

Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation

Sustainable Freight Transport Systems: Opportunities for Developing Countries

14-16 October 2015

BSR: WORKING WITH BUSINESS TO CREATE A JUST AND SUSTAINABLE WORLD

by

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16 October 2015

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BSR

Working With Business to Create a Just and Sustainable World

Session | Partnerships and Collaborative Approaches | October 16th 2015

UNCTAD Fourth Session of the Multi-Year Expert Meeting on Transport, Trade Logistics and Trade Facilitation

Sustainable Freight Transport Systems: Opportunities for Developing Countries

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About BSR | Our Mission

Our mission is to work with business to create a just and sustainable world. We envision a world in which everyone can lead a prosperous and dignified life within the boundaries of the Earth's natural resources.



Global Nonprofit Business Network

We are a global nonprofit organization that works with our network of more than 250 member companies to build a just and sustainable world. From our offices in Asia, Europe, and North America, we develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.



Core Themes



Business in a Climate-Constrained World

Our “Business in a Climate-Constrained World” strategy catalyzes private-sector action on climate resilience in two ways: by helping reduce greenhouse gas emissions consistent with holding global mean temperature rises to less than 2°C above pre-industrial levels, and by enhancing adaptive capacity in the face of inevitable climate impacts.



Business Leadership for an Inclusive Economy

Our “Business Leadership for an Inclusive Economy” strategy aims to create a world in which all individuals and communities participate in, benefit from, and contribute to global and local economies. To do this, we must leverage traditional business resources to support three core pillars—good jobs, access to critical goods and services, and prosperous communities—creating short- and long-term benefits for business and society.

How We Work

We develop sustainable business strategies and solutions through membership, advisory services, collaboration, and research with our global network of more than 250 member companies.



Membership



Advisory
Services



Collaboration



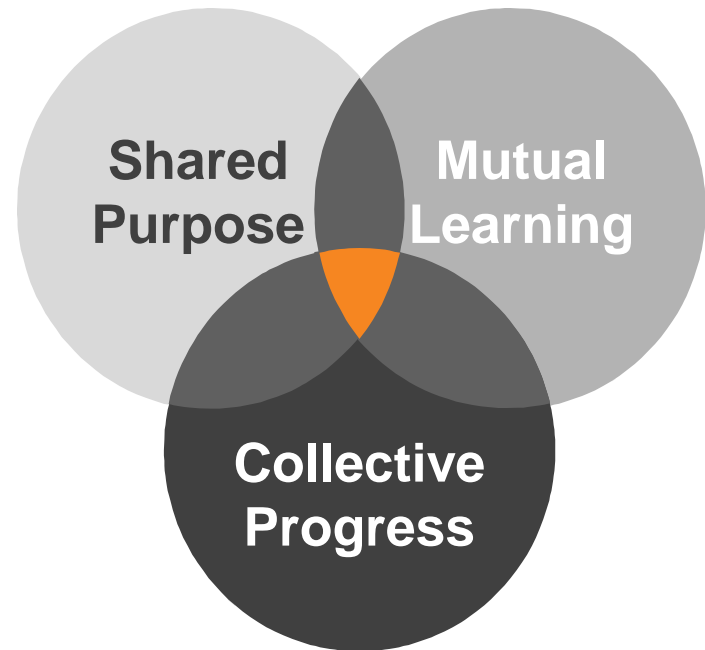
Research

- **Insights** gained from our research and collaborative partnerships enhance our consulting work
- **Our real-world experience** working closely with member companies informs our research
- **Our cross-sector efforts** build on our extensive network of members and stakeholders
- BSR also works with **foundations, governments, and multilateral institutions** to address major sustainability challenges

BSR Collaborative Initiatives

More than 200 companies engage in our over 20 industry and cross-sector Collaborative Initiatives, which are designed to help companies and other stakeholders address complex sustainability issues together:

- Create shared purpose and support individual interests
- Drive commitment to best practices
- Leverage strengths of different participants
- Foster transparency and mutual learning
- Align incentives to integrate measurable performance and support collective progress
- Bring together companies and key stakeholders in facilitated dialogue



E.G. BSR's Climate Focused Collaborations

BSR-led working groups



Clean Cargo Working Group

A B2B initiative of leading cargo carriers and customers dedicated to climate performance improvement in marine container transport through measurement, evaluation, reporting, and sharing best practices.



