contribution of the business community to the economic, social and environment aspects of sustainable development is heavily dependent on the existence of framework conditions that encourage trade, investment and enterprise, respects human dignity and individual freedom, protects property rights and does not tolerate corruption. UN reform should improve the organization's effectiveness in achieving these objectives.

## **World Business Council for Sustainable Development**

Contact person: Jacqueline Cote, Advocacy, Partnerships  
Email: [Cote@wbcSD.org](mailto:Cote@wbcSD.org)  
Address: 4, chemin de Conches  
1231 Conches-Geneva  
Switzerland  
Tel: +41 (22) 839 3100  
Fax: +41 (22) 839 3131