

Keynote Speech by Gavin Power
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“Architects of a Better World”

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Excellencies,

Ladies and Gentlemen,

Buenos dias a todos. Es un honor para mi estar aqui con ustedes hoy para hablar sobre la agenda de desarrollo post dos mil quince y sobre como pueden las empresas mejorar su sostenibilidad corporativa para contribuir efectivamente a esta agenda y a la creacion de valor tanto para la sociedad como para la empresa misma.

Mis habilidades en espanol no son tan buenas asi con su permiso, cambiare ahora a Ingles.

Let be begin by recognizing the truly outstanding work of the Global Compact Colombia Network and the Region in advancing the cause of responsible business and sustainable development. You are truly role models. Sometimes, working in the far-removed environment of UN Headquarters in New York, one can feel disconnected from the realities playing out in countries and locations around the world. That is why it is so exciting for me to be here – we must continue to bridge global and local, and I will add that you inspire us every day to reach further in our

ambitions and objectives – at the very least so that we do not disappoint you as you push the frontiers of thought and action.

The anchoring point for our discussion, and arguably this conference, I believe, relates to one of the most important political-socio-economic trends of our era – that is, the growing convergence between the interests and objectives of the United Nations and Governments, on the one hand, and those of the international business community and civil society more broadly. And while one must fully recognize that core missions and objectives differ, there is increasing overlap with respect to a range of global priorities and challenges – sustainability challenges, if you will.

To be sure, intensifying and amplifying this convergence will be critical in the coming years and decades. Why? Because we all have an interest in achieving sustainable development – across the economic, social, and environmental dimensions. Each stakeholder group has unique and important contributions to make – when combined, such efforts have the potential to effectively address and even solve systemic challenges and dilemmas that continue to undermine social and economic well-being.

The Open Working Group for Sustainable Development Goals put it this way in its recently released final report. To quote: “Poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production and managing the natural resource base of economic and social development are the overarching objectives of and essential requirements for sustainable development”.

It continued: “The implementation...will depend on a global partnership for sustainable development with the active engagement of

governments, as well as civil society, the private sector, and the United Nations system”. End quote.

This was also one of the overriding conclusions of the recent Post-2015 consultations in Cartagena – that the new landscape of this agenda should lead to the adoption of common objectives and coordinated working strategies – with national governments leading the way alongside an active private sector.

As you know, the Global Compact has been – and is – actively involved in the Post-2015 agenda and the search for new SDGs – having even suggested a set of 10 priorities for governments to consider, conceived by our LEAD companies and many of you. These were included in the Post-2015 Business Engagement Architecture that we released at our Leaders Summit last September – an event titled “Architects of a Better World”. Why the word “architects? Because this was the very term used to describe those behind the creation of the United Nations in 1945.

In our case, the concept of Architects of a Better World has a very precise meaning – namely, that the international business community has an historic opportunity to shape, in the words of Rio+20, the “Future We Want”. In other words, to be co-architects in the construction of a sustainable economic and social world order – one that reconciles and aligns people, planet, and – yes – profit. In other order words, attempting to move away from many of the false choices of the past.

The Architectural blueprint that we released proposes that sustainable development goals and business goals, including ethical dimensions,

can find effective alignment and co-habitation – especially over the long term.

But this will require more than business as usual in many parts of the world. I have sat in numerous inter-governmental and civil society interactions in recent months, and it clear to me that the role of business in this agenda is still contested and questioned in many quarters.

My strong belief is that despite the good efforts of the Global Compact and others to educate policy makers and other stakeholders, much more needs to be done by all of us to describe the unique characteristics and work of responsible business and corporate sustainability as defined by the Global Compact – that is, a commitment to respecting and supporting universal principles, backed up by transparency and impact-oriented reporting.

Let me suggest a new motto for the new era: “Responsible Business as a Force for Good”.

