

# UNCTAD-ISAR

## Measuring the private sector's contribution to the attainment of the Sustainable Development Goals

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# Sustainable development goals





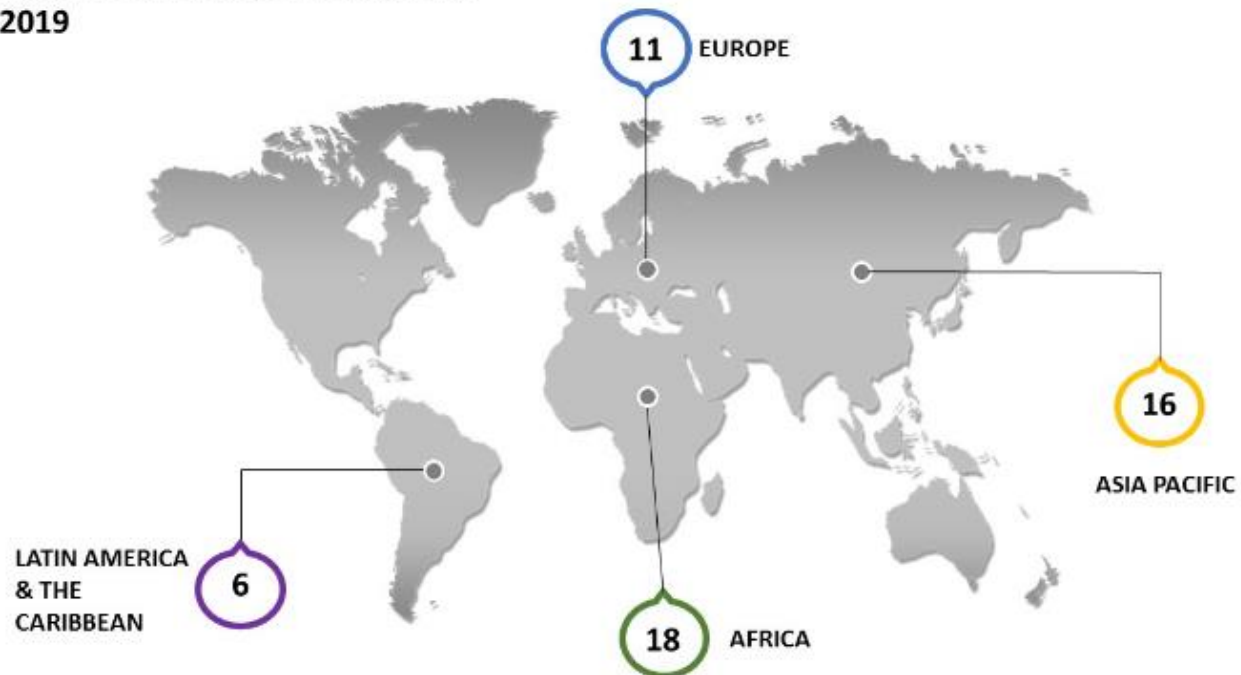
## Global Indicator Framework

- The Inter-agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs) was established to develop a global indicator framework to monitor the implementation of the 2030 Agenda.
- The Global Indicator Framework was agreed in March 2017 and adopted by the General Assembly on 6 July 2017.
- The **17 SDGs have 169 associated targets and there are 232** indicators on which general agreement has been achieved.
- The IAEG-SDGs prepares a report that requires global monitoring to be based on comparable and standardized national data.

## VNR

In 2016: 22 countries  
In 2017: 43 countries  
In 2018: 46 countries  
In 2019: 51 countries

### VOLUNTARY NATIONAL REVIEWS 2019





# Accounting and reporting agenda



**Target 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.**



**Goal 12. Ensure sustainable consumption and production patterns**

12.1 Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries

12.2 By 2030, achieve the sustainable management and efficient use of natural resources

12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

12.1.1 Number of countries with sustainable consumption and production (SCP) national action plans or SCP mainstreamed as a priority or a target into national policies

12.2.1 Material footprint, material footprint per capita, and material footprint per GDP

12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP

12.3.1 Global food loss index

12.4.1 Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals that meet their commitments and obligations in transmitting information as required by each relevant agreement

12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment

12.5.1 National recycling rate, tons of material recycled

12.6.1 Number of companies publishing sustainability reports

12.7.1 Number of countries implementing sustainable public procurement policies and action plans

12.8.1 Extent to which (i) global citizenship education and (ii) education for sustainable development (including climate change education) are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment



## **Main challenges for Countries on reflecting the private sector's contribution to the SDGs**

- Lack of institutional and technical capacity to adapt their corporate reporting environments to the new demands spurred by the 2030 Agenda and effectively assess the private sector contribution towards attaining the SDGs.
- Lack of harmonization and comparability of sustainability reporting, as well as consistency with financial reporting
- Difficulties in aligning enterprise sustainability reporting with the SDGs monitoring framework and its indicators.



- Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR);
- UN focal point on enterprise accounting and reporting issues hosted by UNCTAD;
- Established in 1982 by ECOSOC;
- Main mandate to promote harmonization of enterprise reporting to facilitate investment and development;
- Within the context of the 2030 Agenda, ISAR contributes to enhancing the role of enterprise reporting in assessing the private sector contribution to the SDG implementation; facilitation of sustainable finance and investment.





