

Creating Synergies between UN Resident Coordinators and Employers for Sustainable Impact

January 2024









Table of contents

Abbreviations	5
I. Introduction	7
II. Key stakeholders	8
III. Setting the scene and UN activities to strengthen its work in 21st century	11
"Our Common Agenda", United Nations Secretary-General report – recommendations for dealing with new challenges	11
How should we accelerate processes to implement the 2030 Agenda for Sustainable Development?	12
IV. Social employment challenges and opportunities (technical issues on employment)	13
Sustainable Social Protection Systems	13
Informality	14
Digital transformation	15
Future workforce skills	16
V. Financing for sustainable development	18
Accelerating SDG implementation through financing	18
International financial architecture and investment in sustainable development	20
United Nations Joint SDG Fund	21
United Nations Capital Development Fund	21
VI. UN development system	23
VII. Engagement in UN Processes	26
How can business be meaningfully engaged in these processes?	32
VIII. Conclusion	34
IX. Acknowledgements	35
X. Resources and Knowledge Sharing	36



Abbreviations

2030 Agenda	2030 Agenda for Sustainable Development					
AAAA	Addis Ababa Action Agenda					
Al	Artificial Intelligence					
B&IMG	Business and Industry Major Group					
CCA	Common Country Analysis					
COP	Conference of the Parties					
DCO	Development Coordination Office					
DFIs	Development Finance Institutions					
DPGA	Digital Public Goods Alliance					
DPoA	Doha Programme of Action					
EBMOs	EBMOs Employers' and Business Member Organizations					
ECOSOC	Economic and Social Council					
FfD Forum	ECOSOC Forum on Financing for Development follow-up					
GA	Global Accelerator					
GC	Global Compact					
GDC	Global Digital Compact					
GFANZ	Glasgow Financial Alliance for Net Zero					
GFCR	Global Fund for Coral Reefs					
GHGs	Greenhouse gases (GHGs)					
GISD	Global Investors for Sustainable Development Alliance					
HC	Humanitarian Coordinator					
IDES	Inclusive Digital Economy Scorecard					
IFI	International financial institution					
ILN	Investor Leadership Network					
ILO	International Labour Organisation					
IMF	International Monetary Fund					
IMIF	International Municipal Investment Fund					
INFF	Integrated National Financing Frameworks					
IOE	International Organisation of Employers (IOE)					
KAS	Konrad-Adenauer-Stiftung					
LDCs	Least Developed Countries					
MDB	Multilateral development bank					
MSMEs	Micro, small and medium-sized enterprises					
MVI	Multidimensional Vulnerability Index					
NRAs	Non-resident agencies					
OCA	Our Common Agenda					
OECD	Organization for Economic Cooperation and Development					
RC	Resident Coordinator					
SDCFs	Sustainable Development Cooperation Frameworks					
SDGs	Sustainable Development Goals					

SDI	Sustainable Development Investing
SIDS	Small Island Developing States
SIIP	Sustainable Infrastructure Investment Platform
SMEs	Small and Medium Enterprises
SMI	Sustainable Markets Initiative
SotF	Summit of the Future
TISK	Turkish Confederation of Employer Associations
TOBB	Union of Chambers and Commodity Exchanges of Türkiye
TŰSIAD	Turkish Industry and Business Association
UN	United Nations
UNCDF	United Nations Capital Development Fund (UNCDF)
UNCT	UN country team
UNDAFs	United Nations Development Assistance Frameworks
UNSG	United Nations Secretary-General
USCIB	United States Council on International Business
WBCSD	World Business Council for Sustainable Development

I. Introduction

As we deal with polycrisis from political, environmental to socio-economic challenges we are falling behind in implementing the 2030 Agenda for Sustainable Development. It is clear we need engagement from all. Food insecurity, debt, inflation, job loss, health issues and poverty are a reality for many and the private sector and business and employers' organisations' knowledge, innovation, technology, data and financing are needed more than ever. The Resident Coordinators (RCs) play a critical role in bringing all parties together at the local level in addressing many humanitarian and economic crises. With this is mind, the 2021 playbook Building Momentum in the Decade of **Action** has been updated aiming at increasing these partnerships and collaborations between RCs and employers by using comparative advantage of each to accelerate SDG implementation. Given the various dialogues, it is still clear that RCs are not always aware of who to enagage with at the local level and on what topics when they want to involve employers. And employers are often unaware of the United Nations (UN) processes where they could make an impact. Therefore, the employers have in this document information on UN processes, financing opportunities and background on UN SDG activities. For the RCs there is information on the employers' perspective on social employment issues focusing on implementing policies and legislative frameworks

that are implementable for micro-, small and medium-sized enterprises (MSMEs) and enhancing economic growth. This information will assist in the continuation of dialogues, partnerships, and activities at the global and local levels between UN and

the private sector.



The employers have in this document information on UN processes, financing opportunities and background on UN SDG activities. For the RCs there is information on the employers' perspective on social employment issues.

II. Key stakeholders

The International Organisation of Employers (IOE)¹ is one of the leading voices for business at the global level and on the ground. With more than 150 Employer and Business Membership Organisations (EBMOs) in 145 countries, IOE represents the interests of over 50 million companies. IOE plays a vital role in shaping labour markets and providing support to its members. IOE acts as the Employers' Group Secretariat within the tripartite structure of the International Labour Organization (ILO) and collaborates and cooperates with other UN entities, G20, G7, and other emerging

forums, and contributes to the 2030 Agenda. IOE along with its member affiliate in New York, United States Council on International Business (USCIB), cochairs the Business and Industry Major Group (B&IMG) in New York. With the consultative status with the Economic and Social Council (ECOSOC), IOE ensures private sector engagement in UN processes linked to the Sustainable Development Goals (SDGs).



Konrad-Adenauer-Stiftung (KAS)² is one of Germany's six political foundations with a global network of over 100 offices. It has traditionally been a strong advocate for fostering democracy, a rules-based international order and for the concept of a social market economy where government, employer and employee representatives are partnering to provide systems of social protection, engage in collective bargaining and advocate vocational training. Hence, KAS and IOE are natural partners in fostering private-sector engagement in the implementation of the 2030 Agenda.

The United Nations Development Coordination Office (DCO)³ manages and oversees the UN Resident Coordinator (RC) system and serves as secretariat of the UN Sustainable Development Group. Its objective is to support the capacity, effectiveness and efficiency of RCs and the UN development system. DCO is based in New York, with regional teams in Addis Ababa, Bangkok, Beirut, Istanbul and Panama, supporting 130 Resident Coordinators and 132 Resident Coordinator's offices covering 162 countries and territories.

The UN Resident Coordinator⁴ is the highest-ranking representative of the UN Development System at the country level – appointed and reports to the UN Secretary-General (UNSG). RCs uphold the values of the UN Charter, lead UN Country Teams and coordinate UN support to countries in implementing the 2030 Agenda taking into account their national priorities, including through the UN Sustainable Development Cooperation Frameworks. They also coordinate humanitarian assistance when needed and the integration of the UNCT's work with UN peacekeeping or political missions in

¹ https://www.ioe-emp.org/

² https://www.kas.de/en/

³ https://un-dco.org/node/4

⁴ https://unsdg.un.org/2030-agenda/leadership/the-resident-coordinator#:~:text=The%20UN%20Resident%20Coordinator%20 (RC,in%20implementing%20the%202030%20Agenda.

conflict and post-conflict settings. RCs also provide strategic guidance and oversight to the RC's Office that usually consists of five core professional staff: head of RC Office, an economist data, monitoring and reporting officer, partnership officer and communication and Advocacy officer.