Without this definition and understanding of the underlining precepts and principles, many non-business stakeholders will remain skeptical with respect to engaging the private sector, fearing superficial commitments or inconsistent policies with positive deeds, on the one hand, being offset by negatives ones on the other.

At the same time, I am happy to say that our messages are percolating through in a number of critical areas. The recent Open Working Group report includes a proposed target in relation to companies adopting sustainability practices and reporting, while national and regional policy making is increasingly incorporating the responsible business mandate,

for example, in the recent draft EU directive which makes specific reference to the Global Compact. Quasi-regulatory and important intermediary and enabling bodies are also embracing the agenda – and it is was most thrilling to see the Colombian Stock Exchange endorse our Sustainable Stock Exchange initiative just weeks ago.

With this as the context and backdrop, allow me to touch on five areas where I believe we will need greater focus and attention in the coming years and decades in order to make real progress and fulfill the true ambitions of the Global Compact.

First, a greater and greater shift to long-term objectives and decision-making will be required – both in the real economy and in financial markets. Here, we need more companies to step up with long-range commitments and targets that perhaps even match or exceed the expected 15-year cycle of any new SDGs. Short-term thinking and behavior run counter to the global sustainability challenges we face. Today's challenges and issues are highly complex and will require concerted effort over the long haul.

Second, we need – both in the public and private sector realms – to take a more integrated approach to sustainability challenges, understanding how so many are so deeply interconnected. Many environmental issues are also social, human rights, and development issues, while corruption cuts across so many domains, undermining governance and exacerbating poverty and suffering. This will also require that sustainability be more actively incorporated in corporate governance and board-room strategy setting – to help ensure a high-level, holistic approach.

Third, for too long small- and medium-sized enterprises have been sidelined in the responsible business and corporate sustainability agendas. We all need to do more to connect with them via our work, engagement opportunities, and supply chains. And they need to feel part of the formal Post-2015 Agenda, especially as they represent the majority of economies and employment in most regions of the world. This was also one of the key recommendations coming out of Cartagena. As well, we should all encourage the rapidly growing numbers of social entrepreneurs, frequently micro in size but often working on truly ground-breaking concepts and innovations.

Fourth, we need to continue to encourage the growing parallel movement in the financial community, namely responsible investment and sustainable finance. Via the UN-supported Principles for Responsible Investment, we now have more than 1000 investors representing over \$40 trillion in assets with a commitment to environmental, social, and governance, or so-called ESG criteria. There are similar movements in banking and insurance, and these should be encouraged especially in light of the expected limitations of public finance in the new era. With these efforts, business frontrunners can finally be recognized and even rewarded through enhanced investment and higher market valuations. Our new and experimental Global Compact 100 stock index, for example, is registering impressive performance in comparison to benchmark indices. So there indeed appears to be a correlation, and possibly a causal relationship between sustainability performance and market performance.

Fifth, and lastly, while principles and normative concepts can be set at the global level, we will need local empowerment and action, designed and implemented at the local and even grassroots levels. This is where

our Local Networks will be so important. You really are our future, and we will do everything in power to support you. Once the SDGs are set, action and implementation will move to the national level, where governments are expected to take the lead, and it will be critical that the Global Compact and other like-minded business actors and other stakeholders are accepted as legitimate partners in national plans of action.

Ladies and gentlemen,

The Post-2015 agenda occurs at a most challenging time in global affairs. This agenda demands cooperation and collaboration more than ever, and yet there are disturbing geopolitical trends and developments that seem to be pulling us apart, and threatening the foundations of multilateralism and the foundations that were established in 1945 and the years and decades immediately following.

The business community can be a powerful voice to encourage cooperation and collaboration – and we encourage your voice to be heard. Achieving sustainable development – and responsible business development – will be in doubt if nations and people fall back into narrow thinking and assume even hostile postures.

Universal principles, therefore, are more important than ever, and can help show the way. Let us work together to help counter negative and unhelpful urges, and move into the sunlight of sustainability.

Together, we can indeed be Architects of a Better World.

Thank you.

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