



BUSINESS AND SDG 16

CONTRIBUTING TO PEACEFUL,
JUST AND INCLUSIVE SOCIETIES

IN COLLABORATION WITH



WITH SUPPORT OF

McDermott
Will & Emery



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JUST AND INCLUSIVE SOCIETIES**





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ABOUT THE PARTNERS

The Sustainable Development Goals Fund (SDG Fund) is an international multi-donor and multi-agency development mechanism created by the United Nations to support sustainable development activities through integrated and multidimensional joint programmes. The SDG Fund brings together UN agencies, national governments, academia, civil society and businesses to work together to accelerate sustainable development.

The Private Sector Advisory Group (PSAG) was established by the SDG Fund to better align public-private partnerships for sustainable development. It is comprised of business leaders of major companies from various industries worldwide. Together with the PSAG, the SDG Fund launched two reports to identify areas of common interest and the best methods of UN-private sector engagement to achieve SDGs.

University of Pennsylvania Law School traces its history to 1790 when James Wilson, a signer of the Declaration of Independence, framer of the Constitution and member of the first U.S. Supreme Court, delivered the University of Pennsylvania's first lectures in law to President George Washington and members of his Cabinet. Today, the hallmarks of the Penn Law experience are a cross-disciplinary, globally focused legal education and a vibrant and collegial community.

McDermott Will & Emery LLP is an international law firm specializing in tax, private equity, mergers and acquisitions, health care, high stakes litigation and many other key areas of transactional and regulatory law.

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The analysis and recommendations contained in this report do not necessarily reflect the official views of the SDG Fund, the United Nations or its Member States. Examples and best practices mentioned in the report were collected through submitted questionnaires from PSAG companies. Companies were notified of their potential inclusion in this report, and the responsibility for opinions expressed in examples rests solely with them. Reference to names of firms and company actions do not imply their endorsement by the SDG Fund Secretariat, nor by the United Nations and its Member States.

FOREWORD

This year, the Sustainable Development Goals Fund (SDG Fund), in collaboration with business leaders from the SDG Fund's Private Sector Advisory Group (PSAG)¹ and the University of Pennsylvania Law School, with support from McDermott Will & Emery LLP, has produced a report to analyse why Goal 16 of the SDGs (Peace, Justice, and Strong Institutions) is relevant for the private sector and how businesses can contribute to peace through initiatives supporting justice.

This is the third report prepared by the SDG Fund with support of PSAG, focusing on the role of the private sector in creating and sustaining momentum towards the implementation of the Sustainable Development Goals (SDGs). The 2015 report identified opportunities for private sector engagement with the United Nations and a framework for action for both large and small companies, while the 2016 report examined the universality of the 2030 Agenda from a private sector perspective.

In this 2017 report, the SDG Fund and its partners focus on SDG 16, which seeks progress towards peace and justice through the enhancement of the rule of law and the development of strong institutions. SDG 16 sets forth the following objective:

“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.”

To enhance an understanding of the role of private sector participation in peace and justice activities, as well as anti-corruption and corporate compliance activities, a survey was carried out among companies from the SDG Fund Private Sector Advisory Group (PSAG) that analysed the following areas: (1) private sector contribution to the 2030 Agenda and SDG 16; (2) public-private partnerships for peace and sustainable development; (3) legal framework and governance structures for peace and sustainable development; and (4) recommendations for peace and sustainable development. The PSAG companies provided their views about SDG 16 in each area, and how SDG 16 should operate in conjunction with the SDGs as a whole. They also provided extensive information about their management and compliance systems as they related to minimizing corruption and contributing to overall sustainability. Lastly, they identified projects they had undertaken, alone or in collaboration with governments, with the SDG Fund and other NGOs, directly in support of peace efforts or enhancement of the rule of law, or indirectly in support of SDG 16's focus on strong institutions and societal stability.

Furthermore, McDermott Will & Emery LLP supported the University of Pennsylvania Law School by conducting research in six countries on their efforts to advance the rule of law and suppress corruption (Cambodia, India, Lebanon, the United Kingdom, Uzbekistan and Zimbabwe). Practices and trends in these countries were evaluated, including legislative and regulatory changes.

With regard to SDG 16, the private sector has seen it mainly as the government's domain, with activities focusing on corruption and eliminating bad corporate behaviours. But this is a narrow view that misses the role of the private sector in areas such as anti-corruption, promoting diversity and gender equality, free information flows and supporting justice initiatives. This report documents the clear causal relationship between violence and poverty, instability and corruption, and it describes many initiatives of the SDG Fund's PSAG companies to contribute to SDG 16. Some of these are aimed at SDG 16 exclusively, while others serve the purposes of SDG 16 in the context of broader objectives affecting many other SDGs. From this experience, the SDG Fund offers the recommendations that favour actions in support of SDG 16.

The SDG Fund owes a debt of gratitude to its partners that have been engaged in the process of preparing this report. First, the SDG Fund thanks the PSAG, whose perspectives provided the basis for this report. Second, it is grateful for the guidance and leadership of Rangita de Silva de Alwis, Associate Dean of International Affairs at University of Pennsylvania Law School and Advisor to the SDG Fund. Third, from the international law firm McDermott Will & Emery, the Fund would like to thank Robert Cordy and Elizabeth P. Lewis who prepared country case studies to advance the rule of law and suppress corruption. Finally, the Fund would like to thank Robert F. Cusumano, Executive Director of the Legal Horizons Foundation, Chair of the New York City Bar Fund and the Founder of Penn Law's Rule of Law Legal Horizons Fellowship, who prepared the first draft of this report.

I would like to thank Ekaterina Dorodnykh from the SDG Fund who coordinated the preparation of this report, Raul de Mora Jimenez who supported the preparation of this report and coordinated the process of editing and design, Teresa Burelli who coordinated the work with PSAG companies, and the whole team of the SDG Fund who provided valuable comments for the preparation of this report.

Paloma Duran

Director of the Sustainable Development Goals Fund

¹ The SDG Fund established in 2015 a Private Sector Advisory Group (PSAG) formed by business leaders of major companies from various industries worldwide to better align public-private partnerships for sustainable development. PSAG seeks to provide the SDG Fund with guidance and strategic support to achieve better development results in coordination with the private sector.

INTRODUCTION

SDG 16 is one of 17 Sustainable Development Goals (SDGs) that the United Nations has agreed on as an actionable template for societies to deliver peace and sustainable progress to their constituents by 2030. The adoption of SDG 16, which seeks justice for all, and accountable institutions, was not without controversy, with debates about whether it was practicable or naive and idealistic. Nevertheless, it was adopted after fulsome discussion, and was followed by a set of goals, each measured by indicators that range from objective to the purely subjective.

It was no accident that SDG 16 combined together the aspirations toward peace and toward justice. SDG 16 is based on the experience that one is contingent on the other and it embeds within itself the best lessons of that long history of incremental progress. SDG 16 has also arrived at a particularly challenging time — in recent years, momentum toward peace and justice has dissipated, if not reversed itself. Enormous populations now live in conflict zones, refugee populations are very large and growing, and the legitimacy of democratic and institutional conflict resolution appears to be declining.

chain of production, businesses can help the countries where they operate to meet the SDG 16 targets related to anti-corruption, labour rights, inclusive decision-making and community engagement. These are prerequisites to stability and peace: hence the report focuses on the private sector's role in achieving peace through SDG 16. This report is also a practical guide to best practices by PSAG companies, illustrating how businesses can incorporate SDGs into their core practices. It also sheds light on the ways in which an effective legal framework can help the private sector to build trust with the public sector and civil society.

The report is expected to generate greater awareness of the link between peace and sustainable development, and the private sector's role here. While it highlights the important contributions made so far by the private sector, it also identifies areas for more meaningful action. The report provides insights into the benefits and incentives available for companies to mobilize in support of SDG 16 and partner with governments and the United Nations to achieve the SDGs together.

The private sector has a catalytic role to play in SDG 16 at local and global levels. By being responsible partners throughout the chain of production, businesses can help the countries where they operate to meet the SDG 16 targets related to anti-corruption, labour rights, inclusive decision-making and community engagement.

This document is not a status report on peace and justice issues globally. Rather, it has three objectives: (1) describe the framework of SDG 16 in terms that may facilitate action on all of the integrated aspects of peace, justice and societal stability; (2) discuss how a commitment to SDG 16 could bolster the rule of law and the peaceful resolution of disputes in large and important institutions, particularly in the private sector; and (3) share the experience of the SDG Fund's work in this area with the private sector. Through this discussion, it delineates the role of the private sector in promoting the rule of law and respect for it. And it discusses the special paradigm of institutional corruption that affects the realization of every aspiration embodied in SDG 16.

The private sector has a catalytic role to play in SDG 16 at local and global levels. By being responsible partners throughout the





I. A FRAMEWORK FOR PEACE THROUGH JUSTICE AND STRONG INSTITUTIONS

1. A FRAMEWORK FOR PEACE THROUGH JUSTICE AND STRONG INSTITUTIONS

Hundreds of millions of people in civil society contribute to peace and justice every day, by public service, supporting thousands of public and private organizations, solid citizenship or leadership, and perhaps most importantly of all, by simply practicing peaceful behaviour in all situations. However, in an era dominated by large organizations, whether governmental or private, individual contributions to social stability have their limitations. Thus, we have seen the emergence of large-scale initiatives on a national and global level aimed at institutional social responsibility in various spheres including justice and peace. Hence the inclusion of 'strong institutions' in the title of SDG 16; without them, pathways to progress would be ineffectually chaotic if not blocked completely.

SDG 16 offers a systematic and therefore more effective approach to reducing violence and increasing access to a fair and credible means of resolving disputes. Like the other SDGs, its intention is to create a framework for defining responsibilities for actors large and small, and define a set of universally agreeable principles for action. Unlike many of the other SDGs, however, SDG 16 frames a set of aspirations that inevitably must be pursued indirectly: strong and ethical institutions that lead to justice that in turn contributes to peace. SDG 16 frames the converse proposition as well: Weak institutions invite chaos and instability, leading to violence; and strong but unethical institutions are an obstacle to progress and ultimately a cause of violence of one kind or another. **SDG 16 is not just about war, where governments have the greatest responsibility, but about violent conflict of every kind**, ranging from domestic violence to military occupation, where the private sector has a great responsibility for sustainable social stability that is the indispensable pre-condition for peace.

