

ECOSOC Special Event: How Corporate Philanthropy Can Contribute To Advancing The Millennium Development Goals, Particularly For Sustainable Development

ECOSOC Chamber - 25 February 2008

Hilde Frafjord Johnson, UNICEF Deputy Executive Director:

“Leveraging leadership and strengthening partnerships through positive dialogue”

Poverty is a result of policy failure and market failure. The same goes for the other global challenge of our time, pollution and global warming. These failures cannot be corrected by policies and governments alone. Nor can they be adequately addressed solely by markets. It is only through a global partnership of governments, civil society and the corporate sector that the challenges of the 21st Century can be addressed, fighting extreme poverty and achieving sustainable development. Indeed, the Millennium Development Goals cannot be reached without this partnership. This is also why it is important that the UN also opens its doors for a dialogue with key players in the private sector, as we do today.

It is not the first time the UN focuses on the role of the corporate sector in reaching the MDGs. The UN Global Compact has facilitated such a dialogue for a decade. The high standards set by the UN Global Compact and key international conventions are essential in shaping corporate actions and promoting good corporate behaviour. But more needs to be done. In his first speech outside the UN, The Secretary General, Ban Ki-Moon also underlined this. The corporate sector has the potential to be a highly effective and powerful ally towards the achievement of the MDG's.

Let me outline 3 ways here today:

- Firstly, a socially responsible corporate sector does more to achieve these goals, what is often called CSR – Corporate Social Responsibility;
- Secondly, a corporate sector that is scaling up its contribution to poverty reduction and sustainable development will achieve more for the poor, in this context called Corporate Philanthropy;

- Thirdly, a corporate sector that invests in technology and innovation and concrete programs to do more for the poor and for sustainable development will make a difference. I guess this may be labeled as corporate partnerships - not least with development partners.

At UNICEF, we recognize aligning with companies committed to Corporate Social Responsibility accomplishes many things. It helps us together advance the Millennium Development Goals. It aids us in fulfilling our vision: to ensure a world fit for children. We operate under a framework of what we call “corporate engagement”. And, we mean engagement in its most comprehensive sense. UNICEF defines engagement as strategic interactions with the business sector that make an identifiable and lasting contribution towards the realization of Children's Rights and the fulfillment of the Convention on the Rights of the Child. In UNICEF, we are engaged with the private sector to ensure good corporate behaviour in all these three contexts.

Let me quickly go through all three. Corporate Social Responsibility is sometimes referred to as the “triple bottom line,” corporate sustainability or corporate citizenship. By any name, the degree of the integration of CSR programs, practices and policies in business operations, upstream and downstream activities, supply chains, and overall decision-making mechanisms of companies, runs the gamut. CSR does not simply mean ethical practices. Nor is it singularly a company’s commitment to community. It is not just environmental stewardship or commitment to fair wages. It is not just good governance and transparency in interactions. It is all these things and more. It is a way of thinking and doing. Social responsible investment is a similar commitment for investment and insurance companies. Moving hundreds of billions of dollars in the right direction can make a significant difference for sustainable development.

For UNICEF, this is particularly linked to promoting changes in business-practices that enhance and support the well-being of children, ensuring compliance with child rights standards, and not least not using child labour. This includes helping companies to creatively think about how best to design their own CSR actions, and inform their strategies. Good corporate behavior implies accepting such norms and standards, managing supply and distribution chains in ways that protect against negative effects of

exploitative behavior, positively influencing the behavior of others. Good corporate behaviour is taking these steps because it is essentially the right thing to do, and not only when legally compelled to act. In UNICEF, we have worked with companies including the World Cocoa Foundation and corporate actors in Ghana, Levi Strauss, IKEA and Reebok to help eliminate child labour and other violations of child rights standards. I can provide more detail on these examples in the discussion. We are also working with the Travel and Tourism industry to help protect children against exploitation. This matters! The more children that can be protected from abuse and child labour, the more children we can bring to school and ensure their health and well-being. This contributes to the achievement of the MDGs.

The second area where the corporate sector has a major role to play, is to encourage innovations, collaborate on the development of new initiatives, and mobilize resources that contribute towards the promotion of health, education, equality and protection of every child. And, corporate engagement so defined does not include vendor relationships.

Philanthropy is playing an increasingly important role in international development. The Bill and Melinda Gates Foundation, with total grant commitments since inception of USD 16.2 billion, is clearly a new global stakeholder with unprecedented funding capacity, particularly for global health. There also other examples, Google is engaging and venture capital funds are getting increasingly interested in off-setting some of their profits with investing in development efforts. A number of foundations are playing important roles. This is not only about resource mobilization for development programs, but also funding innovation that can make a difference in poor people's lives.

For UNICEF, resource mobilization is critical. Without support from the corporate sector we could not make the strides we do. We count on voluntary contributions to exist. The private sector is a significant contributor for our delivery in child survival, health and education for children. But, our engagement extends beyond traditional philanthropic or cause-related marketing relationships. Certainly, we've found supporting our programs provides one way a company can express its commitment to community partnerships, the environment, children's rights and more. By joining together we do more than any one organization can do alone. In UNICEF we have a system to decide

which corporate partners to work with. We have processes on screening, eligibility and exclusionary criteria that enables us to deal with reputational risk. As we engage with more partners, we have also found ourselves in an excellent position, once the dialogue is expanded, to not only strengthen the development of companies' CSR strategies, but also strengthen our own programmatic activities. This is related to the 3rd area of corporate engagement, strategic partnerships with development partners.

To be able to reach the MDGs and advance sustainable development, we need to see much more such partnerships, and investment in technology and innovation. Several corporate partners are investing in the research and development of a vaccine to prevent HIV and AIDS. Others are active in concrete development projects on the ground. The GAVI Alliance and the Global Fund to fight HIV and AIDS, TB, and Malaria are examples of such private-public partnerships. Governments and private sector joining hands are now delivering critical health interventions for the poor. UNICEF partners with many of these initiatives. Much more can – and should be done. If we jointly can ensure that our efforts are coordinated and our deliverables are achieved through collective action, significant headway can be reached in the fight against poverty - and in advancing sustainable development.

But for all this to happen, leadership is critical. Mobilizing political and corporate leadership will be decisive for us to succeed. Children are at the heart of the MDGs, as sustainable development is ultimately about their future. This is ultimately about creating a world fit for children. This is a collective responsibility. Let us not fail them.

Thank you.