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SDGs and the private sector: through the eyes of NGOs

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The private sector has been called on to play its role in the implementation of the Sustainable Development Goals (SDGs), and companies are beginning to mobilize towards this end. Yet, a number of NGOs remain skeptical regarding these early initiatives. This article explores the reasons behind this skepticism and suggests possible ways to strengthen trust between NGOs and companies so as to ensure that the private sector meets its level of ambition.

While the SDGs are primarily addressed to national governments, the private sector plays a significant role in their implementation. In fact, article 67 of the [2030 Agenda for Sustainable Development](#) calls upon all businesses to apply their investments and innovation to solving sustainable development challenges, as well as to abide by labor rights and international environmental and health standards which contribute to achieving the SDGs. Many companies have begun examining their role in contributing to the SDGs and are developing or even implementing associated strategies. Yet, NGOs are skeptical in the face of these new initiatives. We interviewed twenty NGOs to understand their concerns and identify solutions for strengthening the effectiveness and trust in private sector action.

SDGs: Lack of private sector's transparency in monitoring commitments

Since the SDGs were adopted, companies have begun to take action by publicizing their commitments and initiatives towards their implementation (take for example, the [Global Impact+](#) platform in France). The financial sector is also involved in this mobilization: for instance, in March 2017, the World Bank in partnership with BNP Paribas launched bonds aiming at financing SDG-linked projects. But NGOs are expressing concerns regarding the implementation of these commitments and the real impact of these contributions given that they are not always accompanied by transparent reporting and monitoring mechanisms for their assessment. Moreover, they fear that companies are adopting less ambitious goals to maximize their chances of achieving them. On this front, NGOs should act as a trusted third party to monitor and review private sector initiatives alongside those of other stakeholders. This role is not only limited to an *ex-post* assessment of performance, but can also involve providing active support to companies to help them improve their practices. Some NGOs have developed specific expertise in the role of the 'critical friend', such as [Oxfam, which has worked with Unilever on its initiative to](#) improve the company's working conditions. Thus, companies will be pushed to set and achieve ambitious goals in a more efficient way if they establish a successful dynamic of dialogue and collaboration with NGOs.

The fear of cherry picking

Aware of these challenges, NGOs fear that companies will focus only on those targets/goals for which they can achieve the best results, leaving aside others, without radically transforming their existing business models: this is known as the risk of cherry picking. This risk is *a priori* real: a [report published by PwC](#) in 2015 showed that only 1% of the 900+ companies surveyed planned to assess their impact on all 17 SDGs. In order to limit this risk, NGOs could use SDGs as a systematic tool for analyzing the sustainable development initiatives of companies in order to point out advancements made and limitations encountered. For example, the existence of a goal aimed at reducing inequality (SDG 10) is a significant opportunity to bring attention to issues related to remuneration, profit distribution and fiscal practices. Some CSR officials are already using this SDG to start the discussion within companies regarding these issues, but such initiatives remain isolated. SDG 10 thus remains low on the list of priorities for companies (see the 2015 [PwC](#) and the 2017 [CRS](#) Europe surveys). **In order to tackle this temptation to cherry pick, NGOs can urge and help companies to adopt a challenge picking attitude instead, geared towards addressing critical challenges unique to each company.**

Private sector's involvement in the SDGs: the fear of reduced government engagement

A number of NGOs fear that recognizing private companies as stakeholders in the 2030 Agenda will be a means for governments to partially withdraw by "outsourcing" implementation to the private sector. A discourse in which the State is just one among many stakeholders, they believe, could prompt governments to step back and adopt the role

of a facilitator rather than chief regulatory actor. Even in this respect, NGOs could play a role in building transparency and trust in private sector involvement. Some of the NGOs interviewed thus cited the potential role they could play as to public-private partnerships (PPPs) in ensuring alignment with SDGs, following the precedent set by the [People-first PPPs](#) initiative. On the other hand, public sector actors at the national and local levels could set up institutions for building trust between NGOs and the private sector. They could, for instance, include NGOs representatives in a platform within which the contributions of companies to the SDGs are presented every year.

SDGs and the efficiency of private sector's involvement: NGOs must raise awareness to create social demand

NGOs' concerns regarding the effectiveness of private sector initiatives *vis-à-vis* the SDGs indicate the challenges that governments as well as companies will face in implementing the 2030 Agenda: creating a transparent monitoring system to evaluate progress; effecting ambitious transformation in modes of production and consumption; and organizing responsibilities between various stakeholders and partnerships. NGOs have a key role to play in each one of these challenges. NGOs should also, along with governments, take on the mantle of raising public awareness of the SDGs. According to the CRS Europe [survey](#), low social awareness is the biggest reason for the lack of engagement with SDGs on the part of business leaders. Nevertheless, NGOs are beginning to mobilize around this issue, though, particularly through a project funded by the European Commission and coordinated by SDG Watch to raise awareness and promote engagement with the SDGs across 15 European countries.