In each instance of private sector involvement with SDG 16, the terms and conditions of that responsibility will have to be developed and adapted to the social, political and economic context. SDG 16 does not provide a script. It does, however, embody a consensus that these responsibilities are real and not delegable; that the reduction of violence depends upon broad institutional acceptance of, and support for, fair justice that is universally accessible; and that this depends on enlightened institutions that use their prosperity and strength to advance society's (and their own) long-term interests either through the prevention of conflict or impartial reasoned resolutions.

These principles do not auto-execute, but they help clarify evaluation and decision-making by removing a gigantic externality from the calculation, namely, the misguided idea that, for large institutional actors, sustainable progress can be premised on short-term exploitation of defects in governance systems or the outright corruption of those systems. It means

that **no local or transient economic success should come at the cost of the material diminishment of the rule of law**, the undermining of the legitimacy of conflict-resolution institutions or the exclusion of sections of society from the apparatus of fair redress for injury done. The creation and maintenance of fair and inclusive justice infrastructures are not a local government or community problem, but rather are the very pillars on which the private sector itself depends for survival.

The idea of a fair rule of law permeates the three elements of SDG 16: peace, justice and institutional strength². The reason is simple: Societies invent rules of law to suppress violence³. This being true, then its converse must also be true: Societies without rules of law must descend to violence. And they do; this is perhaps the main recurring theme of human history. Violence and justice are opposites, and when justice cannot be done, violence step into the breach⁴.

SDG 16 does not propose a single rule of law, nor does it offer a prescription for adopting one. Rather, it is based on the proposition that every society should develop clear and transparent standards of behaviour, and establish protocols for the resolution of disputes based on facts and evidence determined by disinterested arbiters. Access to the apparatus of the rule of law must be universal, and the delivery of justice should depend on the merits of the controversy and not on the identity of the parties to it.

CHART I

Linking the three dimensions of SDG 16

THE POSITIVE CHAIN



THE NEGATIVE SPIRAL



². United Nations Organization, *Peace, Justice, And Strong Institutions: Why They Matter*, available at http://www.un.org/sustainabledevelopment/wp-content/uploads/2017/01/16-00055p_Why_it_Matters_Goal16_Peace_new_text_Oct26.pdf.

³. Paul Robinson and John Darley, "Does the Criminal Law Deter? A Behavioural Science Investigation," *Oxford Journal of Legal Studies* 173 (2004), (illustrating the various purposes and functions played by laws).

⁴. Brian Z. Tamanaha, 'A Concise Guide to the Rule of Law', St. John's Legal Studies Research Paper No. 07-0082 (2007). Also see World Justice Project Rule of Law Index, 36, 2016. Also see World Bank Group, *World Development Report* 2011.

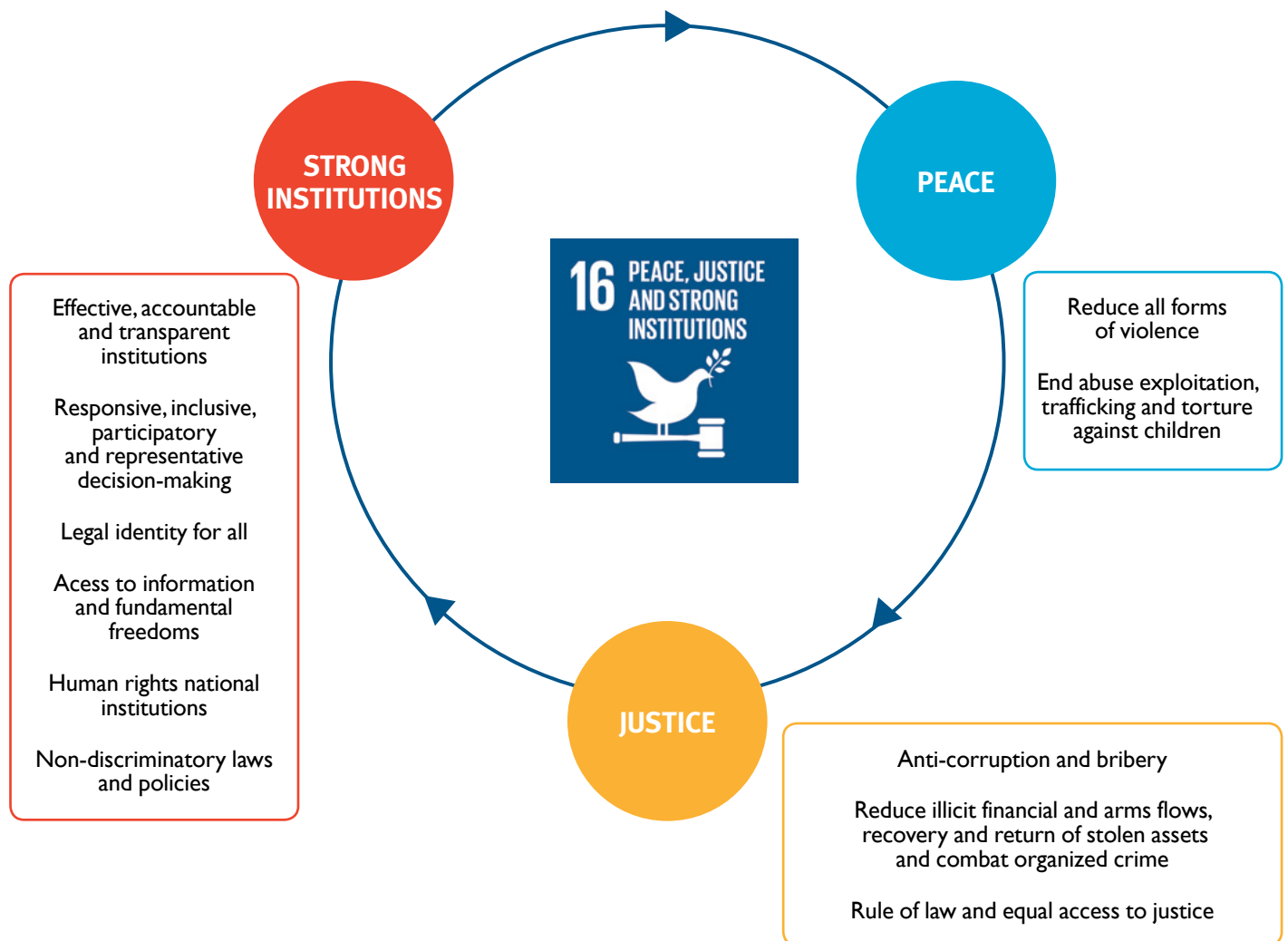
I.1 RESOLVING THE PARADOX OF SELF-INTEREST

Like many of the SDGs, SDG 16 faces an immediate paradox that centres on the definition of self-interest. Accepting that we cannot abolish self-interest⁵, nor outright selfishness, we must accommodate them within any framework intended to advance the cause of peace and justice. Thus, SDG 16 takes a long-term view of self-interest, encouraging those committed to the

framework to assess their own actions through a lens focused on the sustainability of the institutions and structures that undergird social stability and fair-minded dispute resolution. SDG 16 anticipates that there will be daily conflict in the world and it invites its participants to channel such conflict into peaceful dispute resolution processes, to support the maintenance and

CHART 2

The three dimensions of SDG 16



⁵ PWC, 'Make it your business: Engaging with the Sustainable Development Goals', 2015, available at <https://www.pwc.com/gx/en/services/sustainability/sustainable-development-goals/sdg-research-results.html>.

1.1 RESOLVING THE PARADOX OF SELF-INTEREST

the impartiality of such processes, and to avoid undermining institutions that ameliorate conflict even though some local or transient interest may be served by doing so.

This phenomenon is not limited to the developing world and, indeed, takes its most aggressive and destructive forms within the seemingly sturdy legal and sociological infrastructure of developed nations. It takes the form of attacks on judges and journalists (both physical and philosophical), attempts to undermine judicial independence, corruption and attempts to rig the system (as well as false charges that unbiased systems are somehow rigged⁶). It includes various methods to create unequal playing fields. And perhaps most insidiously, it takes the form of sophisticated rhetorical assaults on the very legitimacy of the complex governing infrastructure that upholds and implements the law. This attack is usually framed as a call to reform the so-called bureaucracy, by which is meant any organized method by which disinterested people resolve issues of importance through agreed upon procedures based on facts and evidence.

There is no doubt that fair and impartial justice is sometimes cumbersome, and can be reformed to be more efficient without doing violence to the notion of justice itself. However, history has also proven that the infrastructure of justice, as it has developed over many centuries to serve the vastly complicated world of today, is among the most successful and sophisticated cultural projects ever undertaken. It is too easy to destroy and immensely difficult to rebuild.

SDG 16 seeks to resolve this paradox of self-interest as it pertains to the modern private sector. Modern corporations, public and private, control vast resources, are hyper-sophisticated about the issues and disputes of concern to them, and employ great expertise (including legal expertise) and advanced marketing and outreach strategies. They thus have much influence on the making of law and resolution of disputes⁷. As examples of self-interest, the private sector, may, for instance, seek to block a regulation, win a local verdict, or make litigation impossibly expensive, in order to win short-term or long-term profits or protect management. As universal access to justice implies the creation of disinterested forums for the pursuit of claims, one could argue that promoting the rule of law is at odds with the interests of a large for-profit corporation.

SDG 16 does not make this tension disappear. Rather, **SDG 16 asks the private sector to reframe the notion of self-interest to magnify the importance of the long-term over the short-term, the societal over the local, the institutional over the personal, and the sustainable over the transiently profitable.** This is based in part on the recognition that the private sector itself, in particular corporate capitalism, is by its very nature a creature of the rule of law. At the most basic level, a corporation depends on reliable rules to define its very existence, a lawfully functioning infrastructure within which to

carry out its daily operations and a justice system to define its profits and losses. When the rule of law disappears, so do corporations. When the rule of law is delegitimized, less orderly forms of dispute resolution arise, not all of them peaceful.

But there is also a broader and more practical reason why the interests of the private sector should be recast to better align with the advancement of the rule of law and access to justice. History proves that lawless societies are poor societies⁸. Modern economic development requires the creation of gigantic complex systems, from hi-tech factories to the infinitely complex machinations surrounding global capital flows. None of these are possible without a functioning rule of law, and none of them function well without broad access to the apparatus of real justice.

SDG 16 asks the private sector to reframe the notion of self-interest to magnify the importance of the long-term over the short-term, the societal over the local, the institutional over the personal, and the sustainable over the transiently profitable.