The United Nations Global Compact (GC)⁵ is a principle-based framework for businesses, stating ten principles⁶ in the areas of human rights, labour, the environment and anti-corruption. It supports businesses and firms worldwide to adopt sustainable and socially responsible policies and to advance broader societal goals, such as the SDGs, with an emphasis on collaboration and innovation. It has over 17,000 corporate participants and other stakeholders in over 160 countries.

Partners at local/national or regional level

Governance structures of UN institutions and organisations of employers vary **at the local and regional level.** (See box below) In general, employers' organisations focus on social employment policies and advocate to governments and social partners on issues such as wages or pensions, whereas chambers of commerce focus more on trade, and investments. Whatever the governance structure, it is important to have the voice of these groups with the UN RCs, as these groups are key partners and ensure the voice of business in preparations of Cooperation Frameworks and Voluntary National Reviews. They are not just one company but represent all industries, sectors, and companies of all sizes. And while Global Compact is key on advocacy, the employers' federations are the policy, legislative partners at the local level and are critical to make systemic change to reach the SDGs.

Types of governance at the country level

There are different governance structures at the country level as follows:

- Business associations, organisations, representing MSMEs, industry sectoral groups, which often have training facilities.
- Local Global Compact Networks work closely with local businesses.
 They are sometimes led by an IOE member federation or the Chambers and sometimes are connected with RCs. In Small island developing States (SIDS) there may be a regional Global Compact Network that covers several countries.
- The federation may also be called a Chamber and may have both functions of social employment issues and trade. In some cases, they are separate from employers' organisations concentrating on social and labour policy whereas Chambers of Commerce focus on trade and investment.

⁵ https://unglobalcompact.org/

⁶ https://unglobalcompact.org/what-is-gc/mission/principles

Country examples:

- In Botswana Business Botswana is a private sector organisation that functions as the national Chamber of Commerce and Industry, as well as the employers' organisation and business representative.
- Turkish Confederation of Employer Associations (TISK) is comprised of 21-member employer associations, 2 million employees in 10,000 workplaces and is leading on production, industrial relations, competitiveness and productivity. It hosts the Local Global Compact Network. Whereas Union of Chambers and Commodity Exchanges of Türkiye (TOBB) and Turkish Industry and Business Association (TŰSIAD), both business organisations work in the area of trade and investment.
- In the Bahamas and Sweden, the Chamber of Commerce and Employers' Confederation are one organisation.
- In Kazakhstan, the Chamber of International Commerce of Kazakhstan focuses on exports, investments, trade development and technology transfer.
- In the the Indian Ocean there is one GC network covering 3 countries and, in the Caribbean, the GC will be opening a regional Global Network.

III. Setting the scene and UN activities to strengthen its work in 21st century

"Our Common Agenda", United Nations Secretary-General report – recommendations for dealing with new challenges

In today's polarized world of multiple interlinked crises and complex geopolitical and geo-economic situations, networked multilateralism at the UN where governments work with all stakeholders including businesses and private sector is needed more than ever.

This partnership between public and private sector was recognised at the 75th anniversary of the UN in 2020 and also in the UNSG's report⁷ issued in September 2021 that was requested to provide recommendations to advance "Our Common Agenda" (OCA) and to respond to current and future challenges. This provides a solid base to continue collaboration between the United Nations and private sector.

OCA specifically underlines the important role of the private sector in inclusive multilateralism including through responsible innovation and harnessing technology. The report also invites a broader range of businesses, from multinational corporations to micro, small and medium-sized enterprises (MSMEs), to participate in the SDGs and climate action, including through business models that align with efforts to rethink measures of progress and prosperity.

The following themes highlighted in the OCA have direct or indirect relevance to business: **solidarity for inclusive multilateralism** where employers' organisations can align with global business networks, **renewed social contract** with innovative models for public-private partnerships, **skills, climate change** which has a palpable impact on labour market and where the world of work will play a critical role in transitioning to a low-carbon economy, **sustainable social protection** (See also chapter IV) and **digitalisation**, where employers' organisations are key and can engage with government bodies, industry associations, and policymakers to contribute inputs and shape policies that support digital transformation (See also chapter IV). There are also many UN initiatives related to digitalisation.

Concrete example of contribution of companies to SDG implementation

Several Thai companies have backed their commitment to sustainability with commitments to net zero and financial commitments to the SDGs. Thailand is aiming for carbon neutrality by 2050 and net-zero greenhouse gas emissions by 2065. In the Global Compact Network Thailand (GCNT), a voluntary association of companies committed to sustainability principles, most of the 90 members have already pledged to reach net zero by 2050. At its annual forum in 2020, the members also promised more than US\$ 40 billion (THB 1.2 trillion) through 2030 to advance the SDGs.

Source: SDG Guidebook for Thai Listed Companies, prepared jointly by the UN Development Programme (UNDP) in and the Securities and Exchange Commission (SEC) of Thailand.

Youth – Private sector and business communities have an imperative role in the implementation of the Global Initiative on Decent Jobs for Youth as well as the Global Accelerator on Job and Social Protection to create decent jobs in the care, digital, and green economies and "massively" expand social protection. IOE has recognised the importance of including youth and young entrepreneurs and has organised for the past five years a **Young Professionals Academy** to train young staff members at employers' organisations from different regions on the work of the IOE, the work of the ILO and the process of negotiating international labour standards, along with building their advocacy and public communication skills.

Gender equality - Empowering women in the economy and closing gender gaps in the world of work are key to achieving the 2030 Agenda and achieving the SDGs. **The One Global Women Empowerment Initiative (OGWE)** was launched in November 2022 by IOE and the Business 20 Indonesia Secretariat. It is a digital resource and networking platform for advancing inclusive, resilient, and sustainable global economic growth by empowering women.

How should we accelerate processes to implement the 2030 Agenda for Sustainable Development?

At the UN at the global level there are a number of ways that private sector and business organisations including employers' organisations can engage through either implementing existing agreements or engaging with upcoming processes to ensure that their engagement and interests are included. **The B&IMG** represents employers' views in many UN fora and has been instrumental in building partnerships and implementing much needed change in policies at the global level working together with the UN. The most important processes that have taken place or will take place are below:

LDC5 CONFERENCE 2021-2022	TRANSFORMING EDUCATION SUMMIT September 2022	SDG SUMMIT September 2023	SIDS 4 May 2024 Antigua and Barbuda	LLDC 3 June 2024 Kigali	SUMMIT OF THE FUTURE September 2024 New York	WORLD SOCIAL SUMMIT 2025
Adopted Doha programme of Action. Private Sector Forum held during LDC5. IOE issued the Doha 5-point private sector strategy for SDG advancement.	A global call on transforming education. It is directly relevant to employers' organisations and future of work emphasising lifelong learning.	Several high impact initiatives including adopted. Political declaration aurges all stakeholders to take transformative actions to achieve the SDGs.	Important role of private sector and private investment to make progress in addressing SIDS. A priavte sector forum is being organised along side the main confierence.	Will adopt LLDC Programme of Action Calls specifically on private sector to enage and make investments in addressing gaps in renewable energy and technology.	Enhance voice and participation of the private and business sector, including through engagement in the preparatory process and in the Pact for the Future. See Policy Briefs.	Proposed focus include human security, universal sustainable social protection, standards of living, income and wealth inequality, decent work, youth, and financing.

IV. Social employment challenges and opportunities (technical issues on employment)

Sustainable Social Protection Systems

Social protection plays a crucial role in promoting social and economic development, as well as ensuring the well-being and dignity of individuals and communities thus fostering social cohesion and inclusion. This protection can be provided through social insurance, tax-funded social benefits, social assistance services, public works programs and other schemes guaranteeing basic income security and access to essential services.

Key principles of social protection systems from an employer perspective include universal access, adequate benefits and targeted assistance, integrated systems and financial sustainability together with institutional capacity, flexibility and adaptability and a social dialogue involving all social partners including Employer and Business Membership Associations⁸. The table below is a guide based on consultations with employers.