Future of Fuels

An initiative working towards a sustainable, resilient, and affordable transportation fuel system where companies can account for and effectively improve the climate and other sustainability impacts of fuel.



Climate Science Initiative

A cross-industry collaboration that helps companies understand the latest climate science, what it means for them, and how they can respond by reducing risk and increasing resilience.



Future of Internet Power

A group of leading technology companies working to increase the availability of sustainable, low-carbon power for data centers. This initiative is open to technology companies.



Ecosystem Services Working Group

A group improving business ability to assess environmental and social impacts and identify opportunities for “green infrastructure” to maintain and build ecosystem structure and function



Regional Adaptation Initiative *(new)*

The Regional Adaptation Initiative (READI) explores opportunities for climate change adaptation in key regions, and provides a platform for collaborative action among companies, suppliers, and governments to invest in climate resilience.

BSR Coalitions



We Mean Business

A coalition of 7 business sustainability networks amplifying the business voice, catalyzing bold action, and promoting smart policy frameworks to create a low-carbon economy, with dozens of opportunities for collaborative action and policy engagement.

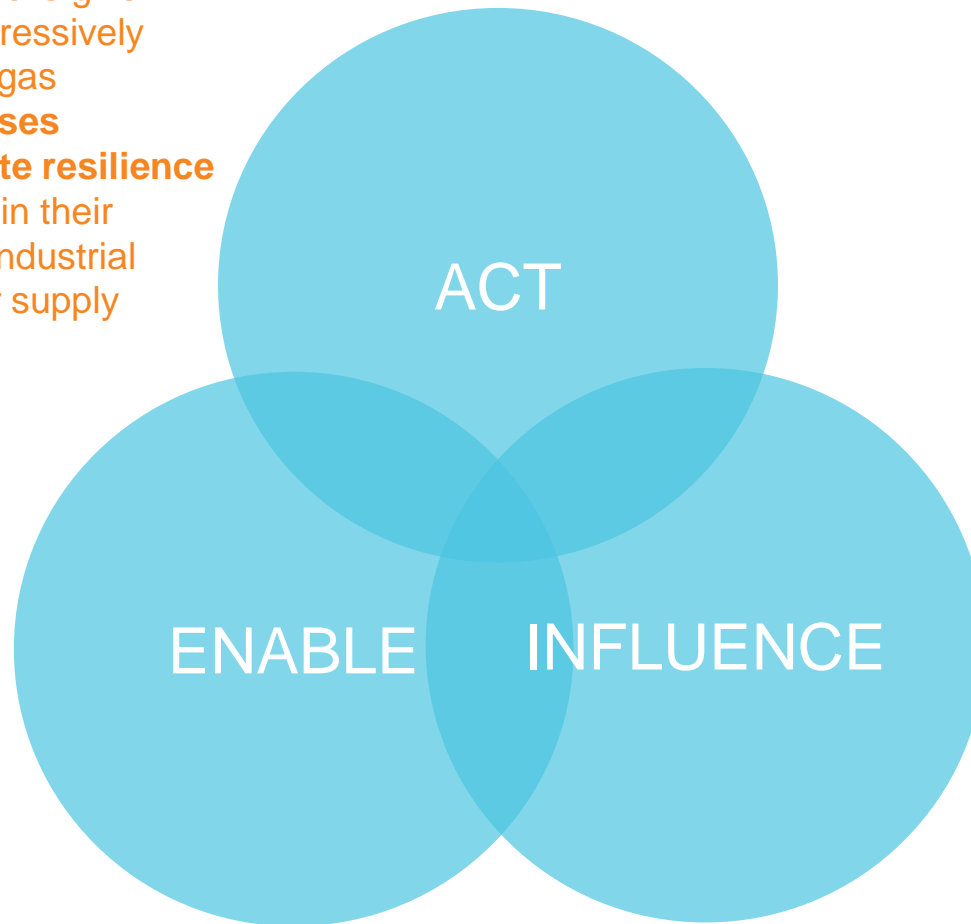


Climate and Clean Air Coalition

A platform that addresses Short-lived Climate Pollutants such as soot, methane, and emissions from refrigerants in partnership with several governments and expertise, hosted by UNEP, with specific private sector engagement actions driven by BSR and other partners

BSRs 'Climate' Theory of Change

Businesses are actors given their capacity to aggressively reduce greenhouse gas emissions. **Businesses contribute to climate resilience** through innovations in their products, services, industrial processes, and their supply chains



Businesses enable climate action in other businesses and in communities.