Access to justice is necessary for a culture to thrive, and thriving cultures promote economic interaction. Thriving economies are the only sound basis for a stable and productive private sector and, in the long run, universal access to reasonable justice is a prerequisite for success — even if that justice results in some less than ideal outcomes for corporate actors. SDG 16 is an open invitation to the private sector to begin to resolve the paradox of self-interest in a way that commits to social stability and to relieve societies of much of the burden of the ‘externality of injustice’. In particular, SDG 16 asks the private sector to build its own internal institutions as “effective, accountable and inclusive” and to participate in the support of other social institutions along the same lines.




6. Ozan Varol, “Stealth Authoritarianism,” *Iowa Law Review* 1673 (2015). Also See Tom Ginsburg and Tamir Moustafa, *Rule by Law: The Politics of Courts in Authoritarian Regimes*, New York: Cambridge University Press, 2008.

7. Brian Roach, ‘Corporate Power in a Global Economy’, Global Development And Environment Institute, Tufts University (2007), available at http://www.ase.tufts.edu/gdae/education_materials/modules/Corporate_Power_in_a_Global_Economy.pdf.









8. Michael R. Anderson, ‘Access to justice and legal process: making legal institutions responsive to poor people in LDCs’, Institute of Development Studies Working Paper 178 (2003); “The Economics of Violence,” *The Economist*, 14 April 2011, available at <http://www.economist.com/node/>.






1.2 TARGETS AND INDICATORS FOR SDG 16

SDG 16 presents as aspirational, non-absolute and activist in nature. Working from the verb ‘promote’, it seeks progress through action and such progress will be, by its very nature, incremental, adaptive to changing circumstances and therefore constantly evolving. Recognizing that an aspiration as broad as SDG 16 requires some guidance or parameters, as well as practicable measures of success or failure, more specific targets have been articulated within the scope of SDG 16, each with specified indicators of progress or regress. Table 1 indicates areas where the private sector has a defined role to play, with outlined business practices; in the other areas its role is more tangential but not completely removed, since goals relate to each other and overlap.

TABLE I			CONTRIBUTION BY THE PRIVATE SECTOR
TARGET	ABBREVIATED TITLE	FULL TITLE	SDGs INTERLINKAGES
16.1	Significantly reduce all forms of violence and related death rates everywhere		
16.1.1	Intentional homicide	Number of victims of intentional homicide per 100,000 population, by sex and age	
16.1.2	Conflict-related deaths	Conflict-related deaths per 100,000 population, by sex, age and cause	
16.1.3	Victims of violence	Proportion of population subjected to physical, psychological or sexual violence in the previous 12 months	
16.1.4	Safe walking alone	Proportion of population that feels safe walking alone around the area they live	✓
16.2	End abuse, exploitation, trafficking and all forms of violence against and torture of children		✓
16.2.1	Violence against children	Proportion of children aged 1-17 years who experienced any physical punishment and/or psychological aggression by caregivers in the past month	
16.2.2	Human trafficking	Number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation	✓
16.2.3	Sexual violence against young people	Proportion of young women and men aged 18-29 years who experienced sexual violence by age 18	✓
16.3	Promote the rule of law at the national and international levels and ensure equal access to justice for all		✓
16.3.1	Underreporting of violence	Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms	

1.2 TARGETS AND INDICATORS FOR SDG 16

TARGET	ABBREVIATED TITLE	FULL TITLE	SDGs INTERLINKAGES	CONTRIBUTION BY THE PRIVATE SECTOR
16.3.2	Unsentenced prisoners	Unsentenced detainees as a proportion of overall prison population	   	
16.4	By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime			✓
16.4.1	Illicit financial flows	Total value of inward and outward illicit financial flows (in current US dollars)	 	✓
16.4.2	Arms tracking	Proportion of seized, found or surrendered arms whose illicit origin or context has been traced or established by a competent authority in line with international instruments		✓
16.5.	Substantially reduce corruption and bribery in all their forms			✓
16.5.1	Government corruption (citizens)	Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months	 	
16.5.2	Government corruption (business)	Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months		✓
16.6	Develop effective, accountable and transparent institutions at all levels			
16.6.1	Responsible budget spending	Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)	ALL SDGs	
16.6.2	Satisfaction with public services	Proportion of the population satisfied with their last experience of public services		
16.7.	Ensure responsive, inclusive, participatory and representative decision-making at all levels			
16.7.	Representative politics	Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service and judiciary) compared with national distributions	ALL SDGs	
16.7.2	Inclusive decision-making	Proportion of population who believe decision making is inclusive and responsive, by sex, age, disability and population group.		✓

TARGET	ABBREVIATED TITLE	FULL TITLE	SDGs INTERLINKAGES	CONTRIBUTION BY THE PRIVATE SECTOR
16.8.	Broaden and strengthen the participation of developing countries in the institutions of global governance			
16.8.1	Voting rights	Proportion of members and voting rights of developing countries in international organizations		
16.9	By 2030, provide legal identity for all, including birth registration			
16.9.1	Birth registration	Proportion of children under 5 years of age whose births have been registered with a civil authority, by age		
16.10.	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements			
16.10.1	Violence against journalists	Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months.		
16.10.2	Public access to information	Number of countries that adopt and implement constitutional, statutory and/or policy guarantees for public access to information.		
16.A	Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime			
16.a	Human rights institutions	Existence of independent national human rights institutions in compliance with the Paris Principles.		
16.B	Promote and enforce non-discriminatory laws and policies for sustainable development			✓
16.b	Discrimination	Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of grounds of discrimination prohibited under international human rights law		✓

Note: For more information about proposed business practices for each indicator, please consult SDG Compass, Inventory of Business Indicators.

1.2 TARGETS AND INDICATORS FOR SDG 16

These targets and related indicators should not be considered comprehensive, but rather a set of priorities and useful data points. Some of the targets, such as 16.1 (seeking a significant and measurable decline in violence), operate broadly on a societal level and therefore do not tie in to specific activities by specific actors. They relate instead to the entire effort by all actors, together and individually. Other targets are quite specific, such as 16.2 concerning the abuse of children, or 16.4 about the flow of arms, and can be tied into a somewhat more identifiable population of potential actors. For instance, for target 16.2, the private sector can contribute by increased control of operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour. Target 16.9 is very specific about legal identity, and it presumes efforts by mainly governmental actors (perhaps assisted by private sector resources and expertise).

The violent behaviours identified in the targets and measured in the indicators are meant to help measure quantifiable progress in the reduction of violence and improvement in the lives and dignity of people. The indicators are also very useful in that they use available metrics to identify problems related to violence based on geography, systems of government, corruption and other potential causes.

In particular, the targets and indicators act as a set of lenses to focus on the potential roles of different benign actors within a system designed to achieve the reduction of violence. The targets do not distinguish among actors — some are mostly the responsibility of governments, others are the responsibility of the private sector and many are the responsibility of everyone. Nearly all of the targets clearly involve government responsibility and action. However, many of them also implicate private sector actors, whose actions may cause or exacerbate the problems or greatly assist in their resolution or reduction. Thus, target 16.2 identifies human trafficking as a priority and this lies squarely within the zone of activity of the private sector, broadly defined; even though it may be outlawed by governments, human trafficking is a commercial activity. Targets 16.4 (illicit arms sales) and 16.5 (corruption reduction) each also call for private sector action, perhaps more than governmental action. Many other targets speak to means of deliberation, decision-making and disclosure that apply equally to all actors. And several of them are an analytical step or two removed from the quantifiable outcomes; these pertain mainly to enhancement of the rule of law and the improvement of institutional decision-making, which may be considered to have a salutary effect in setting the stage for more stable, and therefore peaceful, societies of every sort.

CHART 3

The elements of SDG 16 (targets and indicators)

PEACE	VIOLENCE	Violence against children / Human trafficking / Sexual violence against young people
	ABUSE, EXPLOITATION, TRAFFICKING AND VIOLENCE AGAINST CHILDREN	Intentional homicide / Deaths in conflict / Physical, psychological and sexual violence / Safe walking alone
JUSTICE	RULE OF LAW	Underreporting of violence / Unsented prisoners
	ILLICIT FINANCIAL AND ARMS FLOWS	Outward illicit financial flows / Arms tracking
	ANTI-CORRUPTION AND BRIBERY	Government corruption (citizens) / Government corruption (businesses)
STRONG AND ETHICAL INSTITUTIONS	EFFECTIVE, ACCOUNTABLE AND TRANSPARENT INSTITUTION	Responsible budget spending / Satisfaction with public services
	DECISION MAKING	Representative politics / Inclusive decision making
	LEGAL IDENTITY	Birth registration
	ACCESS TO INFORMATION AND FUNDAMENTAL FREEDOMS	Violence against journalists / Public access to information
	HUMAN RIGHTS INSTITUTIONS	Human rights institutions
	NON-DISCRIMINATORY LAWS AND POLICIES	Non-discrimination

I.3 THE RULE OF LAW

SDG 16, its targets and its indicators all revolve around the rule of law, broadly defined. The Secretary-General has described the rule of law as “a principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and

and 16.7 speak broadly to institutional governance and “representative decision-making at all levels,” which includes the judicial function. And target 16.b expressly calls for “non-discriminatory laws and policies for sustainable development.”

SDG 16 also does not limit itself to the judicial function, nor to government more generally. Its call for rational decision-making through representative and inclusive structures applies as much to the private sector as to the public sector. Its ambition towards ‘strong institutions’ does not just mean government agencies. Its call for justice for all, however we may define it, extends to corporate decision-making and corporate disciplinary proceedings as much as to public policy and court systems.

The aspirations of SDG 16 should also be seen in the context of the other SDGs.

procedural and legal transparency.”⁹ In its most austere definition, the rule of law means a governance system that sets forth understandable rules of behaviour and then resolves controversies about adherence to those rules through the application of neutral principles to facts determined on the basis of evidence.

The aspirations of SDG 16 should also be seen in the context of the other SDGs, particularly SDG 5 and SDG 8. SDG 5 calls for gender equality, and makes explicit that central aspect of SDG 16’s call for justice, broadly defined. SDG 8 is a broad mandate toward economic growth and ‘decent work’, and may be considered to be a critical theme of the SDGs in general, which the rule of law and the enhancement of justice facilitate in the long run. SDGs 5, 8 and 16 provide context and definition for each other, and progress on any of them is likely to indicate or effect progress in all of them.

This basic version of the rule of law is embedded within SDG 16 and its targets and indicators, sometimes explicitly, sometimes implicitly. The targets call for accountable and transparent institutions, “responsive, inclusive, participatory and representative decision-making at all levels” and “non-discriminatory laws and policies.” **Without a disputant-neutral and rational means of dispute resolution, the rest of SDG 16, and perhaps the SDGs in general, cannot be implemented.**

That said, this more austere definition of rule of law is insufficient to sustain the notion of justice that SDG 16 aspires to. As a phrase, rule of law pertains to procedure and impartiality, but it does not necessarily speak to the content of the law nor, necessarily, to universal access to the apparatus of justice. A perfectly functional and seemingly unbiased fair rule of law can be subverted to become the scaffolding supporting unjust laws. And a fair rule of law itself cannot be sustained without the active participation of all elements of societies.

