



Summary Report

2012 Interagency Roundtable on CSR

Putting the Rio CSR Agenda into Action

6 November 2012, Palais des Nations, Geneva

1. Introduction

The Interagency Roundtable on Corporate Social Responsibility (CSR) is a joint initiative co-organized by UNCTAD, ILO and OECD. Initiated in 2011, the Roundtable seeks to bring together CSR experts from international organizations and their development partners to explore current topics in CSR, share experiences and identify opportunities for collaboration. Participants are members of United Nations agencies and other relevant international organizations, along with national development agencies, and invited subject matter experts.

On November 6, 2012, UNCTAD, ILO and OECD jointly hosted the second annual Interagency Roundtable on CSR. The ad hoc meeting was attended by 12 international organisations, three representatives from national governments, four civil society participants, and representatives from industry and labour. The participants analysed current approaches and practices of CSR in the light of the outcomes of the 2012 United Nations Conference on Sustainable Development (a.k.a. "Rio+20"). Special emphasis was put on the role that intergovernmental agencies could play in supporting the business community with the design, implementation and reporting of their CSR strategies.

The event was moderated by Richard Howitt, Member of the European Parliament and Special Rapporteur on CSR to the European Commission. It took the form of an open discussion where all the participants had the opportunity to share their experiences. The meeting started with each participant briefly introducing themselves and their current work. The ad hoc meeting was divided into

three 90 minute sessions, each of which focused on a different paragraph of the Rio+20 outcome document, *The Future We Want*.¹

2. Overview of Key Discussions by Session

Session I: Promoting a Holistic Approach to Sustainable Development

In paragraph 40 of *The Future We Want*, UN member States at the Rio+20 conference called for a holistic and integrated approach to sustainable development. Roundtable participants suggested that there are numerous ways to understand this holistic approach. One participant suggested that one route forward would be use human rights frameworks as a lens for examining and understanding environmental and social concerns. Other experts noted that acknowledging a variety of concerns as equally important is key to a holistic approach. There was general agreement that in order to ensure a holistic approach, multi-stakeholder approaches should be used whenever possible and appropriate to involve both private and public sectors as well as developed and developing countries.

In order to engage a large number of differing stakeholders across geographic boundaries, participants noted that international organisations must 'keep it simple'. It was argued that developing effective governance structures relating to CSR is imperative and international organisations should focus on creating enabling conditions for this. The need to avoid duplicating standards was expressed. Participants also noted that it is important to share good practices in order for both developed and developing countries to have models to follow, and to promote policy coherence. Finally, experts suggested that a 'shopping list' of issues is not a holistic approach: there must be coherence in the messages from inter-governmental agencies.

Experts noted that there is a history of trying to make a business case for CSR, and that this line of reasoning is often weak, possibly resulting in problematic policies. The argument for CSR must be based on more than the business case alone, while recognising the practical value in retaining the due diligence approach. In order to approach sustainability holistically, participants suggested that environmental, social and governance (ESG) issues should not be seen as separate or external issues. Concerns were also raised about the role of shared values and the movement towards what has been termed 'shared responsibility'. This movement was noted to have some merits despite sometimes being employed to blur the responsibilities between governments and the private sector. Experts at the table suggested that governments and government agents be supported in their responsibilities, for example through capacity building programmes.

Session II: Reporting on Sustainability

In paragraph 47 of *The Future We Want*, governments at Rio+20 called for stakeholders to develop best practice models and facilitate action on sustainability reporting, and this was reiterated by experts at the CSR Roundtable. At the moment several UN member States, collectively known as the "Friends of Paragraph 47", are working to find ways to implement this paragraph of *The Future We Want*. Participants noted the strong need for coherence on reporting frameworks. Experts also noted the need to conceptualise how SMEs, which comprise of a large part of many economies, may be incorporated into these frameworks. Concerns were also raised about ensuring that good systems for compliance work are developed, in particular for upstream supply chain activities. Beyond the

¹ <http://www.un.org/en/sustainablefuture/>

capacity for conducting compliance work, cost-benefit issues in relation to due diligence were also raised. The participants debated the merits of different ways to promote sustainability reporting, including through regulatory initiatives or stock exchange listing rules. Participants also observed that 'comply or explain' requirements can be an effective form of rulemaking that allows for flexibility for companies while still creating a regulatory base line for reporting.

Experts pointed to the emergence of 'integrated reporting' (the integration of financial and sustainability reporting) as a potential approach to promoting a useful contextualization financial reporting in the light of material ESG issues, and encouraging users of financial reporting to better integrate ESG issues into their decision making processes. Participants also pointed out that there have been in the past, and continue to be, efforts to identify indicators which can be used across industries and companies to develop comparative data. In addition to the use of such data by investors and other external stakeholders, experts noted the value of sustainability reporting as an internal management tool. The overall need to provide guidance on how to develop cogent non-financial reporting frameworks and to raise awareness of the usefulness of this kind of reporting was emphasised.