Businesses shape a policy environment for low GHG development by engaging with government, multilateral agencies, and civil society.

BSR Coalitions – e.g.: We Mean Business

A coalition working with thousands of the world’s most influential businesses and investors to accelerate the transition to a low GHG economy securing sustainable economic growth and prosperity for all.



- **Seven business facing networks** working with thousands of global companies to catalyze bold collective action by all including business.
- A focus on **communications** to alter the narrative on climate change and amplify business voice on climate change.
- **Corporate engagement** to prompt business collaboration
- **Policy engagement** to push governments to create a policy enabling environment conducive of business action & ambition

Coalition: We Mean Business

Inviting companies to join seven low-GHG initiatives commit to climate ambition.



- Adopt a science-based emissions reductions target.
- Put a price on carbon.
- Procure 100% of electricity from renewable sources.
- Responsible corporate engagement.
- Report climate change in information in mainstream reports as a fiduciary duty.
- Remove commodity-drive deforestation from all supply chains by 2020.
- Reduce short-lived climate pollutant emissions.

http://wemeanbusinesscoalition.org/sites/default/files/WMB038_FT%20Ad%28FNL%29.pdf

Coalition: We Mean Business

A policy focus designed to provide the policy certainty that business needs and the ambition that science demands to accelerate the transition to the low-GHG economy.

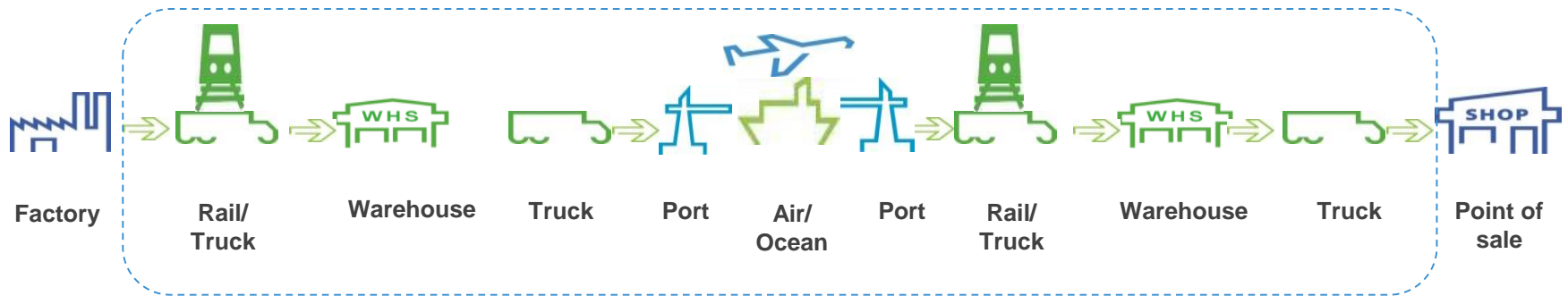


- Our policy engagement is focused on the preparations for **COP21 and domestic policies in key markets.**
- Policy focus is spread across short-term (pre-2020); mid-term (2020-2030) and long-term (beyond 2030).
- **Key policy asks include:**
 - Net zero greenhouse gas emissions well before the end of the century
 - Strengthen commitments every 5 years
 - National commitments at the highest end of ambition
 - Carbon pricing and climate finance