As a result, SDG 16 is far broader than the austere version of the rule of law. Its text emphasizes “access to justice for all” (i.e., both justice and universality). The targets follow this lead. Target 16.3 speaks to both the rule of law and to justice for all. Targets 16.6

CHART 4

Two views of businesses engagement in rule of law

BASIC VIEW SELF INTEREST

Private sector itself is creatures of rule of law. Businesses depend on reliable rule and reasonable justice

THE ‘ENLIGHTENED CORPORATION’

Through access to justice and rule of law businesses can thrive in thriving economies that depend on complex systems that could not function without access to justice. Private sector should build its own effective, accountable and inclusive institutions and support the expansion of rule of law in the society.

⁹ United Nations Security Council Resolution 616, ‘The rule of law and transitional justice in conflict and post-conflict societies. Report of the Secretary-General’, (S/2004/616).

CHART 5

Rule of law and SDG 16, at the core of 2030 Agenda

...The essence of Sustainable Development Goal 16 and its specific target 16.3 to promote the rule of law and ensure equal access to justice for all is not only a self-evident objective, but it is catalytic to all the Goals. It is clear that the rule of law provides a foundation for preventing conflict, fostering peace and advancing sustainable development.

Amina J. Mohammed, Deputy Secretary-General of the United Nations



I.4 THE PARADOX OF INSTITUTIONAL POWERS AND RESPONSIBILITIES

These bold and broad ambitions contain within them the potential to subvert themselves. Peace and justice in modern societies can only be accomplished through the support of strong (and often very large) institutions¹⁰. But strong and large institutions themselves are often the greatest threat to peace and justice. Equally important, fear of a concentration of power that operates without transparency, inclusivity or, in many instances, basic morality, creates a public distrust that threatens to undermine the SDG 16 project before it gets started.

Although the SDGs can offer no ultimate solution to this paradox, they operate with full cognizance of the risks and difficulties. Thus, even as it sponsors the creation and support of strong institutions, SDG 16 in effect defines these as governed by structures (accountability, transparency, inclusivity, etc.) that substantially reduce the chances of subversion of powerful organizations toward unjust or violent ends. Also, like all of the SDGs, SDG 16 both presupposes and articulates an ethic that is incompatible with the use of organizational power for unjust ends via unfair processes.

While this ethic cannot possibly be articulated in a single form to cover every society and circumstance, **acceptance of the SDGs does represent a significant move towards an ethical stance on justice** with the larger purpose of creating and sustaining peaceful societies. In this way, the SDGs, and SDG 16 in particular, represent exactly the collective leap of faith that, with broad participation, can form the moral backbone of an effort to move towards peace and justice. One does not need a definition of perfect justice to move away from injustice. The impossibility of such a definition need not deter anyone.

That being said, full sponsorship of SDG 16 does inevitably require a certain amount of selflessness and a realignment of self-interest along longer-term lines. It does require accepting the results of justice systems that are not under one's control, and accepting the loss of short-term profits perhaps attainable through less benign behaviours. **Bypassing the paradox of self-interest is not easy. SDG 16 offers one important way of beginning to do that without pretending to abolish self-interest itself.**

CHART 6

Private sector and SDG 16

AVOID/DO NO HARM

- Anti-money laundering
- Anti-corruption
- Compliance
- UN Guiding principles

INCORPORATE CORE BUSINESS

- Set examples of business conduct, developing SDGs standards
- Commitment to inclusiveness and diversity
- Whistleblowing policies
- Transparency and public disclosure
- Equal gender opportunities policies
- Build trust with local communities and transparent communication
- Code of conduct and policies on conflict of interest, cash and in kind-donations, risk management, personal data protection...

ADVOCATE

- Industry wide efforts for transparency and anti-corruption
- Legal and judicial philanthropy (law firms)
- Reporting corruption activities
- Private-public partnerships to promote peace and stability

¹⁰. United Nations General Assembly Resolution 70/1, 'Transforming our world: the 2030 Agenda for Sustainable Development', UN Doc. A/RES/70/1, 2015.

I.5 TRANSPARENCY AND THE SPECIAL PROBLEM OF CORRUPTION

The worldwide problem of massive corruption in governments, companies and commerce has rightly received much attention and will be addressed at some length in this report. Although it is not specifically the subject of SDG 16, corruption is an ever-present threat to achieving practicable and credible forms of justice. Corruption stands as an intractable obstacle to progress throughout the world today, and in many countries it is an economic and social scourge that has debilitated whole societies. This is why SDG 16 stresses the need for transparency in the functioning of strong institutions — a universal corrective for corruption with consequences for the SDGs as a whole since every one of them is undermined by corruption.

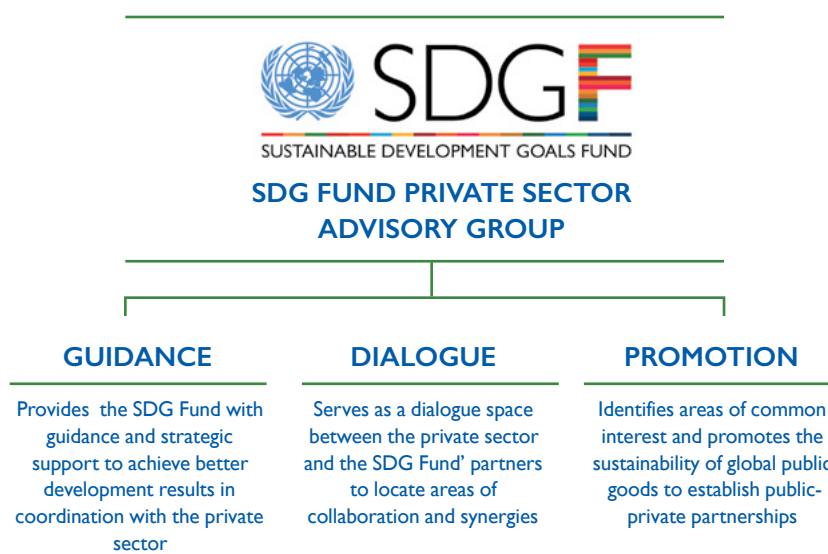
The ways in which corruption operates are fantastically complicated and they are carried out by sophisticated practitioners. It is far beyond the scope of the present report to offer diagnostics, prognoses or cures. SDG 16 and this report, however, can articulate constructive roles and responsibilities for people and institutions working towards societal progress. The report therefore touches upon the main institutional drivers of corruption that infect the physical and conceptual infrastructure of global development. The problem of corruption is special because it can and does undermine everything: economic development, justice, legitimacy, the rule of law in both its narrow and broad forms, and peace itself.¹¹

A basic definitional problem exists. To ask “What is corruption?” is perhaps to cede too much ground to those who wish to engage in it around the edges, but corruption does pose definitional questions about people, power and transactions in the stream of commerce. The easy cases pose no definitional problems: outright theft, extortion, bribery. **It is constructive to distinguish between these forms of outright theft, on the one hand, and transactional corruption, where the tougher cases lie and which is the focus here.**

In general, corrupt transactions are premised on a falsification of the value of assets that change hands with the specific intent of moving value from one party to another, where the party losing value is institutional and the party gaining value is personal¹². (This does not mean that the corrupt party receiving such fraudulent excess value is a natural person. It means that a natural person stands to benefit from the corruption and that, most often, people operating in their representative capacities permit or facilitate the stripping of assets from the institutions they supposedly are there to protect.) This means that corruption is often a matter of market values, and market values are notoriously volatile and, for some assets, non-existent¹³. In turn, that means that corruption prosecutions are notoriously difficult to win.

CHART 7

The SDG Fund Private Sector Advisory Group functions



¹¹. Council of Europe, 'Corruption as a threat to the Rule of Law,' Draft resolution and draft recommendation adopted unanimously by the Committee in Izmir, Turkey on 27 May 2013, available at <http://www.assembly.coe.int/CommitteeDocs/2013/NYFF%20C4%20B1nalpressfdoc1e.pdf>. Also see Chapter 11: *Corruption as Anti-Development in Perspectives on 9/11*, Yassin El-Ayouty (ed), Connecticut, USA: Greenwood Publishing Group, 2003.

¹². Michael S. Aßländer and Sarah Hudson (eds), *The Handbook of Business and Corruption: Cross-Sectoral Experiences*, Bingley, UK: Emerald Publishing Ltd., 2017.

¹³. For history of the definitions of corruption in USA see Zephyr Teachout, *Corruption in America: From Benjamin Franklin's Snuff Box to Citizens United*, MA: Harvard University Press, 2014.

Corruption: Eroding justice systems and institutional support

The insidious effects of corruption extend to all elements of SDG 16 and threaten progress toward all of its targets. Corruption does not just involve injustice; rather it transforms justice systems into the very opposite of what they are supposed to be. Corruption does not just weaken the necessary institutional support for peace; it turns those institutions into powerful forces opposed to justice. This, in turn, delegitimizes both the private sector and government and undermines the trust necessary for social development.

In the foreword to the UN Convention against Corruption, Secretary-General Kofi Anan provided a summary and an inventory of the effects of corruption: “Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish. This evil phenomenon is found in all countries — big and small, rich and poor — but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a Government’s ability to provide basic services, feeding inequality and injustice and discouraging foreign aid and investment. Corruption is a key element in economic underperformance and a major obstacle to poverty alleviation and development.” (See Statement On The Adoption By The General Assembly of the United Nations Convention Against Corruption New York, 31 October 2003.)

By its nature, corruption is not easy to measure. The World Bank has tried to do so: “Businesses and individuals pay an estimated \$1.5 trillion in bribes each year. This is about 2% of global GDP — and 10 times the value of overseas development assistance. The harm that corruption causes to development is, in fact, a multiple of the estimated volume, given the negative impact of corruption on the poor and on economic growth.” UNDP estimates that corruption, bribery, theft and tax evasion cost approximately \$1.26 trillion for developing countries per year. And the effect of corruption extends far beyond the economic toll, and beyond the psychological and sociological effects on notions of justice and institutional legitimacy.