Guide:

Each country should develop its own model of social protection, however there are some key elements to be taken into account in the building of futureproof social protection systems:

- Efficient transitions: Social protection is first and foremost a means of providing safety nets and social stability. But it should also aim at facilitating effective transitions from one job to another, as it is also about promoting competitive economies and an appropriate business environment to foster successful enterprises, promoting skills development and fostering productivity.
- Sustainability: The strong pressure on the financial sustainability of social protection systems in many countries demands urgent reforms that respond to the specific needs and be coherent with the socioeconomic context. Governments often lack openness about the different funding options. They should explore all options without any prejudices, including private schemes, and adopt an appropriate mix of policies.
- Informality: Governments, multilateral institutions and employers need to look further at the root causes and elaborate on innovative ways to tackle informality, which will be critical for the extension of contributory coverage. The development of national social protection systems needs to go together with policies to address the significant number of workers in the informal sector, who are not covered or contributing to them.

- **Fiscal space:** Governments, multilateral institutions and employers need to be mindful of the lack of domestic resources and fiscal space at the national level. Social protection financing gaps continue to be an issue, especially in low-income countries.
- Capacity building: There is a need to reinforce capacity building at national level. Addressing the know-how, the technical aspects will allow for the building of sustainable systems in bringing the practical concerns of workers and employers.

Source: Sustainable Social Protection Systems: Existing and new challenges, IOE, February 2023.

UN, ILO and the World Bank all have many initiatives on sustainable social protections systems. They are: ILO's Reaching consensus on how to accelerate social protection systems-building, Joint SDG's Fund: Integrated policy making for social protection Universal Social Protection System (USP) in Kenya based on UNDAF, The Global Accelerator (GA) on Jobs and Social Protection for Just Transitions, The World Bank's Rapid Social Response Adaptive and Dynamic Social Protection Umbrella Trust Fund (RSR ADSP) and ILO's Social Protection Floors Recommendation.

Informality

Moving from the Informal to the Formal sector

The informal economy is one of the greatest economic development challenges facing societies around the world today. An estimated 61 per cent of the world's working population make their living in the informal economy. It is mostly concentrated in emerging and developing economies, which, according to the IOE, are home to 93 per cent of all informal workers⁹. It is closely linked with negative economic outcomes including poverty and low productivity. In emerging and developing economies, the average productivity gap between formal and informal businesses was estimated at 75 per cent.

Addressing informality requires broad consultation and an all-of-government approach across a wide spectrum of policy issues including addressing root causes. These include improvements in the business-enabling environment by reducing excessive regulation and bureaucracy as well as corruption and improvements in business registration, taxation, and labour regulations. Employers' organisations have the potential to support and engage with the informal economy by working directly with business associations representing informal economy members.

Digital technologies are also changing the ways that informality works as digitalisation can bring many workers from the informal to formal economy especially as it simplifies the ways to apply for a job or register a business.

Employers' organisations have an important role to play in addressing informality, through service provision, advocacy, research, and institutional support. IOE encourages

⁹ https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=155931&token=27b9b511c79c9bd920ca46fb21517f9074209889

international institutions and governments to continue in their efforts to tackle informality.

Digital transformation

The way work is conceptualised and how people perform their jobs have been transformed by digitalisation. This may require employers to reskill or retrain employees to fill new digital roles, which can be a complex and costly process. Additionally, adopting new digital tools and technologies often requires a learning curve for employees.

One of the most important ways technologies can improve productivity and inclusion is through using **digital finance**. It gives individuals and businesses access to affordable and convenient financial services. Through digital channels, people in remote or underserved areas can overcome barriers such as distance, lack of physical infrastructure, or limited access to traditional banking services. This allows them to participate in the formal financial system, save, borrow, invest, and manage their finances more efficiently.

Digital technologies also open **new work opportunities**, for example by allowing workers in one country to work with businesses in another without having to physically migrate. These new forms of work bring new challenges in terms of social protection raising questions of what the legal framework for new forms of digital work is.

SDG Digital Acceleration Agenda tries to harness positive aspects of digitalisation and minimize negative ones placing people and the protection of human rights at the centre. At the national level it is essential to engage with private sector and business and use their expertise.

At a time of exponential pace of digital transformation across our planet, persistent digital divides including access and readiness among and within countries stand in the way of widespread SDG progress. Just under half of the world's population – and four in five people in the LDCs, according to the Small Goes Digital¹⁰, ILO report in cooperation with the IOE and KAS – do not use the internet at all, with gender gaps and affordability issues related to internet access being most pronounced in the poorest economies, while firm-level disparities in technology adoption are even wider than regional ones suggesting inequalities in multiple dimensions. In low-income countries, 70 percent of households are not yet covered by fixed broadband networks, 33 per cent are out of reach of mobile internet (4G), and 234 million fewer women than men use mobile internet. The private sector can also encourage open-source innovation to motivate collaboration among businesses and communities. The International Telecommunication Union (ITU), UNDP, Inter-American Development Bank (IDB), and the Boston Consulting Group (BCG) are working in countries and communities around the world where digital transformation is having a positive impact on people's lives and livelihoods. This Agenda¹¹ explores how digital technologies can help accelerate progress toward the SDGs, and highlights many of the key enablers and components that could drive digital transformation and its benefits in other contexts. One such

 $^{10 \\} https://www.ioe-emp.org/index.php?elD=dumpFile\&t=f\&f=155873\&token=8e97bfe1b76a17b9e4832a2b178045dcb2f048a5$

¹¹ https://www.undp.org/sites/g/files/zskgke326/files/2023-09/SDG%20Digital%20Acceleration%20Agenda_2.pdf

initiative to promote universal access to internet is **ITU's Partners2 Connect Initiative**. The private sector is also able to foster knowledge-sharing and cooperation on a global scale, for instance through participation in business networks such as the GC or IOE.



Source: SDG Digital Acceleration Agenda.

Future workforce skills

The world of work is changing and labour markets across the world are facing numerous challenges with strong differences based on national contexts. Digitalisation, globalisation, population ageing and the transition to a low-carbon economy are affecting the jobs available and the skills required to perform them and imply rapid changes in the skills needed to adapt and succeed in a constantly evolving labour market.

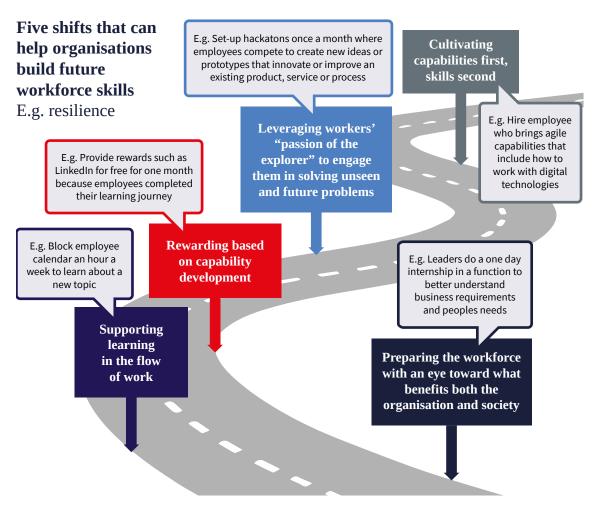
Policy makers and employers are already fostering the move towards a greener economy but much more needs to be done if countries are to meet the objectives of various international agreements and frameworks. Government policies need to consider the challenges for workers, but employers also have an important role to play. At the Conference of Parties (COP 28) on climate in December 2023, **IOE together with IOE member federations and partners hosted the first Pavilion for employers and green skills** with a view to raising the ambition around green skills development and anticipation, bringing together employers, companies, international organisations and governments in a discussion on common priorities and joint activities, and promoting the importance of this topic within climate discussions and negotiations. IOE works with leading companies like LinkedIn, Deloitte, the Adecco Group, Randstad and others who are actively involved in analysis and research on green skills trends and needs across the world. Furthermore, the ILO has been developing its capacities in this area and also developing comprehensive and relevant reports on green skills in many countries.