Freight Transport Collaboration - Case Examples

BSR Transport & Logistics Practice

BSR works with companies and stakeholders across the T&L supply chain to address sustainability expectations and integrate ethical, social, and environmental practices into the global logistics value chain.









Scope of Activities

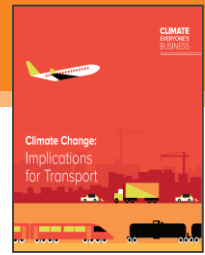
- 1 Industry collaboration
- 2 Climate action
- 3 BSR Service Offerings
- 4 Hot-topic Research

Sample BSR Member Companies



Industry Collaborations	Summary	Business Participation (no.)
	<p>Representing 85% container shipping industry the work provides shippers with emissions data they need to make informed procurement decisions</p>	<p>Sea-Container carriers and customers (45)</p>
	<p>Driving activities which promote a maritime industry free of corruption that enables fair trade to the benefit of society at large</p>	<p>Maritime value chain (67)</p>
	<p>Improving the safety performance of the container shipping industry</p>	<p>Sea-Container carriers (11)</p>
	<p>Helping to lower fuel consumption across Asia-Pacific sourced freight movement</p>	<p>Road freight carriers and customers (Asia-Pacific)</p>
	<p>Identifies and promotes transportation fuel pathways that enhance the sustainability of available and emerging fuel choices</p>	<p>North America Road freight transport value chain (10)</p>
	<p>Sustainable procurement initiative for the railway industry, driving good ethical, social, environmental and business practices.</p>	<p>Rail value chain (8)</p>

Climate Facing Collaboration: Research defines our focus areas for mitigation and adaptation at scale



*“In spite of a lack of significant and consistent progress to date to enable low-carbon transport systems, the transition required to reduce GHG emissions can arise from a combination of (already identified) **new technologies, the implementation of stringent policies and behavioral change**” [IPPC AR5]:*

Energy Efficiency

- Transport carrier selection based on CO2 performance
- Supporting investment in energy efficiency of fleet operations

BSR Collaboration Example: Emissions reporting and performance improvement collaboration e.g. Clean Cargo Working Group

Fuel Intensity

- Advocating and catalyzing shift from fossil fuel to alternate fuel types across all modes of transport

BSR Collaboration Example: Future of Fuels Initiative

System Optimization

- Modal shift
- Locating production closer to market
- Demand reduction: reducing business travel, IT conferencing, etc.

Companies must consider areas for strategic operational changes as well as leadership to advocate required system-wide evolution

e.g. 1: Future of Fuels Initiative

Helping companies understand the impacts of transportation fuel and how they can work together to create a system that is sustainable, resilient, and affordable.



Our Mission

Identify and promote transportation fuel pathways that enhance the sustainability of available and emerging fuel choices

What we do

We are a B2B initiative working with our member companies to increase availability of low-carbon fuels. Our members:

- **Accelerate** low-carbon development through partnerships that encourage adoption;
- **Shape** tools and research that improve the sustainability of all fuels;
- **Influence** public dialogue and understanding to increase buy-in from key stakeholders.