The UN Secretary General’s Plan of Action to Prevent Violent Extremism (December 2015) makes a direct connection between corruption and violence itself: “Violent extremism tends to thrive in an environment characterized by poor governance, democracy deficits, corruption and a culture of impunity for unlawful behaviour engaged in by the State or its agents.” (See Hanny Megally, Preventing Violent Extremism by Protecting Rights And Addressing Root Causes, Peace Operations Review (February 9, 2016).

In addition, this form of corruption — value manipulation in transactions — necessarily depends on laws and statutory definitions, which are also notoriously difficult to write. One need only look at the appellate litigation in the highest courts of many nations, the United States included, to see that defining corruption still puzzles the greatest legal minds. The courts of the world are awash in lawsuits about the basic legalities associated with insider trading, loan collaterals, inter-company transactions and a thousand types of tax fraud. Even the definition of ‘bribery of a public official’ remains hotly debated. The fact is that this difficulty will not end. The building blocks of anti-corruption laws are too imprecise to stand well against the creativity of the corrupt. While governments can and do write laws against the outright theft form of corruption, it is immensely more difficult to clearly prohibit transactional corruption.

The creativity of corrupt practices takes advantage of the imprecise line between legitimate commerce (in which each side sees a value advantage in doing a deal) and corrupt commerce (in which the individuals who manage one side of a transaction permit ‘unfair’ values to flow to a corrupt counterparty). It also takes practical advantage of the inherent, and often legally protected, secrecy of money flows in the world’s financial system. Money laundering on a small scale is laughably easy, and money laundering on a massive scale is both a facilitator of corruption and a cause of it. In addition, while certain publicly owned companies are required to make basic disclosure about cash flows and material transactions, the vastly larger world of private enterprise (including state-owned enterprises, private companies and individuals) faces no such mandate. Even the basic notion of transparent corporate beneficial ownership is more the exception than the rule, and certain jurisdictions compete with each other in a race to the bottom on ownership disclosure.

In addition, the population of individuals who receive value through corrupt transactions is difficult to track. Such transactions often work through webs of interrelated people and companies, with innumerable individuals benefiting directly or indirectly. They operate through intermediaries (brokers and advisors) who receive fees (at reasonable fair market values or not) for constructing the apparatus of corruption. Corruption runs through families and clans, with relatives of government, banking and other officials receiving compensation for facilitating corruption. This is the so-called princeling problem. Far too often, government office-holders allow the disbursement of the commonwealth’s funds to criminals who simply share some proceeds with a relative of the office-holder. Often that sharing comes at the end of a long money-laundering chain of transactions. And often these chains of transactions cross borders through shell entities in

various countries, ending in a bank account that is hardly ever going to be discovered.

The vast network of actual and potential corruption stands today as perhaps the greatest obstacle to the achievement of the SDGs, and undermines every aspect of legitimacy of governments and private enterprise. It shrinks the tax base of responsible governments and grows the bank accounts of irresponsible public officials and their clans. More fundamentally, it undermines the rule of law, and corrupts judicial systems themselves.

Absent a practicable solution in the form of clear rules of law and prosecutorial strategies, the worldwide effort to battle corruption has itself become more creative. The effort will never be successful as long as governments themselves, and individuals in power within them, are themselves corrupt. But good tools have been developed, and SDG 16, with its support for transparency and public disclosure through an active and free press, encourages their use.

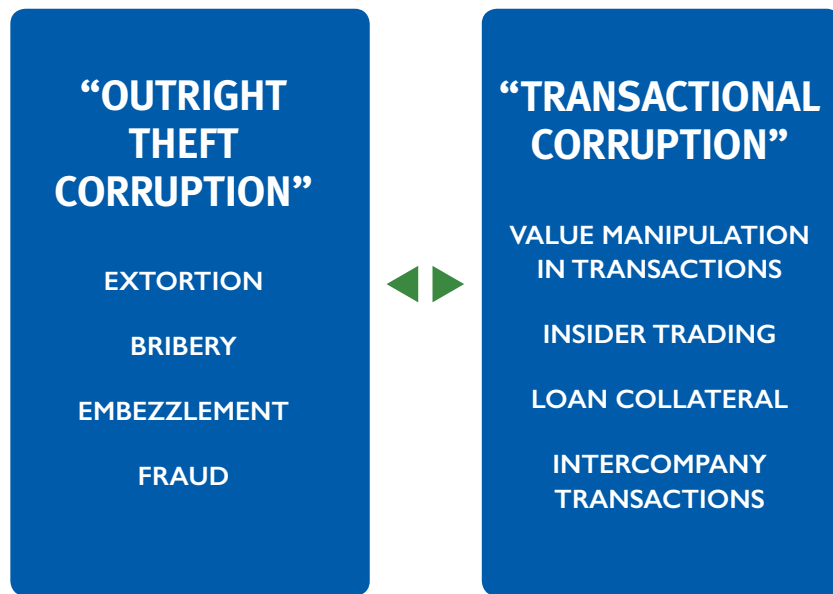
These tools include the focus of companies on intermediaries, advisors and supply chain management, to assure that bribery and other forms of corruption are not ‘outsourced’ (as they

often are today). Governmental focus on advisory and brokerage enterprises can be very effective in suppressing outsourced corruption and in prosecuting it when it happens. Variants of know your customer rules, that form a pillar of financial regulation in certain jurisdictions, attempt to cut through the fog of secrecy by putting responsibility on banks and others to get to the bottom of it before executing deals. The strict enforcement of certain extra-territorial regulatory regimes (e.g., the Foreign Corrupt Practices Act [US] or the anti-bribery law [UK]) suppresses corruption involving companies resident in those countries. Technology used to aid anti-money laundering regimes has proven effective in shutting down corrupt networks, or at least moving their activity into darker corners of the financial system. Clear and practicable rules — governmental and corporate — governing conflicts of interest are a central building block. And the role of an energetic press cannot be overstated and is specifically mentioned in the SDG’s targets and indicators.

There is risk, certainly, that the use of these tools, and the rise of responsible managements of governments and corporations, will bifurcate global trade into opposing categories of institutions — benign and corrupt. Indeed, that is already happening. It should be taken as a sign of progress.

CHART 8

A widening definition of corruption



I.6 NATIONAL CASE STUDIES IN COMBATING CORRUPTION

The international focus on corruption and its insidious effects on economic development, justice and human rights has intensified around the world, resulting in the adoption of legal frameworks and institutions that are better equipped to expose and prosecute corruption. Corruption undermines sustainable development in every country, but governments are cognitively diverse in their recognition of the economic and societal devastation this causes. Recently, however, there has been strong momentum toward the adoption and enforcement of anti-corruption laws, and the many tools now available to expose corrupt networks. The analysis of anti-corruption reforms, the resulting legal frameworks and the prospects for improvement on the ground in Cambodia, Lebanon, Zimbabwe, Uzbekistan, India and the United Kingdom are good examples from different geographical areas of the range and current state of these efforts¹⁴. Despite obvious differences among these countries in the level of enforcement and overall success, these legal frameworks align well with the anti-corruption and transparency ethics set forth in SDG 16.

Cambodia became a party to the United Nations Convention against Corruption (UNCAC) in 2007, and in 2008 the government announced its 'Rectangular Strategy' to fight corruption, enhance public financial management, improve good governance and thereby promote the welfare of its citizens. In 2011, an anti-corruption law was passed by the legislature. It created a National Council Against Corruption and an Anti-Corruption Unit. The Anti-Corruption Law includes a financial asset and liability disclosure requirement for specified public officials. The Anti-Corruption Unit has initiated a programme in the business community to encourage them to sign memoranda of understanding, committing to the prevention of illicit payments to government officials, with the hope of discouraging corruption and creating a cleaner and more transparent business environment. Parallel to this effort, Transparency International Cambodia (TI Cambodia) has been offering anti-corruption cards to citizens who sign up to a 'Declaration Against Corruption' initiative. Businesses participating in the programme offer the cardholders discounts for certain products and services. In 2015, TI Cambodia reported that 183 businesses were engaged with TI in business integrity initiatives. These efforts have increased the public's awareness of corruption and created some incentives for taking action against it.

In **Lebanon**, a variety of existing laws address aspects of corruption. Lebanon became party to UNCAC in 2008, and ratified the Convention in April 2009. In 2008, a draft law to combat corruption was submitted to the Parliamentary Committee for Justice and Administration. It remained pending until 2011 when the Speaker of the House tabled it in order to harmonize it with UNCAC and proposed the establishment of a national authority as a mechanism to enforce anti-corruption

measures. In January 2017, Lebanon adopted an Access to Information Law, shortly after it appointed a state minister to combat corruption in December 2016. These actions are consistent with the statements made by Lebanon's President about fighting corruption, particularly in the police, the parliament, the judiciary and political parties.

Zimbabwe signed UNCAC on 20 February 2004 and ratified it on 8 March 2007. There is no ethical code of conduct for government employees in Zimbabwe, nor is there currently a legal framework obligating government officials to periodically disclose sources of income, gifts and ownership of assets. However, under the Constitution, members of the judiciary are prohibited from engaging in any political activities; holding office in or being members of any political organization, soliciting funds for or contributing funds to any political organization or attending political meetings. Moreover, Zimbabwe put in place legislation that provides for the forfeiture of the proceeds of crime through the Money Laundering and Proceeds of Crime Act, which set up a recovered assets fund, and the Trafficking in Persons Act that has provisions for the forfeiture of trafficking proceeds and property. Additionally, the Bank Use Promotion Act has been put in place to regulate money laundering issues.

Uzbekistan became a party to UNCAC in 2008, and is a member of the Anti-Corruption Network for Eastern Europe and Central Asia. It has committed to implementing the Istanbul Anti-Corruption Action Plan. The Ministry of Justice and General Prosecutor's Office adopted an action plan that was approved by their regional peer review group in the fall of 2015. Comprehensive legislation implementing the anti-corruption plan was introduced in November of 2016, and adopted in full in December. The law now criminalizes all forms of bribery, prohibits conflicts of interest, requires government employees to report acts or attempted acts of corruption when they become aware of them and establishes some protection for whistleblowers. Aside from the newly enacted anti-corruption legal framework, a number of reforms of increasing significance have occurred over the last five years. In 2013, the judiciary adopted a code of ethics, and the Judicial Training Center has been significantly modernizing and improving its training programme for newly appointed judges and for the continuing education of sitting judges. In addition, in response to concerns regarding the independence of judges (including their five-year terms and the reappointment process), the new President successfully introduced legislation to create an initial five-year term, followed by a 10-year reappointment, followed by life tenure. Finally, the judiciary (working with academic and experts in the field) has been considering substantial reforms to criminal, civil and administrative procedural codes to promote transparency and consistency.