This is a shared interest that both the United Nations and its specialized agencies have with employers and business organisations. United Nations is interested in inclusion and just transitions while achieving a transition to net-zero economy, whereas employers and business organisations need skilled workforce to be able to transition to greener and bluer economies.

IOE is actively involved with the ILO in global initiatives like the **Climate**Action for Jobs Initiative, the **Green Jobs for Youth** and **Employers'**Alliance for Green Skills. IOE is also preparing a new policy paper on just transition policies and planning and has published a **collection of just**transition practices from members and partner companies earlier this year as well as an overview of **green skills policies and trends**.

Employers' organisations have a crucial role to play in future skills anticipation and development. Based on interview findings by the IOE and Deloitte on future skills assessment¹², employer organisations may wish to **strongly advocate** their governments to adapt to new circumstances through curricula including science, technology and digital skills, career options and providing an enabling environment for businesses to upskill and reskill their workforce. By emphasizing digital literacy, providing equal access to resources, developing digital skills, addressing socioeconomic inequalities, promoting lifelong learning, and ensuring equal opportunities, education can play a vital role in bridging the digital divide and empowering individuals for the digital age.

Looking ahead

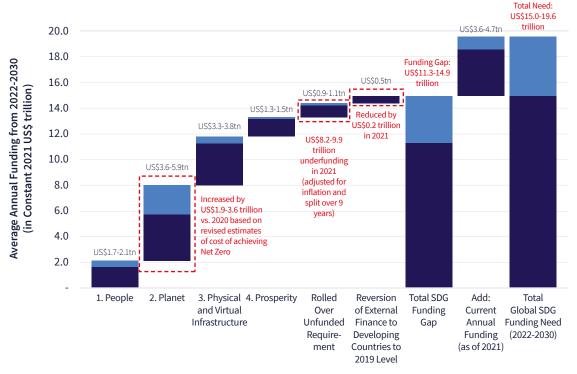


Source: Future Skills Assessment Report, IOE and Deloitte, September 2020.

V. Financing for sustainable development

Scaling up financing for sustainable development is one of the most pressing issues if we want to achieve the SDGs. The total cost of achieving the SDGs has increased from 2021 to 2022 by 15%-25% from US\$116- US\$142 trillion to US\$134-176 trillion, (See Figure below).

2021 SDG Funding Need and Gap in US\$ trillion



Source: Capital as a Force for Good Initiative.

Financing will remain in focus in upcoming conferences including SIDS and LLDC conferences as well as two Summits: the Summit of the Future in 2024, where one of the chapters in its outcome document Pact for the Future is on sustainable development and financing, and in the World Social Summit in 2025. This is also closely connected to calls for reform of the international financial architecture as a key for large-scale SDG-related investments in order to better address global challenges.

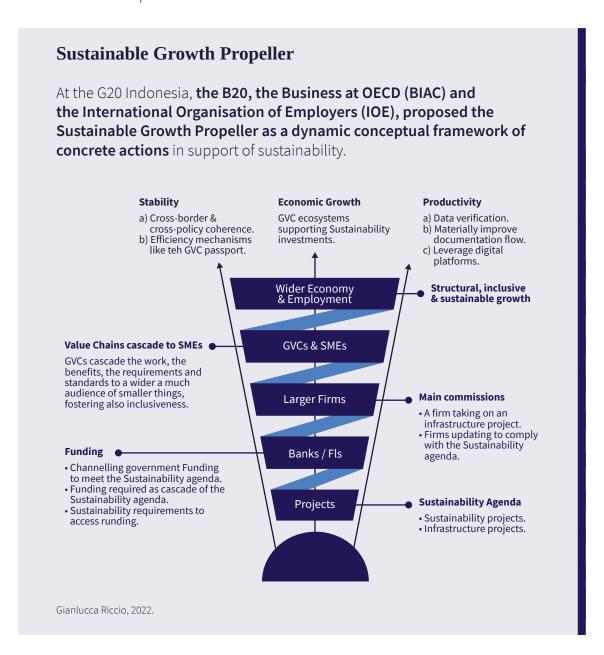
Accelerating SDG implementation through financing

The UNSG proposed an **SDG Stimulus**¹³ which aims to scale up affordable long-term financing for all countries in need, by at least 500 billion dollars a year. The Organisation for Economic Cooperation and Development (OECD) (2021)¹⁴ estimates that shifting only 3.7 per cent of the \$100 trillion in assets held globally by institutional investors would suffice to close the financing gap, but it is also important that these investments adhere to the principles of sustainable development financing.

¹³ https://www.un.org/sustainabledevelopment/wp-content/uploads/2023/02/SDG-Stimulus-to-Deliver-Agenda-2030.pdf

¹⁴ https://www.oecd.org/dac/financing-sustainable-development/Mobilising-institutional-investors-for-financing-sustainable-development-final.pdf

The Financing for Sustainable Development report 2023¹⁵ prepared by the Interagency Task Force on Financing for Development stresses that both national and international actions are needed to scale up SDG financing including immediate measures to scale up development cooperation and SDG investments, strengthening the international financial architecture and national actions to accelerate sustainable industrial transformations. The paucity of public funding means that private investors, companies and capital markets along with bilateral and multilateral development banks have to focus their financial resources more strongly on climate targets in these countries¹⁶ as elaborated in the Sustainability Monitor from KAS in "Climate Finance: Matter of Justice?. It is also essential to address corruption for ensuring effective financing for development. Enhancing transparency, accountability, and anti-corruption measures, as well as promoting good governance practices, can help mitigate the negative impacts of corruption and enable more resources to be channeled towards sustainable development initiatives.

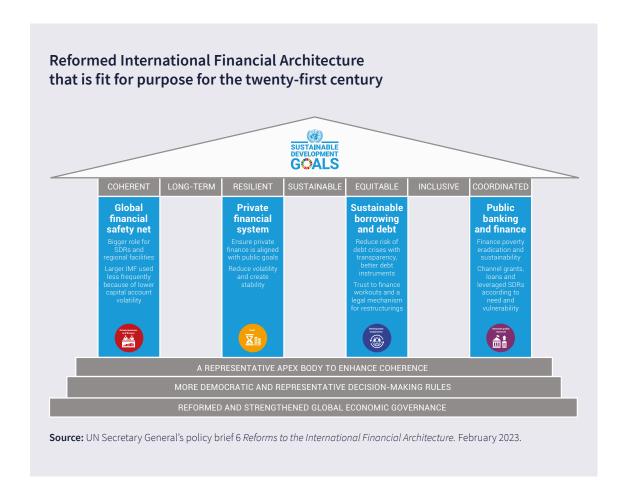


¹⁵ https://desapublications.un.org/publications/financing-sustainable-development-report-2023

¹⁶ https://www.kas.de/en/sustainability-monitor/detail/-/content/climate-finance-a-matter-of-justice

International financial architecture and investment in sustainable development

The UNSG in his policy brief calls for ambitious reform of the international financial architecture. (Please see the figure below)



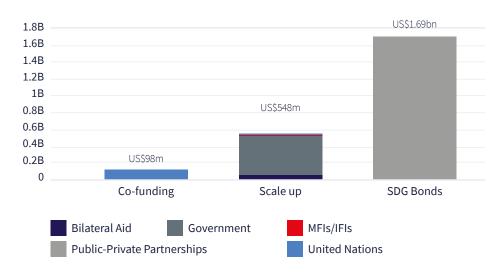
Global Investors for Sustainable Development Alliance

In response to the annual SDG financing gap and to scale up private finance and investment, the UNSG in 2019 convened the Global Investors for Sustainable Development (GISD) Alliance. Among its achievements so far are the GISD's **definition of Sustainable Development Investing** (SDI), which has become the basis of the *G20 Sustainable Finance Working Group* principles to align investment with sustainable development; the **sector-specific SDG-related metrics**, which have enabled rigorous measurement of the private sector's contribution to the SDGs and put a main focus area for GISD going forwards to enhance **private capital mobilization through MDB reforms and blended finance**.