Session III: Partnerships for Promoting Sustainability

In paragraph 46 of *The Future We Want*, governments at Rio+20 encouraged the active engagement of both public and private sector entities as well as Public-Private Partnerships (PPPs). Participants of the CSR Roundtable raised concerns about the development and management of PPPs. While PPPs were appreciated, many participants recognised that they might not always be the most efficient choice arguing that the development of PPPs should be limited to instances where the private sector may be able to assist in a project for the public good. The sense of the group was that PPPs should be designed to reduce duplication and whenever possible to allow for projects to be scaled in order to streamline direct impacts. It was observed that there are significant operational challenges in developing effective PPPs as many models are not replicable across differing institutional and geographic contexts and are therefore limited to narrow scales and influence. Another challenge which was raised was the difficulty in adhering to roles and responsibilities while working between the private and public sectors.

Participants discussed successful PPPs of technical assistance programs to develop the capacity for improved private sector participation. Participants suggested that the importance of these programs lies in helping businesses to comply with the regulations set forth by governments. The issue of supplier codes of conduct was raised as an example where businesses from developing and emerging economies may struggle to adhere to increasingly stringent standards and PPPs may help to bridge these gaps.

Experts also raised the issue of reputational risk and potential conflicts of interest associated with PPPs and suggested that both government and intergovernmental agencies may face risks when working with the private sector without proper regard for each sectors appropriate role. Some examples were cited from Rio+20 events where some critics suggested that the UN was being 'bought' by corporate partners. Participants noted that there is a strong need for due diligence in the establishment of PPPs in order to mitigate risks and ensure successful partnerships. It was argued that it takes great perseverance to get these partnerships right and that it is necessary to engage

holistically with all stakeholders involved. Given the complexity of these relationships some governments have also developed training programs on how to establish successful PPPs.

3. Key Outcomes of the Meeting

1. There was general support and interest among the participants to continue to share knowledge in the field of CSR through the annual roundtable format.
2. A strong interest was expressed by all participants in collaborating with one another, with each participant indicating at least one connection they wish to pursue further at the end of the meeting.
3. The need for coherence among international organizations as well as government actors in developing and implementing clear standards and frameworks which can be adopted across geographic areas and business sectors was emphasised.
4. It was generally observed that the development of effective standards and frameworks requires effective multi-stakeholder partnerships that adopt a holistic approach.
5. There was a general sense of the group that in order to further streamline efforts and ensure policy coherence, it is necessary to strengthen cooperation among relevant actors and avoid the duplication of voluntary standards. The duplication of standards is not only resource inefficient but may also result in confusion and poor adoption rates.

4. Participant List

Moderator

Richard Howitt, Member of the European Parliament and Special Rapporteur on CSR to the European Commission.

International and Governmental Organizations

Organization	Name	Position
BIAC	Ms. Renate Hornung-Draus	IOE Vice-President for Europe
Dutch Mission to UN	Ms. Kim van Kalleveen	Policy Officer CSR
European Commission	Ms. Susan Bird	CSR Coordinator in the DG Employment of the EC & part of the EU High Level Group on CSR
GIZ	Mr. Christopher Brick	Manager, Private Sector Cooperation
IFC	Ms. Larissa Luy	Senior Environmental & Social Specialist
ILO	Ms. Ricarda McFalls	Chief, Multinational Enterprises Programme
ILO	Ms. Emily Sims	Senior Specialist
ILO	Mr. Dan Rees	Director, Better Work Programme
ITC	Mr. Gregory Sampson	Associate Expert
ITUC	Mr. Dwight Justice	Policy Advisor
La Francophonie (OIF)	Mr. Christian Brodhag	Directeur de recherche, Délégué au Développement Durable
OHCHR	Ms. Lene Wendland	Advisor on Business & Human Rights
OECD	Ms. Alberta Fumo	Policy Analyst, DAF, Investment Division
SECO	Mr. Hans-Peter Egler	Head Trade Promotion
UNCTAD	Ms. Tatiana Krylova	Chief, Enterprise Branch, Investment & Enterprise Division
UNCTAD	Mr. Anthony Miller	CSR Focal Point, Investment & Enterprise Division
UNCTAD	Ms. Naomi Rosenthal	Senior Research Assistant on CSR
UNDP	Ms. Berta Pesti	Technical Specialist & Partnerships
UNEP	Ms. Elisa Tonda	Head, Business and Industry Unit
UNEP FI	Mr. Jacinto Coello	North American Task Force Coordinator
UNICEF	Ms. Eija Hietavuo	CSR Coordinator
UNRISD	Mr. Peter Utting	Deputy Director
WTO	Mr. Michael Roberts	Aid for Trade Coordinator

Other Invited Experts

Incite Sustainability, South Africa	Mr. Jonathon Hanks	Managing Director
Stakeholder Forum, United Kingdom	Ms. Jeannet Ligan	Project Manager
Stellenbosch University, South Africa	Mr. Cornis van der Lugt	Senior Research Fellow
Vincular, Chile	Mr. Dante Pesce	Executive Director

In addition to these participants there were several observers from a range of international organisations.