¹⁴ These case studies were prepared by Robert Cordy and Elizabeth P. Lewis from McDermott Will & Emery LLP. Additional inputs were provided by Jeremy Horder, Head of Law Department London School of Economics (United Kingdom); Indira Jaising, former Deputy Solicitor General of India (India), Fatima Sbaity Kassem (Lebanon) and Slyvia Chirawu, Professor of Law (Zimbabwe). The examples and best practices do not necessarily reflect the official views of the SDG Fund, the United Nations or its Member States.

While **India** continues to face many challenges in the battle to overcome corruption, the current Indian Government stated expressly that its goal was to rid India of corruption. India signed UNCAC on 9 December 2005 and ratified it on 9 May 2011. India has two primary anti-corruption legislations: The Prevention of Corruption Act, 1988, and The Prevention of Money Laundering Act, 2002. India has adopted The Whistleblowers Protection Act, 2011, which provides a mechanism to receive complaints relating to disclosure of any allegation of corruption or willful misuse of power or willful misuse of discretion against any public servant, to enquire into such complaints and to provide adequate safeguards against victimization of the person making the complaint. The Government of India has also adopted several transparency laws and policies to provide access to civil society and media to scrutinize government decision-making and relationships. The Right to Information Act, 2005, provides citizens access to information under the control of public authorities, to promote transparency and accountability in the working of every public authority. The Centralized Public Grievance Redress and Mechanism Systems receives complaints on the efficiency and effectiveness of central and state public departments and provides feedback on administration. Further, in 2013, India adopted The Lokpal and Lokayukta Act to inquire into allegations of corruption against certain public functionaries

and to require declaration of assets and liabilities of public servants as well as their spouses and children.

Finally, the **United Kingdom** has been a leading innovator in anti-corruption efforts worldwide, although it has been criticized for its failure to do much about corruption and money laundering within its own jurisdiction, most particularly offshore. The UK Bribery Act (which came into force on 1 July 2011) sharpens the anti-corruption tools available for enforcement while simultaneously extending them extra-territorially to encompass foreign conduct by companies domiciled in the UK, and extending them to cover supply chains and, in effect, any transaction putatively under the control of the company in question. The Bribery Act is now the principal piece of legislation dealing with bribery in the UK and has been described as the toughest anti-corruption legislation in the world. It has raised the bar above the standards of the US Foreign Corrupt Practices Act and applies extra-territorially. It applies to all businesses with a UK presence (whether UK incorporated or just carrying on business in the UK), as well as to British citizens and any person who resides in the UK (regardless of whether the actions occurred in the UK or elsewhere) and any person who resides anywhere in the world but whose actions occur in the UK.



CHILDREN PARTICIPATING IN A SUMMER CAMP TO PROMOTE DIALOGUE BETWEEN PALESTINIAN AND LEBANESE COMMUNITIES. © SDG FUND / LEBANON



2. ROLE OF THE PRIVATE SECTOR IN SDG 16



2. ROLE OF THE PRIVATE SECTOR IN SDG 16

This section identifies ways to mobilize collaborations and partnerships on SDG 16 goals among the private sector, UN agencies, national governments and civil societies. While the central role of governments is understood, the report does not discuss inter-governmental relations, foreign policy or the merits of controversies between governments around the world. Rather, it focuses on the intellectual, physical and institutional infrastructure that may be used by the private sector to promote peace and justice. The goal is to identify opportunities for governments, the private sector, NGOs and concerned citizens to work together on SDG 16.

By and large, with unfortunate exceptions, the private sector does its business in a peaceful manner, unarmed, respecting government 'monopoly on violence' and resolving disputes by peaceful methods. This is a firm base from which to make further progress. When the option of violence is unavailable, violence tends to decline.

The experience of the SDG Fund working with the private sector has also demonstrated how the UN system, public sector actors and businesses can effectively work together to implement the SDGs. It has demonstrated how the private sector can play a critical role in accelerating the achievement of the SDGs by promoting public-private partnerships, social investments and aligning the 2030 Agenda with corporate social responsibility. Improved infrastructure, greater gender equality and stable social conditions generate economic growth that in turn leads to the creation of new markets, boosts innovations and minimizes risks. Keeping the peace is very much a matter of creating and maintaining the conditions of peace, i.e., justice delivered through fair and impartial means, and the delivery of decent living conditions and productive work via sustainable development.

Thus, **the private sector can and should be a full participant in the construction of the infrastructure of peace, especially when companies are engaged in co-design, co-investment and co-implementation of those projects.** The SDG Fund recognizes the need to focus on innovative ways to work with the private sector to integrate peace in promoting other cross-cutting SDGs such as SDG 5 (Gender Equality), SDG 8 (Inclusive Growth) and SDG 17 (Global Partnerships). The private sector can play a leading role in the promotion of good governance, anti-corruption laws and transparency that contribute to inclusive development. Companies both large and small have the opportunity to create new jobs and adopt hiring practices that ensure no discrimination on the basis of race, ethnicity, gender or religion. And the private sector can contribute greatly to the creation and maintenance of reasonably fair and competent dispute resolution systems in support of the rule of law. Indeed,

PSAG MEMBERS: BBVA MICROFINANCE FOUNDATION



BBVA Microfinance Foundation is a non-profit entity, created by BBVA Group in 2007, with the mission of promoting the economic and social development of vulnerable people, through financial inclusion. The Foundation has two main lines of activity. First, the consolidation of its group of microfinance institutions (MFIs) in Latin America. Second, the BBVA Microfinance Foundation actively works on the development of the microfinance sector through good corporate governance, human capital training, promoting appropriate regulations and social impact measurement.

In general terms, the Foundation's activity has a direct impact on the following SDGs: 1 (No Poverty); 4 (Quality Education); 5 (Gender Equality); 8 (Decent Work and Economic Growth) and 17 (Partnerships for the Goals). Indirectly, the Foundation's activity impacts these SDGs: 2 (Zero Hunger); 3 (Good Health and Well-being); 10 (Reduced Inequalities) and 16 (Peace, Justice and Strong Institutions).

With regard to SDG 16, financial inclusion contributes to building effective, accountable institutions and peace, while strong institutions and peace contribute to financial inclusion. Furthermore, improving financial inclusion promotes formalization of businesses, generating contracts within the excluded segment of the population and forging second-round effects on growth. It builds social capital cultivating trust, regulations and networks, which could improve society's efficiency. In particular, with regard to the peacebuilding process in Colombia, its microfinance institution is strengthening financial services and its value offering for low-income populations in the municipalities prioritized by the Government in the post-conflict.

The rise of corporate compliance as a profession

Compliance was once a thing that companies did or did not do until, seemingly suddenly, Compliance with a capital 'C' became a defined corporate function with a dedicated professional staff. This was the fallout of various corporate scandals, which led to the emergence of compliance as a specialty, a division of its own within companies, and an emerging career path complete with its own professional literature, managerial structures and body of expertise. This is a fast-moving professional field, with subspecialties for individual industries. Its largest and most resource-consuming manifestation is in financial industries fighting fraud and corruption. Compliance has become a large sector, and is still growing, as one report from a management search firm has described in great detail.

These corporate compliance functions often interact with risk management processes. This is because, as a result of recent legislative and regulatory actions around the world (including some described in detail in this document), fraud and corruption have become perhaps the greatest threats to corporate viability. A result of this interaction between risk management and compliance is the systematic mapping of risk centres within companies and the systematic tracking of activities relating to those risks. At its most technologically sophisticated, this multi-disciplinary process of mapping and tracking provides managers with instant access to information about the breadth and intensity of risks and the status of actions taken to reduce them.

All PSAG members have described strong compliance procedures run by dedicated personnel as described above. For many of them, however, the entire compliance and risk management process has been made part of corporate social responsibility in general, and for gauging progress toward sustainable development in accordance with their commitment to the SDGs.

For all PSAG companies, a strong compliance ethic is critical to corporate success, or at least to the reduction of the risk of catastrophic failure. Each of them now employs professionals who coordinate compliance, sustainable development or both.

such dispute resolution infrastructure should be seen as a compelling corporate interest.

The SDG Fund's PSAG has provided much information about how the private sector may contribute toward the goals of SDG 16¹⁵. The SDG Fund established the PSAG in 2015 — formed by business leaders from different industries worldwide — to build a roadmap showing how public-private alliances can provide large-scale solutions for achieving the SDGs. The PSAG offers the SDG Fund valuable knowledge and assets to work jointly and is engaged in a multi-dimensional way: offering industry-specific training for SDG Fund joint programmes, engaging in dialogue with public and private stakeholders to provide alternative viewpoints and engagement opportunities, participating in research and knowledge sharing, providing financial, human and natural resources as well as infrastructure support, and much more. As a result, the SDG Fund has accumulated solid experience and understanding of how the private sector works and how it can be involved in public-private partnerships. Moreover, with support from the PSAG, the SDG Fund promotes new ways for businesses to collaborate with governments, civil society, academia and international organizations to build more peaceful and inclusive societies.

The main findings from the PSAG confirm that **the private sector views SDG 16 as mainly the province of governmental actors, or as concerned mainly or exclusively with the phenomenon of war**. Thus, the range of activities that companies think of in support of SDG 16 tends to focus on corruption and eliminating bad corporate behaviours. While these are critically important (see first subsection below), this is a narrow view that misses the actual and potential role of the private sector in supporting the SDG 16, as does the idea that private sector participation is mostly about doing no harm to SDG 16.

The 'Diversity and Inclusive Decision-Making' section discusses the private sector role in assuring inclusion and diversity. The section 'Private Sector Public Stance for Justice and Fairness' presents possibilities for private sector communications support for initiatives in support of SDG 16 and opposition to those antagonistic to SDG 16. 'Corporate philanthropy in support of the SDGs' presents a wide variety of activities that the private sector could initiate to more directly and productively create the conditions necessary for SDG 16 to flourish, such as justice and the rule of law, legal and judicial philanthropy, and support for impartial fact-based and science-based decision-making at all levels. The final section, 'The Flow of Information', describes the critical role of information flows in the peace-building process, from corporate transparency to competent investigatory journalism to the work of NGOs that research issues and recommend actions. The world's fact-finders are at much higher risk of violence than

¹⁵ The questionnaire was prepared and distributed in June and July of 2017 among 10 PSAG companies (BBVA Microfinance Foundation, Ebro Foods, Ferrovial, Grupo Nutresa, H&M, Intel, Organización Ardlia Lülle, Pvblic Foundation, Sahara Group and Fundación SERES).

