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The role of the private sector in increasing investments in energy and industrial development

- For many developing countries and countries with economies in transition, there is a need to continue to work on improving sustainable business and investment conditions to achieve higher levels of domestic and foreign investment.
- **Financing of clean and affordable energy services and investments in clean production are crucial** especially for developing countries and countries with economies in transition. Foreign direct investments contribute to globalisation of the market. It is important that such investments are made with a view to achieving sustainable development for the protection of human health and the environment locally as well as globally. This implies that investments would need to meet sustainable development standards, including environmental standards. The various sources of financing – domestic, multi- and bilateral donors, private sector – need to be considered jointly to meet the challenge of unlocking the resources needed.
- We need to find win-win-win solutions, which can combine improved economic conditions with increased welfare and environmentally sound development. Responsible business practices and an appropriate policy framework will strengthen the development impact of foreign trade and investment. All companies, with multinational enterprises taking the lead, should manage operations ensuring environmental protection, promoting sound working conditions and promoting social progress. They should provide data on their performance. Support to the Global Reporting Initiative and coming ISO Standard for Social Responsibility is one way to bring this matter further.
- To facilitate trade and enhance the capacity for compliance with foreign regulatory standards a clearinghouse for information could be created to inform the business community of upcoming regulatory changes affecting trade in developed countries.

Fostering entrepreneurship specially women entrepreneurs, and promoting micro-, small- and medium-sized enterprises, including by facilitating their access to finance and financial services.

- In building business capacity, technological innovation and cooperation, in particular of small and medium-sized enterprises, unsustainable industrial practices must be addressed. Improving business capacity, especially of SMEs, should focus on enabling them to access and compete better in high value markets by helping develop the necessary skills, knowledge, technology, market information and financial resources. It also includes the development of business support services.
- In developing countries and countries with economies in transition one tool to promote SCP in micro and small enterprises and in the informal sector is tailored and focused training and capacity building.

- Improved systems of business registration and licensing are, in this respect, fundamental requirements to assist small and medium enterprises. Bureaucratic requirements to start up a business are excessive and time-consuming in many countries. Also, laws and regulations often restrict the ability of enterprises to restructure or shut down.
- Foreign Direct Investment is furthermore strongly dependent on the risk of conflict, human rights and good governance. Private investors hesitate to start business development in countries afflicted by corruption and violent conflict or where governance is of insufficient quality. As a contribution to improving governance, the Extractive Industries Transparency Initiative (EITI) encourages transparency of payments by companies to governments and the revenues received by host country governments. Pilot projects are taking place in Azerbaijan, Nigeria, Kyrgyzstan and Ghana.
- Women are often excluded from decision – making processes, particularly poor women with limited access to education. Their needs must be on an equal basis as the needs of men and fully considered in all phases of providing affordable and accessible energy services and in the planning of sustainable industrial development.
- A number of barriers remain to achieving gender equality and to improving the status, health and economic welfare of women and girls..
- Education, as a tool of implementation, can contribute to the effectiveness of policies for sustainability.

Corporate environmental and social responsibility and accountability: doing good by doing it better

- Changing unsustainable consumption and production patterns is an effective way of mobilizing support from the private sector. Integrating sustainability into the management of supply chains, investment strategies and modalities for market development can reduce production costs, enhance competitiveness and open new business opportunities for achieving social and economic development decoupled from negative environmental impacts. As such, business relationships provide channels for the transfer of commercial and technical competence, management practices, technology and capital, as well as opening for market development.
- Finally we need to enforce ILO core labour standards. Employment and decent work issues can be an important vehicle for economic growth and poverty reduction as also highlighted in the recommendations of the first Trade Union Assembly in Nairobi in January this year. A well functioning labor market contributes to a positive climate of investment, an increased economic growth and a fair income distribution.