United Nations Joint SDG Fund

The UN Joint SDG Fund leverages collective capacities of the UN Development System brought under RCs leadership to accelerate the SDGs. To date, the Fund allocated US\$258 million in financial commitments to 119 UNCT / Multi-Country Offices in partnership with 30 UN entities. It works in the areas of integrated social protection, SDG Financing Strategies and Integrated National Financing Frameworks (INFFs) in 69 countries, which are the primary mechanisms to implement the SDG Stimulus at the country level and have leveraged over US\$1 billion in additional financing from both public and private sector partners. The Fund's portfolio is focusing also on building resilience of SIDS and includes 25 joint programmes totaling US\$54 million, with US\$24 million in co-funding. The Fund is partnering with 23 UN entities across 42 SIDS. The Fund is structuring 25 innovative blended financing solutions in 10 countries including SDG bonds, SDG impact funds, and climate financing facilities, with a total budget of US\$114 million, which includes US\$56 million in co-funding. It has also released Development Emergency Modality allocating US\$21 million to 85 UN country teams as part of the wider UN Development System's response to deal with current crises. The Modality was critical in supporting Governments strengthen data and information systems, devise rapid response measures, and test innovative solutions against raising costs and currency fluctuations that disproportionately impacted vulnerable populations.

Establishing diverse partnership for the SDGs (Number of partner organisations by type)



United Nations Capital Development Fund

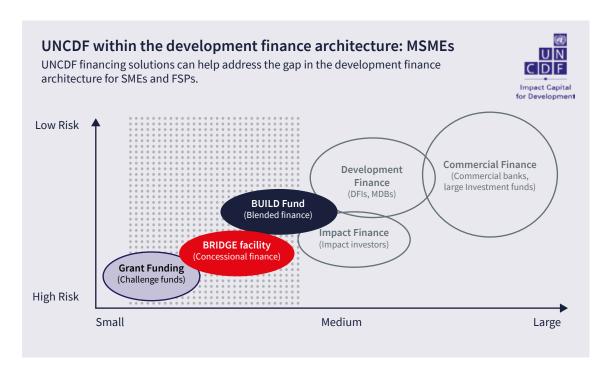
The UN Capital Development Fund (UNCDF) is the UN's flagship catalytic financing entity, a hybrid between a development finance institution and a development agency, for the world's 46 LDCs supporting them through catalysing additional flows of capital for achievement of the SDGs; strengthening market systems and financing mechanisms; and accelerating inclusive, diversified and green economic transformation.

Within these areas, UNCDF supports SMEs, financial service providers, local governments, NGOs and others, with a primary focus on benefitting poor and vulnerable

groups. UNCDF also works in close partnerships with other UN organizations and private and public sector actors to achieve greater impact in development; specifically by unlocking additional financial resources.

UNCDF financing solutions

UNCDF's ability to issue grants, loans and guarantees directly to the private sector as well as governments, is unique in the UN system as can be seen in the figure below.

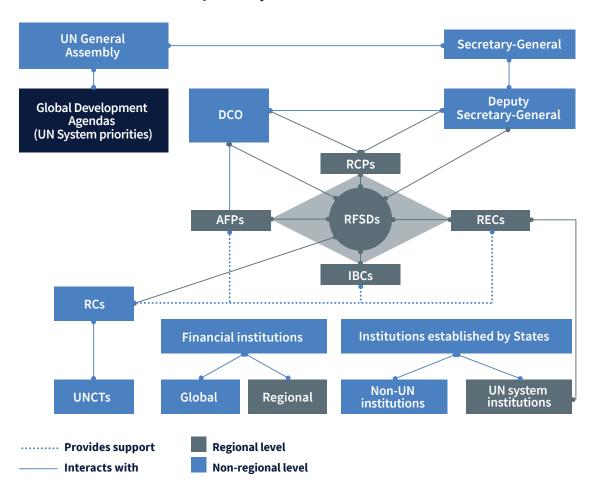


UNCDF also provides **local transformative finance** and in 2022 it supported more than 350 small and medium-size local infrastructure investments. Through the LoCAL initiative, UNCDF supports local governments to access finance and capacity to make small-scale infrastructure investments that enhance resilience and adaptation to the effects of climate change. To date, the initiative has supported more than 332 local government authorities and a combined population of 15 million people in more than 25 countries. As part of its support for **unlocking climate finance**, UNCDF helps develop innovative structures that can increase finance flows for climate-related emergencies. In 2022 it successfully rolled out 15 new and improved digital climate and disaster risk financing and insurance products in Fiji, Tonga and Vanuatu. UNCDF promotes access to finance across clean energy value chains and with the aim of scaling access to clean energy for low-income households. In 2022, the UNCDF portfolio of clean energy companies sold over 86,000 energy products that serve 420,000 people. Since the launch of programme activities in Uganda, Ethiopia, Burkina Faso, and the Democratic Republic of Congo, UNCDF-supported companies sold 1.9 million energy products that serve 9.5 million people and offset two million tonnes of CO².

VI. UN development system

UN reform of its development system started in 2019 and is ongoing. It was urgently needed to make it fit for purpose to be more integrated, more focused on delivery on the ground, with clearer internal and external accountability for contributions to national needs, and with capacities, skill sets and resources better aligned to the 2030 Agenda. The result is a reinvigorated RC system. (See Figure below).

The United Nations Development System



Source: How are the Regional Forums on Sustainable Development Contributing to the SDGs?, CEPEI 2022 in cooperation with KAS.

This reform is also important as UNCTs work more closely with private sector and business organisations (See Figure below).

The United Nations (UN) is reforming how it provides assistance to countries, including on the 2030 Agenda. The new approach will change the way national development policies are designed and implemented.

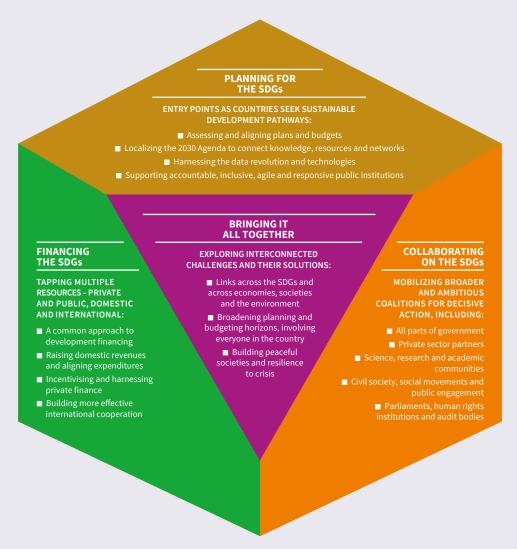
UN Country Teams working more directly with the private sector and representative organizations of business and employers need to be involved. EBMOs need to assert their role in the mix of competing voices of business.

The UN development plan for each country offers an unprecedented opportunity for business organizations to inject a private sector perspective into national sustainable development targets, policies and programmes that shape the business environment.

EBMOs need to proactively engage with the UN Resident Coordinators and UN Country Teams in order to represent the interests of business.

Source: International Labour Organisation.