2. ROLE OF THE PRIVATE SECTOR IN SDG 16



PSAG MEMBER: GRUPO NUTRESA

Grupo Nutresa is one of the largest food companies in Latin America with eight business units: cold cuts, biscuits, chocolates, coffee, retail food, ice cream, pasta and, its Chilean unit, TMLUC. The company is based in Colombia, and it is considered a key player in the Latin American market with 45 production plants, 46,000 employees and more than one million customers. The company currently has a direct presence in 14 countries and products sold in 71 countries in five continents. It has aligned its actions to contribute to the following SDGs: 1, 2, 4, 8, 9, 12, 13, 16 and 17.

Grupo Nutresa is committed to developing new ways of doing business and addressing the social problems in the wide territorial area in which it operates. Since 2005, Grupo Nutresa has set sustainability targets in social and environmental issues. In 2009, it publicly endorsed the 10 Principles of Global Compact and joined the initiative.

Based on trainings and education processes, the Organization transfers knowledge and increases capabilities to create stronger systems and effective responses when facing corruption and discrimination risks. Consequently, contributes to reduce inequality, violence, and to improve the quality of people's life in the base pyramid contributing to SDG 1, 2, 8 and 16.

Of the six sustainability priorities, it sets for decision-making and performance, the priority linked with SDG 16 is 'Acting with Integrity'. Grupo Nutresa and its subsidiaries implemented a Business Ethics Program that promotes new practices and guidelines to fight corruption and bribery as well as any conduct related to illegal activities, especially those associated with money laundering and financing terrorism. The Business Ethics Program englobes the construction of a risk matrix for each business unit regarding corruption, human rights and money laundry activities, the establishment of management procedures according to the risk exposure and whistleblower mechanisms.

others, especially when reporting about violence itself or about the corruption that often leads to violence. Their protection, and the dissemination of their work, is another important contribution that the private sector can make to advance all the elements of SDG 16.

In all these areas, the private sector poses the seeming contradiction of being a source of support to SDG 16 while simultaneously being a potential obstacle to its goals. This is in part due to the public image of monolithic corporate acquisitiveness, largely unaffected by a public image of sincere public spiritedness. However, **the private sector is in fact an extremely diverse group of organizations (from small and medium enterprises specialized in one activity to big transnational corporations), with widely different behaviour patterns and as much diversity in political and ethical viewpoint as anywhere else.** Nevertheless, this wide spectrum of behaviours still works against the goal of peace through justice on two levels. First, many private sector organizations are themselves corrupt, or willing to undermine a fair operation of societal structures, or willing to compromise any other interest for the sake of short-term profit. Second, the existence of such organizations has created a broad-based mistrust of the private sector that permeates the democratic process throughout the world. That distrust, in turn, tends to confine the efforts of private sector organizations who are truly acting in good faith, and it tends also to create a reciprocal distrust by private enterprise of societal or governmental interventions. This is not an easy cycle to break. But progress is being made.

2.1 COMBATTING CORRUPTION

In anti-corruption, progress has already begun with the broad acceptance of the basic notion of ‘do no harm’. Companies may disagree about aspects of public policy, regulatory intensity or other issues. But it is very difficult to engage with private sector corruption and maintain any decent sense of honour, personal or corporate. Corruption constitutes a material barrier to competition for ethical producers of good and services, and a material negative for profits if allowed to go unchecked. As a result, although there may be debates about the specifics of laws and reporting regimes designed to suppress corruption, there is almost universal acceptance of the necessity of actually suppressing corruption. Even with anti-corruption frameworks in place via public laws and company policies, however, progress on the ground has been modest relative to the global scale of the problem.



PSAG MEMBER: ORGANIZACIÓN ARDILA LÜLLE

Organización Ardila Lülle is one of the largest conglomerates in Latin America. The conglomerate, based in Colombia, comprises over 30 companies in the communications, beverages, sports, automobile, agro-industry and entertainment sectors. Member companies in Colombia include Postobón, the country's largest non-alcoholic beverage company, Incauca, the largest sugar mill, and RCN, a media company that runs 139 radio stations and a private television channel. The company has a long-standing commitment to sustainability and corporate social responsibility with a focus on developing human capital, creating sustainable value chains and minimizing environmental impacts. Organización Ardila Lülle integrates the 17 SDGs into its operations to both grow the business and address key social issues in Colombia.

Organización Ardila Lülle contributes to Goal 16 and sustainable peace by fostering economic growth, increasing investments, generating employment, building inclusive supply chains and promoting values with the mass media. Main initiatives on Goal 16 include producing a soap opera ‘You will never forget my name’, whose story reinforces society's readiness for reconciliation; Hit Social, an alliance that includes more than 1,000 small farmers based in areas highly affected by conflict, into Postobón's supply chain; and co-founding Reconciliación Colombia, a non-governmental organization that gathers 97 private companies, NGOs and academic institutions to make visible and scale local projects that contribute to a more peaceful society.

Each of the SDG Fund's PSAG companies has described intense enterprise-wide anti-corruption and anti-money-laundering processes and procedures. For example, **Grupo Nutresa**, a leading processed food company in Colombia, with the aim of ensuring transparency and integrity in their operations, has established corporate guidelines to prevent and control the risk of money laundering and financing of terrorism including training activities for key employees and contractors that work in areas of major vulnerability. These training activities have reached more than 17,600 people. The company has publicly declared zero tolerance to any act, offer, request, delivery or receipt of benefits in exchange for actions, decisions or omissions in negotiations made by the employees within Nutresa's companies. Similarly, **Sahara Group** — a Nigerian privately owned company and a member of the World Economic Forum community — established its Partnering Against Corruption Initiative (PACI). It collaborates with global, regional and national organizations to promote sustainable development and transparency in business. To maintain its reputation for zero tolerance to corruption, or the abuse of position for personal gain, Sahara Group has put in place various policies in line with local and international laws and standards on anti-corruption and anti-bribery, gifts and hospitality, non-solicitation and whistle blowing. **H&M** also has established an anti-corruption programme with a zero-tolerance policy and a proactive information collection and reporting protocol. In 2016, H&M investigated and closed 39 incidents of potential non-compliance and took actions in 26 cases, 11 of which were terminations and 15 were warnings of both colleagues and business partners. They have 11 open cases that are still under investigation. Most of the cases were related to corruption, requests for money and personal favours as well as conflicts of interest and theft. This is in line with a recent and growing worldwide movement to identify and eliminate corruption in transactions and supply chains, and means of distribution.

However, these processes have limitations; they must keep up with the creativity of individuals answering the clear incentives to be corrupt, in large part by reversing those incentives and by understanding fully the sophisticated methods used by the corrupt. **This means empowering an anti-corruption ethos within organizations, and understanding that corruption is not always clearly evident.** In turn, this means tolerating and even encouraging whistle-blowers, even if they turn out to be incorrect, without enabling individuals who use the right to report wrong for personal advantage. This is a difficult task. It also means empowering a confidential investigatory function that can act as a credible and independent evaluator of reports of wrongdoing, and also credibly declare innocence when, as is often the case, the facts call for such a declaration.

2.1 COMBATting CORRUPTION

Taken as a whole, **these considerations argue in favour of the creation of organizationally independent, high-level and credible evaluative functions that find and interpret facts about corruption under law and company policy.**

Much like governmental agency inspectors general, such organizations need to be insulated from the politics and consequences of the conclusions they reach, and need to be seen as independent as well. Much like good corporate audit departments, or the best legal departments, they need to have an ultra-high degree of professionalism and a powerful internal ethical code even beyond those of the everyday employee. And managements need to understand these needs, and understand that even the most perfect organization will not always get it right. **Fundación SERES** works closely with CEOs and top managers so that they can lead the change in how corporations operate, and create actions with a positive social impact. SERES has a cycle of conferences named 'Conversaciones' (Conversations) where leaders share openly their vision in social innovation, and talk about how they are setting the example in corporations; similarly, SERES organizes a set of round tables with KPMG and have together developed a report, 'Manual de Consejeros' (Counseling Manual) with the same aim.

The ambiguities around corruption are, as noted above, heightened by the difficulties of defining transactional parties and tracing money. The princeling problem described above is real and growing. Payoffs go to related third parties and are offshored, seemingly endlessly. They are difficult and expensive to track, and vastly more expensive to prove well enough for courts to adjudicate. This is why much depends on an ethical approach that values reputation more highly than in the past, calls for companies to truly know their customer and not just engage in mere on- paper due diligence to protect incumbent management, while supporting individual employees who are trying to do the right thing.

As mentioned earlier, much of the attention to corruption and fraud has risen from regulatory regimes in some large-market countries that govern the worldwide operations of companies domiciled in those countries, through measures such as severe penalties, including personal criminal sanctions on individuals. Despite being controversial for their scale and force and extra-territoriality, they have been adopted by ethical companies not expressly governed by them. But they have not been taken up universally. This is where governments could step in.

The distinction between public and privately-owned companies is also very significant and it remains a matter of great difficulty and competitive imbalance. Public companies operate under disclosure regimes that, whatever the variation from country to

country, have higher transparency obligations and shareholder pressures that simply do not exist for private companies. **The result of this is that the movement to greater ethical activism and reasonable transparency is overwhelmingly among public companies.**

One may argue that this transparency allows more and better access to capital markets, which is true. But the population of well-financed private companies in the world is enormous, their political leverage is significant and their behaviour is far less controlled or controllable or answerable to diverse constituencies. A particular subset of the private company paradigm is state-owned enterprises, or public-private economic partnerships, and these too do not tend to disclose to, or answer to, broad constituencies. The result of this is that the problems of corruption, the undermining of social institutions and the non-sustainable exploitation of externalities breed in such settings. And mandatory legal

PSAG MEMBER: EBRO FOODS



Ebro Foods, originally established in Spain, and now with a presence in more than 52 countries on four continents, is the world leader in the rice sector and the second largest pasta manufacturer worldwide. Ebro Foods encourages transparency, compliance with good governance and a

commitment to consumers, employees and the responsible management of resources. Ensuring a sustainable business model is one of the four policy objectives of its Corporate Social Responsibility policy.

The SDGs 2, 12, 13 and 15 are key for Ebro Foods, and these SDGs are reviewed regularly to track objectives and results. The company seeks to promote sustainable and climate-smart agriculture and sustainability in its supply and value chain, and incorporate the three pillars of sustainability: social, environmental and economic.

Although Ebro Foods doesn't have specific actions or projects for promoting peace, the company through its operations, makes a significant contribution to the social and economic development of the communities in which it operates. It also implements welfare programmes, and develops environmental and social initiatives that contribute to the stability and peace that is an SDG 16 goal.