Our Members





e.g. 2: Clean Cargo Working Group (CCWG)

A leading **global carrier-shipper** initiative dedicated to environmental performance improvement in marine container transport through **measurement, evaluation, and reporting**



CCWG – raising the bar



Our Mission

Creating **practical tools** for measuring, evaluating, and reporting the environmental impacts of global goods transportation

Helping ocean freight carriers **track and benchmark their performance** and easily report to customers in a standard format

Allowing shipping customers to **review and compare carriers' environmental performance** when reporting and making informed buying decisions

Actively engaging in **alignment and harmonization of freight emissions measurement** across all modes of transport

Exploring opportunities to **drive performance improvement**

CCWG Membership continues to grow



Our Members

Cargo Carriers

Cargo Owners (Shippers) and LSP's



Data and Tools improve year on year



Our Accomplishments

We provide **reliable year-on-year emissions performance data** from 23 of the world's leading ocean carriers that represent over **85% of global ocean container capacity**

95% cargo transport buyers in CCWG use CCWG **data and tools** in procurement decisions and in supplier relationships with cargo carriers

CCWG's annual emissions factors report indicates carriers have **reduced CO2 emissions** per TEU-km by more than 7% from 2011 to 2012 and by nearly 16% since 2009*

*Changes in carrier representation or global trade conditions likely explain a portion of these results

Moving Collectively for Action

CCWG is currently setting its 'Vision 2020' and exploring performance improvement opportunities across the key areas of the agenda where we continue to measure and report annual emissions performance

	Climate	Air Pollution	Marine Pollution
Goal	<ul style="list-style-type: none"> Setting a climate science based goal 	<ul style="list-style-type: none"> E.g. Healthier port communities 	<ul style="list-style-type: none"> E.g. Healthier Seas
Actions Transparency Partnerships	<ul style="list-style-type: none"> Report on what carriers are doing to reach their own emission reduction targets Continue driving Shipper commitments Work across value chain to improve adaptive capacity 	<ul style="list-style-type: none"> Encouraging, establishing and supporting voluntary low-sulphur fuel switch initiatives 	<ul style="list-style-type: none"> Primary targets for action include projects focusing on garbage and ballast water, in specific regions where impacts are significant (TBD)
Advocacy	<ul style="list-style-type: none"> Advocate for market clarity and strong methodology backing MRV 	<p><i>We want to work with global and local partners to enable this project specific performance improvement agenda</i></p>	

e.g. 3: Railsponsible

Members of Railsponsible believe that **sustainable procurement** is a key driver of value for business and society. Our vision is a global railway industry where all suppliers have in place good ethical, social, environmental and business practices.



Our Mission

Continuously improve the sustainability practices of railway industry suppliers; to share best practices and processes, driving a shared understanding across the industry; to use and share common tools, creating efficiencies

What we do

- Sustainability requirements are becoming an increasingly important element of procurement decisions for the railway industry
- Improve your efficiency in the analysis of supply chain CSR practices, and promote greater transparency
- Social, environmental, ethical and economic issues are correlated with supply chain risks and opportunities

Our Members



railsponsible@bsr.org

e.g. 4: The Maritime Anti-Corruption Network

Working toward its Vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large



Rapidly growing Global Network



Our Members

45 Regular Members



20 Associate Members



Strategic Advisors



MACN Mission



MACN
Maritime Anti-Corruption Network

Our Mission

Promote **good corporate practice** in the maritime industry for **tackling bribes, facilitation payments**, and other forms of corruption by **adopting the MACN Anti-Corruption Principles**

Communicate progress on implementation, **share best practices**, and create awareness of industry challenges

Collaborate with key stakeholders, including governments, authorities, and international organizations, in markets where corruption is prevalent, to **identify and mitigate the root causes of corruption** in the maritime industry

1

Only by acting with key stakeholders in the maritime supply chain will MACN members rid the maritime industry of corruption, optimize global trade and development.

2

Actions taken must provide win-win situations to motivate and incentivize cross-sector collaboration.

3

Businesses at risk of being exposed to bribes must strengthen their internal anti-corruption management practices while also working in collaboration with stakeholders to address those root causes in the operating environment that drive the demand for bribes.