To support this reform, ensuring streamlined operating practices resulting in both efficiency gains and higher quality services, a more adequate support infrastructure is provided at global, regional and country levels. An upgraded DCO at headquarters and in the regions supports improvement of the functions and capacities of the RCs offices. A shift in donor funding is also implemented to ensure more predictable and flexible resources.



Cooperation with RCs in Asia-Pacific Region

Working with regional RC offices is also very important. Thus, in Asia and the Pacific recognising the pivotal role of MSMEs as key drivers of growth in the region, they are deeply committed to advancing principle-based business actions, especially in the face of unprecedented global challenges such as the consequences of the COVID-19 pandemic, climate change, and ongoing conflicts. With MSMEs comprising an average of 96.6 per cent of enterprises, employing 55.8 per cent of the workforce, and contributing 28.0 per cent to a country's economic output in 24 developing member countries of the Asian Development Bank (ADB 2022), the private sector's involvement is not merely an afterthought but an integral part of efforts to achieve the SDGs. Considering the estimated annual gap of around US\$ 4.2 trillion, collaboration between governments, civil society, and the private sector is paramount. Anchoring the UNCT work within the framework of "Six Transitions: Investment Pathways to Deliver the SDGs", we are fully committed to work with the private sector and deepen our engagement with IOE and other private sector actors. The partnership will be pivotal on how we facilitate and enable the four engine room actions and means of implementation of the Six Transitions, with an emphasis on policy/ regulatory frameworks, market-ready pipeline projects, deal room/financing mix, capacity building, utilisation of science, technology, and innovation, bridging the data gap, and strengthening SDG localization. Through collaborative efforts, we aim to catalyze the necessary financial flows and drive transformative change towards sustainable development.

Source: Asia Regional Coordination Office.

Joint business coalition for SDG implementation in Bangladesh and Pakistan

In **Bangladesh and Pakistan,** RCs working together with Bangladesh Employers' federation (BEF), Federation of Bangladesh chamber of commerce, National Association of small cottage industries Bangladesh (NASCIB), Employers' Federation of Pakistan (EFP), Federation of Pakistan Chamber of Commerce and industry (FPCCI), Pakistan Business Network for UNGC, and ILO Activities for employers (ILO ACT/EMP) worked with employers to to establish a joint business coalition for the promotion of SDGs and effective engagement of business.

VII. Engagement in UN Processes

The 2030 Agenda emphasises "an intensive global engagement in support of implementation of all the Goals and targets, bringing together Governments, the private sector, civil society, the UN system and other actors and mobilizing all available resources". Private sector needs to play a recognized role in these processes and not just be part of one meeting. In this regard, the below forums and processes are described to encourage engagement of private sector, business and employers' organisations as vehicles to enhance contribution of these sectors and organisations to the implementation of the 2030 Agenda and its SDGs.

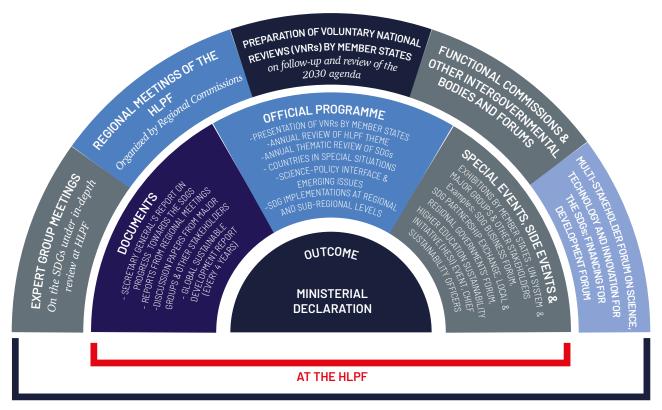
High Level Political Forum (HLPF) on Sustainable Development was established at the UN Conference on Sustainable Development, better known as Rio+20, in 2012. It is the central UN platform for the follow-up and review of the 2030 Agenda for Sustainable Development and the SDGs at the global level. To date two 4-year cycles have been completed with two SDG Summits in 2019 and 2023.

Each HLPF session consists of a thematic part of review of a certain number of SDGs (See Figure below) and of Voluntary National Reviews (VNRs). It also has several special forums and side events, including SDG Global Business Forum.

HLPF in July 2024 will start the third 4-year cycle which will culminate in SDG Summit in 2027. The theme will be *Reinforcing the 2030 Agenda and eradicating poverty in times of multiple crises: the effective delivery of sustainable, resilient and innovative solutions*. In 2024 it will review in-depth: Goal 1 on poverty, Goal 2 on hunger, Goal 13 on climate action, Goal 16 on peaceful and inclusive societies for sustainable development and accountable and inclusive institutions at all levels and Goal 17 on partnership.

Private sector, business and employers' organisations can meaningfully engage at the HLPF through B&IMG to participate in review of the above goals under consideration as well as at the Global Business Forum or organise side events.

Main components of the Global-level Review of the 2030 Agenda at HLPF



HLPF PREPARATION AND INPUTS

Source: Stakeholder Engagement and the 2030 Agenda, UNDESA&UNITAR, 2020.

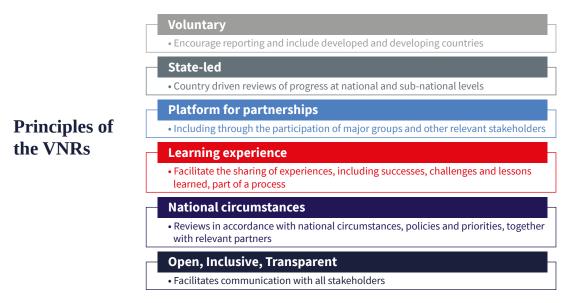
2023 SDG Global Business Forum

The Forum was held as a special event of the 2023 HLPF under the overall title *Turbocharging the 2030 Agenda with business impact*. Participants included UN, private sector, youth and civil society representatives and gathered both in person and online over 6,600 participants. The issues discussed included implementation of SDGs at the local level, deep dive into SDGs under the discussion at the 2023 HLPF and enhancing partnerships.

Union Patronale et Interprofessionnelle du Congo) is an employers' association (UNICONGO) of the **Democratic Republic of Congo** which partners with the Government and RC to improve the business climate and contribute to the development of the Congolese economy. It supports companies like *Brasco* that works on local production at industrial scale of crops such as barley and corn to stimulate the growth of the Congolese agricultural sector and achieve food security.

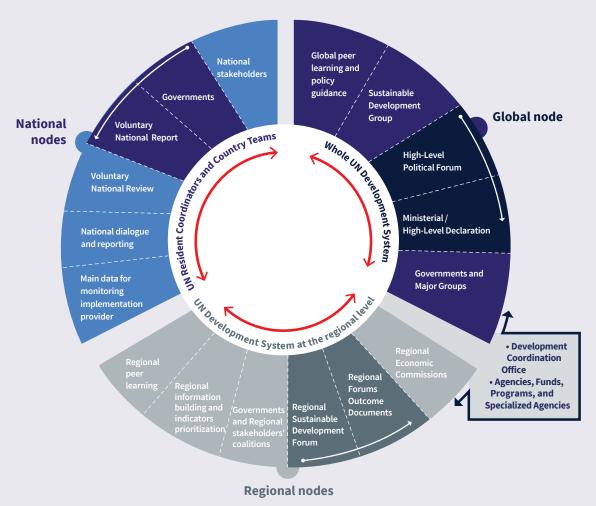
VNRs are part of HLPF's follow-up and review mechanism through which Member States present their progress at the national and sub-national levels of the 2030 Agenda and

the SDGs. The principles of VNRs are listed in the figure below. There is a **Handbook for the preparation of the VNRs**, which emphasises the importance of engagement of all stakeholders including business and private sector.