## UNCTAD Tools



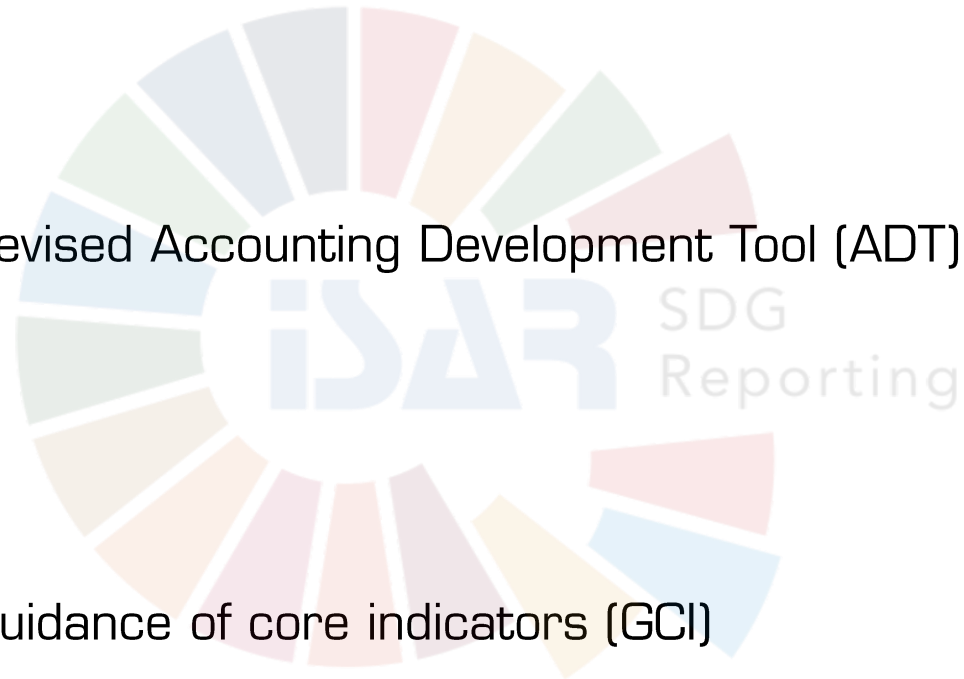
Metadata Guidance indicator 12.6.1



Revised Accounting Development Tool (ADT)



Guidance of core indicators (GCI)





## Metadata guidance

- As co-custodians of indicator 12.6.1, UNCTAD and UN Environment are in charge developing a measurement methodology, overseeing the data collection and reporting process to the global SDGs database.
- The methodology aims at setting minimum criteria for a sustainability report to be counted towards the indicator. This will allow to harmonize the criteria and will facilitate reporting on 12.6.1.
- For this purpose, UNCTAD and UN Environment have developed a draft methodology and will initiate pilot testing.





## ADT

Strategic tool aiming at facilitating the increase of the investment attractiveness of the country by:

- Assessing a country's capacity for high-quality corporate reporting, including sustainability and SDG reporting
- Providing information on benchmarking and country progress over time; and
- Identifying and prioritizing strategic imperatives related to the building of road maps and a country action plan.