Internal: Focus on strengthening MACN members' anti-corruption management practices and programs

- sharing best practices
- creating tools
- developing policies and standards
- reporting on performance

External: Focus on contributing to improvements in the operating environment - the maritime value chain

- raising awareness
- reporting on corruption incidents and trends
- engaging in and catalyzing collective action by business, government, international organizations, and civil society

Governance and management - including growth and diversification of membership, the diversification of the funding base, the formation of relevant partnerships, and the development of indicators of success.

Focus on Multi-Stakeholder Collective Action

Our work to date illustrates that tackling corruption at ports is an effective way to tackle corruption challenges as well as improve integrity and competitiveness:

- Due to the volume of world trade that passes through ports, anti-corruption initiatives targeting ports can have an impact on a wide variety of different industries and across supply chains and societies;
- Ports are discrete locations, with a limited number stakeholders, where change and impact can be brought about rapidly;
- Furthermore, legal approximation, streamlining of procedures and policies in ports are facilitated by the fact that many of the rules and regulations that exist in ports are already defined by international maritime laws and regulations, and therefore do not have to be re-invented.

MACN framework
for initiating and
implementing
country-specific
collective action:

1. Identification of challenges
and agreement with
authorities to proceed:
Conduct Corruption Risk
Assessment

2. Develop recommendations
that are shared and find
ownership among
stakeholders

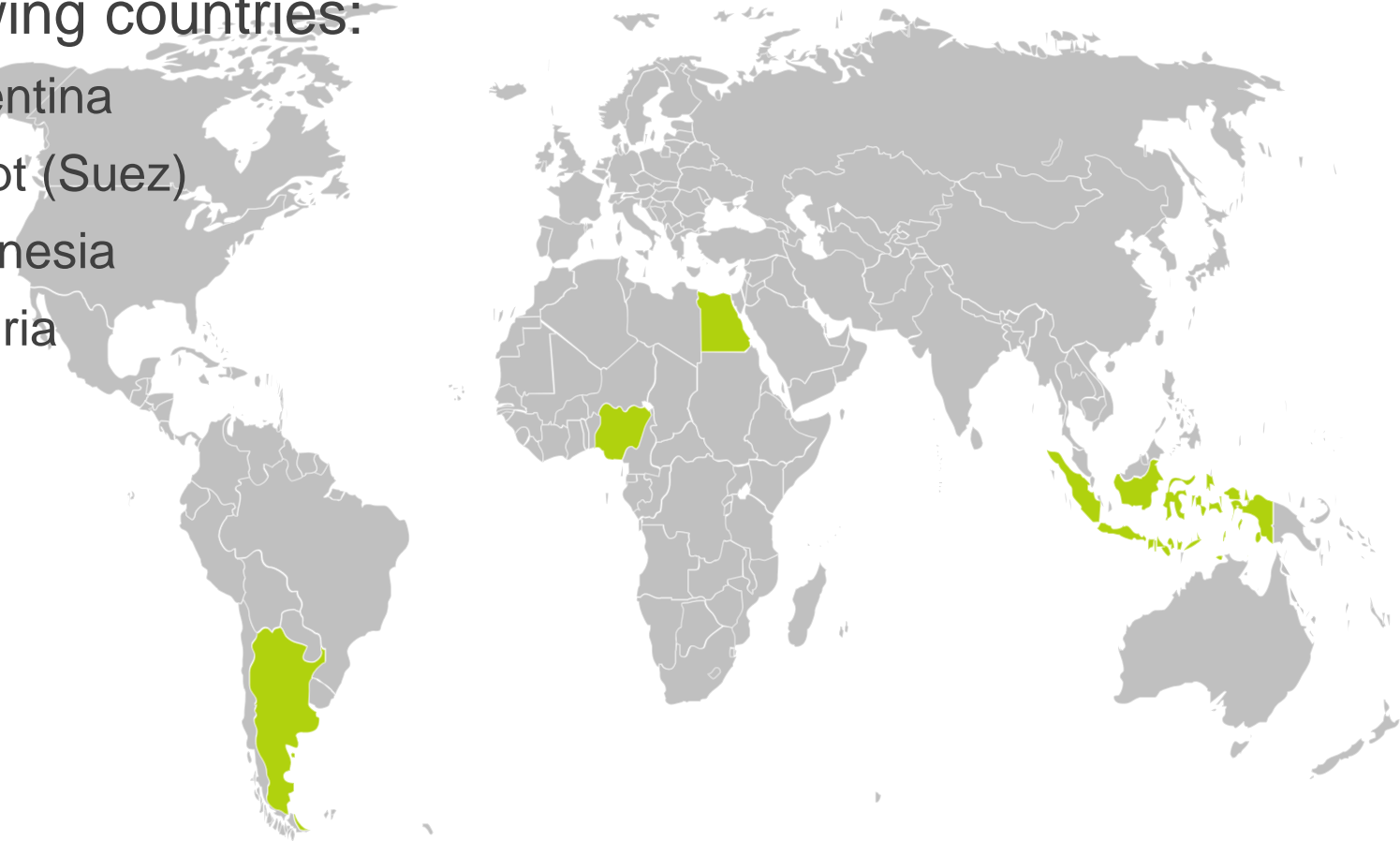
3. Actions on the ground
normally include:

- Standardizing operating
procedures
- Establish Grievance
mechanism
- Training and capacity
building

Current Regional Activity

MACN is currently actively conducting collective actions in the following countries:

- Argentina
- Egypt (Suez)
- Indonesia
- Nigeria



Collective Action | Nigeria

- The project is **owned by** the National Port Authorities (NPA) and National Customs Service (NCS)
- The project is **governed by** the Technical Unit on Governance and Anti-Corruption Reforms (TUGAR)
- MACN and UNDP co-financed the development of a corruption risk assessment methodology for the port sector.
- Findings highlighted
 - Weak internal ethics infrastructure in port agencies
 - Wide discretionary powers
 - Poor infrastructure and facilities
 - Standard operating procedures not well defined
- The work plan is currently focused on executing the following actions:

Monitor Progress	Stakeholder Buy-In	In-country Implementation
<ul style="list-style-type: none"> • Drafting progress report, based on member’s feedback, to be shared with key stakeholders. 	<ul style="list-style-type: none"> • Actively working to sustain buy-in from local stakeholders - UNDP and TUGAR- for 2015 plan. 	<ul style="list-style-type: none"> • Continue work on implementing Grievance Mechanism for the industry. • Continue work on developing SOPs and Anti-Corruption Policies. • Conduct integrity training and Best Practice Sharing session in Nigeria with support from UK FCO



MACN
Maritime Anti-Corruption Network



Empowered lives.
Resilient nations.



TUGAR TECHNICAL
UNIT ON
GOVERNANCE &
ANTICORRUPTION
REFORMS

Collective Action | Argentina

Highlights of the Study/Method

- Data from the MACN Incident Reporting Mechanism and member feedback highlighted a systemic issue with demands for payment for unclean grain holds
- MACN established contact with reputable local Anti-Corruption specialists Governance Latam to discuss the challenges
- MACN-BSR field visit with Governance Latam for a series of stakeholder consultations with authorities, private sector, government officials, port agents to understand the situation and entry points for tackling the issues
- Agreement to pursue direct dialogue with the relevant authorities who have expressed willingness to work together on reforms

Implementation Phase - Current

- Re-drafted regulations for surveying vessel holds
- Re-drafted regulations for customs inspection of a vessel
- Creation of a database for digital recording of inspections and risk framework
- Setting up an independent Transparency unit within the Government.
- Supporting SENASA in the training and implementation of the new regulation
- Developing a plan for post live support beyond 2015