Source: UN DESA.

The 2030 Agenda Monitoring and Follow-up System: Nodes, UN Levels of Engagement, and Main Forum



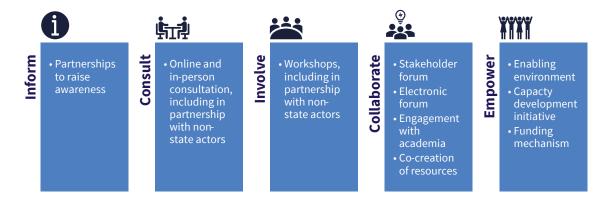
Source: How are the Regional Forums on Sustainable Development Contributing to the SDGs?, CEPEI 2022 in cooperation with KAS.

VNRs presented in 2023, but also in previous years, usually refer to private sector and business in relation to resource mobilisation. However, there are increasing number of countries who also partner with private sector in other areas. IOE members from Fiji, Portugal and Saudia Arabia, Norway participated in HLPF and VNRs. However, it was reported that employers were not always consulted.

Cooperation of the Government of Chile with GC in their VNR

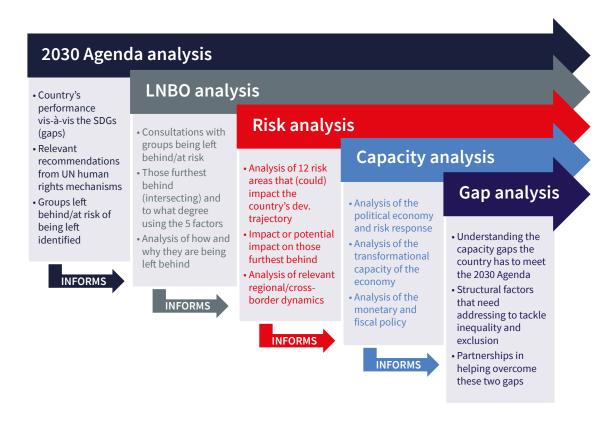
In Chile's VNRs of 2019 and 2023, the Government worked closely with GC to engage businesses in reporting on implementation of SDGs. In 2019, GC carried out a consultation online where 76 business initiatives were collected and were reported in the VNR of that year. In 2023, they went even further and produced a voluntary business report to show what companies are doing in achieving SDGs. The collaboration between GC and Acción Empresas and Federation of Chilean Industry (SOFOFA) has resulted in a website **SUMANDO VALOR** where companies showcase what they are doing to implement the SDGs. This example of stakeholder participation in the construction of Chile's VNRs contributes to the overall quality of its reporting process, which has been documented as a strength in the publication by Centro de Pensamiento Estratégico Internacional (CEPEI) in their report written jointly with KAS Quality reports to accelerate the Sustainable **Development Goal** and "aligns with the acknowledgment of the principles of the 2030 Agenda as foundational for national policies, showcasing a notably robust emphasis on the principle of multi-stakeholder engagement and the commitment to the Leaving No One Behind principle, among other key tenets.

Main ways governments partner with stakeholders on the 2030 Agenda



Source: Multi-stakeholder engagement in 2030 Agenda implementation, UNDESA.

The CCA is an integrated evidence-based analysis by the UN system of the prospects for sustainable development in a country in which it maintains operational development activities (See Figure below). The CCA serves as the analytical baseline for the Cooperation Framework and provides the basis for policy dialogue and prioritization with stakeholders on sustainable development strategies and solutions. Stakeholders, such as employers' organisations, can offer valuable inputs and contributions to the creation of CCAs by sharing the business perspective on the challenges and opportunities to sustainable development in the country.



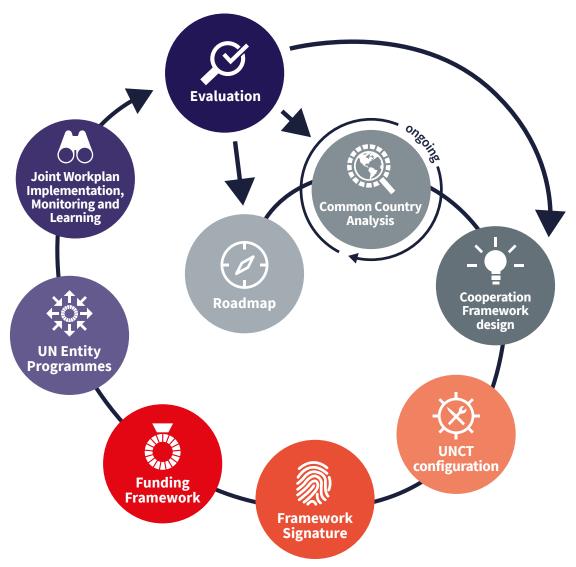
 $\textbf{Source:} \ \textbf{Companion Piece to the United Nations Sustainable Development Cooperation Framework, UNDP Guidance.}$

The Cooperation Framework replaced the UNDAF as the instrument for planning and implementation of the UN development activities at country level in support of the implementation of the 2030 Agenda. It is a three-to five-year detailed plan for the UN's activities of sustainable development in which national governments are crucial

stakeholders and the private sector can play an important consultative and implementing role. The Cooperation Framework is a live document and the interaction with the private sector and employers' organisations needs to be a process that reflects real-time realities: structured and formal, yet flexible throughout the reporting period. The Cooperation Framework guides the entire programme cycle (See Figure below) for achieving the 2030 Agenda.

The Cooperation Framework is a three-to five-year detailed plan for the UN's activities of sustainable development in which national governments are crucial stakeholders and the private sector can play an important consultative and implementing role.

The Cooperation Framework Cycle



Source: Guidance for Cooperation Framework.

Groupement des Entreprises de Madagascar (GEM), has entered into a framework of cooperation and collaboration with the UN System, allowing for increased involvement in its projects. Notably, the GEM has initiated and implemented various projects aimed at aligning the private sector's actions with the SDGs and actively contributing to the sustainable development of Madagascar. These include the overhaul of the Labor Code, the Decent Work Country Programme (DWCP), Occupational Health and Safety (OHS), and exploring collaboration opportunities with the World Food Programme (WFP) for local supply by GEM associations and businesses in disaster risk management and response (COVID-19, cyclones, droughts, etc.).

How can business be meaningfully engaged in these processes?

At the global level the B&I MG in New York engages regularly but not always in a systematic manner in many events and processes. The ECOSOC Partnership Forum, Science and Technology Forum, HLPF and high-level week of UNGA in September are key times when private sector needs to be present and vocal. B&IMG is working on getting Global Business groups a permanent seat at the UN table. At the local level there is an increase in number of employers' organisations being engaged in Cooperative Frameworks and VNRs. Over the past three years, the private sector has stepped up as a credible partner to governments during and after the pandemic by adopting flexible strategies, new technologies and work schemes, creating innovative solutions to support emergency situations with food, vaccines, and other essentials, and adapting to new conditions of work. Even though the private sector is diverse in size, sector and capacity, their voices and views are channeled through the IOE. Through its global network, IOE is contributing to the achievement of the SDGs, including by incorporating responsible business practices across strategies and activities. IOE member organisations are ready to be part of the process at the UN discussion table to contribute private sector views on specific targets.

Traditionally, employers' organisations have been central to national labour market reforms and defining wage levels, working conditions and labour market needs since they creative about 90 per cent of jobs worldwide. Today, their agenda is evolving

with global issues such as climate change, sustainable social protection systems, responsible operations and meeting the national SDG targets. The latter requires collective effort and there is a strong belief that RCs and employers' organisations can – next to taking individual responsibilities - collectively support the government in ensuring that the private sector is engaged in the planning and implementation of the SDGs.

66

Representatives from private sector need a permanent seat at the table where national policies on SDGs are consulted, adopted and implemented.