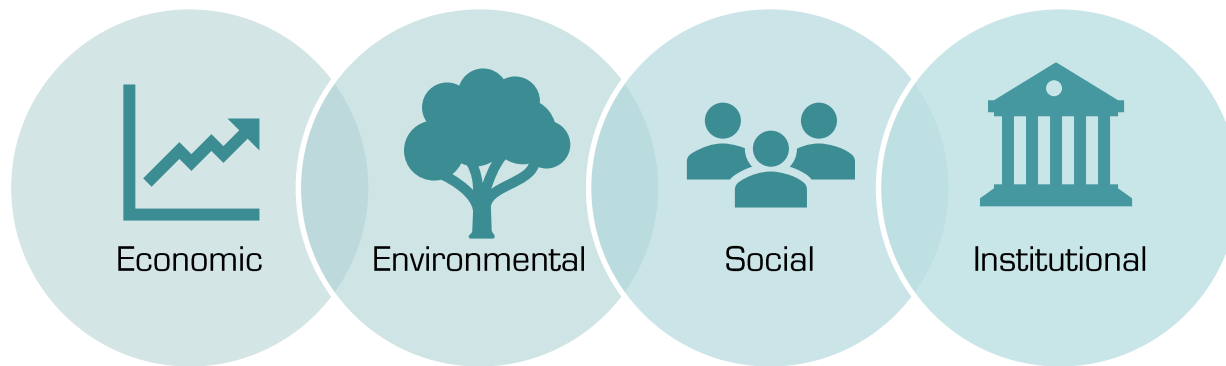






## GCI

### Four areas

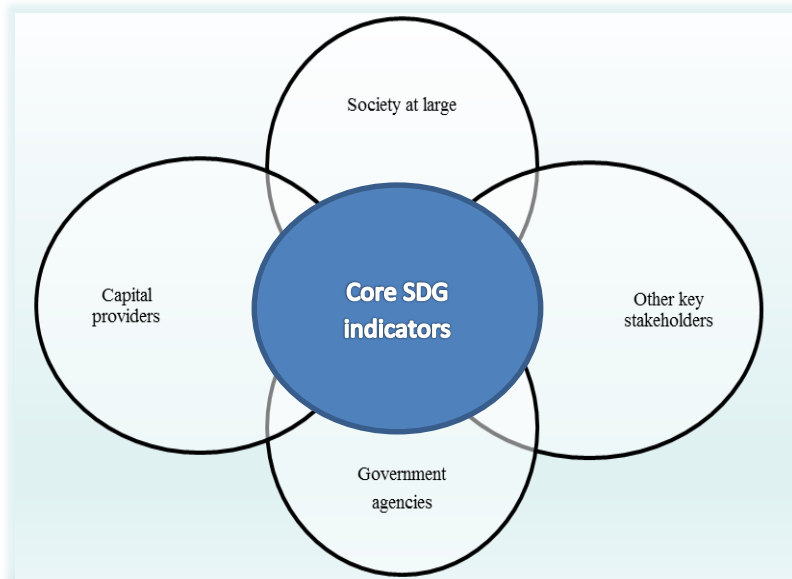


Limited number of core SDG indicators have been identified, based on key reporting principles, selection criteria, main reporting frameworks and companies reporting practices.





## GCI



- The Core indicators are at the intersection of micro- and macro-level trends and needs
- Consistent with the SDGs monitoring framework and aligned with countries needs on monitoring the attainment of the SDG agenda

A set of global indicators focused on measurable outcomes that companies are providing in their reports and that can inform country reporting on the progress of the private sector on SDGs



# UNCTAD's approach

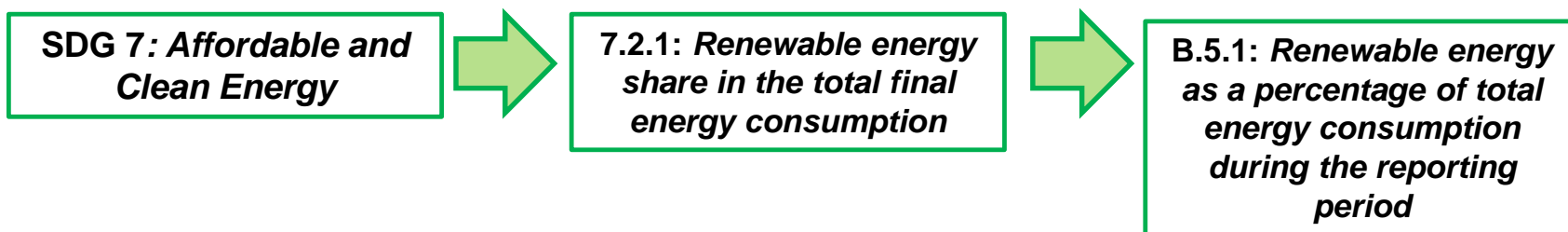
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- Logical framework:



- Example:





## Economic area

- Revenue
- Value added (gross value added, GVA)
- Net value added (NVA)
- Taxes and other payments to the Government
- Green investment
- Community investment
- Total expenditures on research and development
- Percentage of local procurement

## Social area

- Proportion of women in managerial positions
- Average hours of training per year per employee
- Expenditure on employee training per year per employee
- Employee wages and benefits as a proportion of revenue by type and gender
- Expenditures on employee health and safety as a proportion of revenue
- Frequency/incident rates of occupational injuries
- Percentage of employees covered by collective agreements

# GCI core indicators

## Environmental area

- Water recycling and reuse
- Water use efficiency
- Water stress
- Reduction of waste generation
- Waste reused, re-manufactured and recycled
- Hazardous waste
- Greenhouse gas emissions scope 1 and 2
- Greenhouse gas emissions scope 2
- Ozone-depleting substance and chemicals
- Renewable energy
- Energy efficiency

## Institutional area

- N. of board meetings and attendance rate
- N. and percentage of female board members
- Board members by age range
- N. of meetings of audit committee and attendance rate
- Total compensation per board member (both executive and non-executive directors)
- Amount of fines paid or payable due to settlements
- Average n. of hours of training on anti-corruption issues, per year per employee





## Capacity building on the SDG reporting by companies: UN

### Development Account project

Phase 1

- Development of a sustainability and SDG reporting assessment tool and roll out at the country level.

Phase 2

- Development and implementation of action plans in beneficiary countries

Phase 3

- Regional collaboration and experience sharing of the lessons learned from the beneficiary countries



## **This meeting today:**

How to incorporate the private sector contribution to the **SDG** agenda in a comparable and consistent manner?

- What are the key challenges on facilitation of the **SDG** reporting by companies?
- How to enhance harmonization and comparability of the **SDG** reporting by companies?
- How to align the enterprise **SDG** reporting with the **SDG** reporting at a national level?
- What are main capacity building gaps and needs on the **SDG** reporting by companies and related data collection at a national level?



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