Collective Action | Indonesia

- Collective action launched with support from UK FCO in mid-2015
- The project targets the port of Tanjung Priok in Jakarta
- Key stakeholders are DG Customs and the IPC Pelindo II (Port Corporation)
- We are currently pursuing the following work streams:

Integrity Risk Assessment and Reform Action Plan	Awareness Raising and Influence	Scaling of Collective Action
<ul style="list-style-type: none"> » Mapping the customs clearance process for import of goods through Tanjung Priok. » Identifying risks and challenges in the custom clearance process with input from stakeholders. » Findings and next steps to be endorsed by stakeholders during consultations in late November 2015. 	<ul style="list-style-type: none"> » MACN member Ben Line Agencies and BSR hosted a BritCham event in Jakarta, where MACN and the collective action project were presented for businesses and government officials. » In collaboration with UK FCO, we are planning a visit for the UK Ambassador in Tanjung Priok in November, including press releases and awareness raising about the collective action. 	<ul style="list-style-type: none"> » We are requesting funding for scaling the project in 2016, to include additional stakeholders or locations, where members are facing challenges. » We foresee using best practices from Tanjung Priok as a basis for improving conditions in other ports and stakeholders.

Collective Action | Ongoing Aspirations

Deepen implementation

- Ongoing implementation of collective action work that has already commenced – to ensure it's sustainability and appropriate localisation. This includes monitoring MACN member experiences and own implementation of new practices

Create new opportunities for change

- MACN continues to engage it's members and other stakeholders to explore opportunities to undertake collective action in countries of relevance to its members and global institutions

Ongoing development of methodology

- MACN explores opportunities to test current methodology and also further develop the tool-kit that can be used efficiently and effectively replicate collective action work world-wide

Scaling the collective action work in partnership with MACN provides opportunities for multi-lateral organisations and governments to work with business to improve the integrity and competitiveness of the maritime value-chain in developing countries.

Summary

BSR is ready and willing to scale up effective coordination and collaboration between business, governments, multi-lateral organisations and civil society.

What we have learnt:

- Successful partnerships must be enabled, supported by, and beneficial to, key stakeholders. Clarity on the role that business, government and other stakeholders play within the partnership is critical for success.
- Transparency, stakeholder inclusiveness and local ownership is key through the process of engaging in collaborative efforts, in both assessing the challenges and devising the solutions.
- We must work together to unlock innovative financial mechanisms and drive coordinated efforts toward new norms for business and effective legislation, that enables durable solutions for a sustainable global freight sector.
- Appropriate governance, management and facilitation is necessary to evolve multi-stakeholder collaboration, in order to realize their vision and end goal impacts.

Thank you

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Global Lead Transport & Logistics; Collaborative Initiatives



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BSR has Twenty Years of Collaboration Experience

BSR has extensive experience in facilitating, overseeing and managing collaborative initiatives whose activities range from establishing new norms and standards, to providing opportunities to innovate and/or drive collective action to drive impact

Sample BSR-Led & Managed Initiatives

- Clean Cargo Working Group
- Future of Internet Power
- Healthcare Working Group
- Human Rights Working Group
- Sustainable Luxury Working Group
- Sustainability Reporting Initiative

Sample Initiatives BSR has Evolved to becoming own Entities

- Pharmaceutical Supply Chain Initiative (PSCI)
- Global Network Initiative (GNI)
- Electronic Industry Citizenship Coalition (EICC)
- Maritime Anti-Corruption Network (MACN)

Sample Initiatives where BSR Partners

- CiYuan
- China Training Institute
- DR-CAFTA Responsible Competitiveness Project
- HERproject
- HERfinance
- Migration Linkages

BSR Conference – Join us!

The BSR Conference brings together 1,000 leaders in business, government, and civil society to share best practices, collaborative approaches, and opportunities to build a better world.

www.bsr15.org

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