Representatives from private sector need a permanent seat at the table where national policies on SDGs are consulted, adopted and

implemented. The private sector needs an enabling policy environment for economic development, policy clarity and stable reformative legal frameworks, as well as reduction of investment risks to incentivize sustainable business models.

Based on the Playbook 1.0, some key guiding principles for collaboration are still valid and are therefore also reproduced in this edition of the Playbook.

Key guiding principles for collaboration between RCs and Employers

- Establish, identify, and engage with appropriate focal points.
- Identify and engage with relevant SDG-related processes.
- Identify some shared values, interests and goals and clearly communicate added value of mutual engagement between RCs and employers including utilizing effectively expertise, resources, and innovation of both.
- Try to understand each party's priorities and needs and how they can be enhanced through collaboration.
- Identify each stakeholder's added value and strengths and showcase best practices.
- Agree on the form of collaboration, whether it is best accomplished through a simple engagement or a formal public-private partnership.
- Consider establishing collaborative platforms that can facilitate dialogue, information exchange, and joint action towards achieving the SDGs.
- Consider using existing structures for engagement before creating new ones.
- Establish each party's commitments and contributions. and use each other's comparative advantages to provide capacity building programs, technical assistance, and access to relevant networks and resources.
- Ensure all sides feel safe in the partnership and foster mutual trust.
- Agree on communication procedures and respect confidentiality.
- Try to speak a common language, avoiding overly UN- or businessspecific vocabulary.
- Clarify the purpose of the collaboration, ensuring alignment with the SDGs and mapping relevant SDG targets/indicators.
- Create a measurement and evaluation plan with sufficient capacity and independence to ensure accountability and transparency.
- Give the partnership and/or collaboration public visibility to set a good example for other employer organisations and UN stakeholders.

VIII. Conclusion

Business has a key role to play in reaching the SDGs. It employs nine out of ten people globally, offering income opportunities, training and career pathways and thereby contributing to the elimination of poverty. The private sector drives economic growth and provides the necessary goods and services we all need in our daily life. It also applies creativity and innovation to help solve global sustainable development challenges. RCs are key to facilitate collaboration with the UN institutions and government bodies. Their overview of the socio-political and economic situation in a country is invaluable to the private sector. Therefore, the collaboration between these parties is mutually beneficial.

We need to continue to educate ourselves and engage with all relevant global, national, and local issues. At the local level through the cooperation of various stakeholders such as employers' organisations, GC Networks and RCs, partnership should be solidified and become systematic.

In this regard, having a more organised representation at the global level is essential. A more permanent arrangement in the form of an advisory board or group that would represent global businesses organisations would be beneficial.

We hope that this Playbook will assist both business and employers' organisations and RCs to work together and engage in achieving SDGs.



Having a more organised representation at the global level is essential. A more permanent arrangement in the form of an advisory board or group that would represent global businesses organisations would be beneficial.

IX. Acknowledgements

This playbook reflects discussions and recommendations based on dialogues and consultations held between various parties throughout the three years since the first Playbook. An enormous thank you to Shea Gopaul IOE's Permanent Representative in New York who led this work together with Mohira Kurbanova, IOE and Irena Zubcevic, International Consultant, who assisted in drafting, researching and editing. We also thank Dalia Farag, IOE for her assistance in preparation of the Playbook. A special thank you goes to the technical experts at IOE Roberto Suarez-Santos, Jean Milligan, Amadou Sako, Pierre Vincensini, Robert Marinkovic for their inputs as well as to

Elaine Smith Genser, Engagement and Partnerships for the Joint SDG Fund, Krishnan Sharma and Louise Bernander for Financing for Development Fund and to Casper Soensson for UNCDF section. A peer review has been most appreciated by KAS Thomas Tödtling, Erica Mumford, UN DCO Chikezie Godwin Anyanwu, AO Kong and Global Compact Angus Maclean Rennie. We are grateful to the IOE Communication team under Jean Milligan's leadership for editing, layout and promotion of the document.

This Playbook was made possible with the support of the Konrad-Adenauer-Stiftung (KAS).

X. Resources and Knowledge Sharing

IOE, International Organization of Employers

IOE, Pledge to mark the 75th anniversary of Universal Declaration of Human Rights, December 2023IOE, Employers' Just Transition Activities and Planning, October 2023

IOE, No just transition without skills - Skills for climate change policies, March 2023

IOE, Least Developed Countries Business Report, March 2023

IOE, New Social Contract – Deliberations of employers, February 2023

IOE, Sustainable Social Protection Systems: Existing and new challenges, February 2023

IOE, Women's Empowerment: a driving force for economic recovery and beyond, March 2022

IOE, Guidance Paper on employment, just transition and climate governance, February, 2022

G20, Business at OECD, B20, IOE, Addressing efficiency in payments and working capital to deliver Sustainability and Growth, August 2023

Deloitte, OIE, A look into SDG 8 - G20 monitoring report, July 2023

Deloitte, OIE, **Women empowerment:** time for action – **G20 implementation** report, November 2022

IOE, Business at OECD, Learning for better life and work: Improving education and training policies to contribute to well-functioning labour markets and sustainable enterprises, November 2022

IOE, The 2030 Agenda and the Role of Business, 2016

IOE, WEC, Diverse forms of work in the platform economy, September 2022

IOE, KAS, Climate Change and the Human Rights Implications for Business, November 2021

Business Advisory Group, Business Perspectives on Migration: What does successful implementation of the Global Compact for migration mean for the private sector?, May 2022

International Labour Organisation (ILO), **The United Nations Development System**

ILO, Helpdesk for business

KAS, EPICO, CCS and Climate Neutrality, 2021

UNSG's report, **Our Common Agenda**, 2021

Global compact (GC)

GC, Business leadership in times of crisis, 2023

GC, The United Nations and the Private Sector: A Framework for Collaboration, September 2008

UN, Partnerships for Sustainable Development

UN, SDG Actions Platform

United Nations Sustainable Development Group, **United Nations Sustainable Development Cooperation Framework Guidance**

UN UNSustainable Development Group, **The United Nations Resident Coordinator System**

UNSustainable Development Group,
Foundational Primer on the 2030
Agenda for Sustainable Development
List of Resident Coordinators

List of IOE Members & Regions

UN High-level political forum on sustainable development

UN Voluntary National Reviews

UN Department of Economic and Social Affairs (DESA), **Fostering Effective** multi-stakeholder partnership and engagement to advance the SDGs, 2022

UN DESA and UNDP, What is a Good Practice? A framework to analyse the Quality of Stakeholder Engagement in implementation and follow-up of the 2030 Agenda, 2021

UN Summit of the Future

Global Investors for Sustainable Development Alliance

ACT/IMP, ITF, Employers and business member organizations and SDGs, A Handbook for EMBOs

GRI, GC, WBCSD, SDG Compass

WBCSD, **CEO Guide to the SDGs** - a video that sets out clear actions that CEOs can

take to begin to align their organisations with the SDGs and plot a course towards unlocking the value they represent.

UN Joint SDG Fund, Innovative Financial Instruments for SDG Acceleration,
October 2022

UN Joint SDG Fund, Creating Markets and Opportunities for Investing in the SDGs

UN Joint SDG Fund, **Building an Enabling Environment for SDG Financing**

UN Joint SDG Fund, **SDG Financing – Enabling environment**

UN DESA, Inter-agency Task Force on Financing for Development (IATF)

IATF, The investment climate and business environment

UN DESA, Financing for **Development Forum**

USCIB, Moving the Needle: Roadmap for Results. 2023

World Bank, **Business Ready**



Avenue Louis-Casaï 71 – CH-1216 Genève T +41 22 929 00 00 F +41 22 929 00 01 ioe@ioe-emp.com • ioe-emp.org