PSAG MEMBERS: FERROVIAL



Ferrovial is one of the world's leading infrastructure operators and municipal services companies. Working in the areas of services, toll roads, construction and airports, Ferrovial maintains that its business activities have a direct impact on the SDGs 6, 9 and 11.

Ferrovial has adapted its Corporate Responsibility Strategic Plan to pursue the SDGs. The Plan is aligned with its business strategy, which exercises strict control over the supply chain, adopting integrated efficient management systems that reduce the social and environmental footprint and respect human rights through a sound, responsible management structure. Ferrovial adheres to various international initiatives, such as the ILO Tripartite Declaration, the OECD Guidelines, the UN Universal Declaration of Human Rights, and the UN Global Compact.

Ferrovial has the following Good Conduct policies relating to SDG 16: Corporate Responsibility Policy, Human Rights Policy, Environment & Quality Policy, Health and Safety Policy, Tax Compliance Policy and Best Practices, Compliance Policy and Anti-corruption Policy and Corporate Code of Ethics.

Ferrovial has implemented various human rights measures and procedures related to SDG 16 target 16.2 'End abuse, exploitation, trafficking and all forms of violence against and torture of children' and 16.5 'Substantially reduce corruption and bribery in all their forms', especially those related to the Whistleblowing Channel & Ethic Line. Ferrovial is a member of several associations and foundations that support anti-corruption practices and corporate transparency, such as Forética, Global Compact Network Spain and Fundación SERES.

frameworks for reporting by private companies are minimal compared to those governing public companies.

While many privately-owned companies have committed themselves to the SDGs and to the Global Compact¹⁶ (including PSAG member Sahara Group), it is reasonable for more of these companies to become more aligned with disclosure and transparency obligations like those that apply to public enterprises. The initial momentum toward transparency for public companies was premised on the notion of shareholder democracy, allowing the owners of the enterprise to know about, and vote on, the corporate mission; thus, the exception for privately owned companies. But that was invented as a single-purpose regulatory approach nearly a century ago. Today, disclosure and transparency should be based on the size and societal significance of the enterprise, rather than shareholder democracy concerns, as well as the right of concerned citizens simply to know what these enterprises are doing.

Meanwhile, **ethical, non-corrupt companies face a clear competitive disadvantage in access to corrupt markets.**

While corruption clearly taxes these markets, and the individuals who need to buy from them, corruption also undermines the ability of ethical companies to sell their wares. Thus, there is an inherent incentive for ethical companies to fight corruption by others, and they often do. But that incentive is diminished by a countervailing incentive to avoid irritating corrupt governments in power, taking what you can get and remaining passive. Reporting on the corruption of others is discouraged by the difficulties of collecting and providing proof, by the risk of loss of other lines of business in retaliation (or worse, the risk of prosecution or persecution by corrupt governments), and by the general desire to run a business peacefully and without controversy.

This is a subtle and difficult issue, and those companies that nevertheless take action against corrupt competitors and run the risk of governmental or market retaliation should be applauded. As should those governments that support these actions. The effort to suppress corruption must be as broad as, and cleverer, than the practice of corruption, and the private sector has to recognize and act on its major role in making this possible.

16. A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

2.2 DIVERSITY AND INCLUSIVE DECISION-MAKING

SDG 16's call for justice and inclusive institutional decision-making connects directly with SDG 5 which recognizes that ending discrimination against minorities, and women and girls, is a necessary pre-condition for sustainable development and security. Indeed, Goals 5 and 16 set the stage for progress toward Goal 8 (decent work and economic growth) and the targets of these goals are explicitly linked. These three goals mutually reinforce economic development and peace and security and may be elaborated through the public-private partnerships described in SDG 17.

The progress toward diversity mandated in public laws and implemented by private enterprise has been tangible and measurable. But it has been incomplete and inconsistent as well. Throughout the world, racial minorities continue to face more than episodic discrimination, higher levels of incarceration and measurably lower private enterprise employment representation¹⁷, and in many places the differences among groups are statistically extreme¹⁸.

Gender discrimination is hardly different and may be worse if only because women are a majority of the world's population. Human trafficking of women continues to be a scourge throughout the world, as women and girls are physically compelled into forced labour, often of a sexual nature¹⁹. Commercial sex trade continues all over the world, in developed and underdeveloped countries, too often including girls being delivered to affluent men for sexual abuse.

Women and girls who are not subject to these barbarities, and who are legally able to get an education and to work, still find themselves second-class citizens economically. The data continue to indicate large economic gaps between men and women in wealth, in income per capita and in income for the same job. In certain regions and economies, the comparisons between men and women are large enough to indicate systematic intentional discrimination²⁰. In others, the comparisons show the tepid pace of progress. Despite some progress in closing the gender gap in education, employment and health, widespread gender disparities in economic opportunities continue globally. Many of these disparities arise from legal obstacles that prevent women from participating in large segments of the economic and financial world²¹.

Innumerable studies show the gender gap, even in the largest companies domiciled in the most developed nations²². Despite equal credentials and experience, whether on corporate boards, in senior-level management positions or other important economic decision-making roles, women occupy a far smaller percentage of leadership positions²³. At S&P 500 companies in the financial services industry, they

make up 54 percent of the labour force but are only 29 percent of executive- and senior-level managers and 2 percent of CEOs²⁴. Further, they comprise just 25 percent of executive and senior officials and managers, 9.5 percent of top earners and 6 percent of CEOs in S&P 500 companies²⁵.

A small segment of the private sector has indeed led on these issues. Each PSAG company has reported the existence of robust and data-driven diversity initiatives that map managerially all the way to their boards of directors. There is a growing subset of consultancy sub-industries that specifically advise on diversity issues, specifically recruit for qualified candidates, and measure results through a prism of data points. Also, a non-negotiable demand for diversity in certain areas of the private sector has emerged, as women (and many men) in management positions rightfully expect their

PSAG MEMBER: H&M

H&M is a global fashion company based in Sweden which currently comprises of six distinct fashion brands and more than 4,100 stores in 64 markets. The company recognizes that incorporating sustainable development into their business strategy is of paramount importance, as the SDGs help to ensure the longevity of their business and improve the lives of those whose work is directly or indirectly related to their activities. H&M's sustainability strategy contributes to SDGs 5, 6, 7, 8, 12, 13 and 17 through three main focus areas: Leading the Change, Circular & Renewable and Fair & Equal. The sustainability strategy is aligned with the SDGs, and the nature of H&M's business

means that there is a potential for both direct and indirect impact and influence on a wide range of SDGs.



H&M is proactively engaged in mitigating labour conflicts by strengthening industrial relations and dispute resolution, and protecting land rights, an issue that not only undermines many human rights, but is a source of conflict itself. Strengthening industrial relations and peaceful

dispute resolution is a key part of H&M's strategy, which has an indirect impact on SDG 16. H&M sees a clear business interest in these efforts, as they help keep markets stable and productive, even in the face of other global challenges.

17. Bruce Western & Becky Pettit, "Incarceration & social inequality," *Dædalus* vol.139, issue 3, 2010, pp. 8-19.

18. US Bureau of Labor Statistics, "Labor Force Characteristics by Race and Ethnicity", 2014 (describing the stark difference between races when it comes to jobs). Also see Linda Darling Hammond, *Unequal Opportunity: Race and Education*, Brookings Institute, March 1998, available at <https://www.brookings.edu/articles/unequal-opportunity-race-and-education/>.

19. United Nations Office on Drugs and Crime 23, 'Global Report on trafficking in Persons', 2016, available at https://www.unodc.org/documents/data-and-analysis/glotip/2016_Global_Report_on_Trafficking_in_Persons.pdf (84 percent of all trafficked victims are women).

transactional counterparts to give women and minorities equal opportunities. For instance, **Grupo Nutresa** has developed a holistic managerial system to fight discrimination. The Organization has a Policy on Diversity and Inclusiveness, and develops several practices that reduce the discrimination either by gender, race, religion or any other matter. Some of their subsidiaries are certified under the Colombian standard 'Equipares', which is led by the Ministry of Labor and promotes practices to embrace diversity and eliminate exclusionary behaviours.

Innovative strategies and new programmes that address shortfalls in training or experience and, more subtly, gaps in acculturation and networking, show promise of delivering more fully realized candidates into senior management ranks. Similarly, **the recent movement to explicitly recognize life**

Gender in the boardroom: Norway's Corporate Board Quota Law

Corporate board leadership is an important cornerstone of leadership in the public sphere. For example, Norway's Corporate Board Quota Law shows the importance of legislatively mandated quotas in gender empowerment. The law mandated that all publicly listed corporations in Norway include at least 40 percent women by 1 January 2008. Noncompliance would result in dissolution of the corporation. Norway's attempt to increase women in corporate leadership has helped to build a nexus between the public and private spheres.

Recent studies show that higher numbers of women in executive positions can result in higher rates of corporate return on equity. Similarly, countries with higher levels of women's political representation also tend to have higher levels of economic growth.

The feminization of boards also engages the private sector in the public goal of fostering women's corporate leadership. Such policies, if universalized, would fundamentally shift both corporate and public governance. The connection between gender equality and economic growth shaped the language used by Norway's Ministry of Children and Family Affairs to promote the proposal, which states that the legislation will not only lead to equality between the sexes but also to the creation of wealth in society.

experience as a job qualification, i.e., the powerful insight that overcoming the immense obstacles to success posed by poverty, childhood abuse, out group status, among other challenges, is itself a material positive on a resume, promises to help make meritocracy out of what might be argued (by critics) to be a racial or gender preference.

Some of these programmes are highly focused on practical barriers to entry to the mainstream of private enterprise, including access to financing and credit, targeted products and services, specific outreach strategies, portfolios of business loans, leases, mortgages, and networks and training.

Some of these initiatives involve partnerships between the public and private spheres, or at least a common set of objectives. Workplace regulations (public or private) that support both fathers and mothers in caring for children can open up opportunities, preserve employment for talented individuals, and work positively for recruitment. **These work/family reconciliation policies are some of the most critical determinants of gender equality in large organizations.**

The proper establishment and enforcement of anti-abuse policies is also a central institutional imperative, and all PSAG companies, along with thousands of others, have established these policies. Many go beyond the technical requirements of applicable public law, but all of them are vulnerable to the vexing difficulties of enforcement, fact-finding and adjudication, and appropriate penalties. Good policies and procedures can be completely undermined by bad faith or negligent behaviours within the enforcement and adjudication structures set up by companies. Thus, it is critical that the private sector insist on good faith adjudication and that they protect employees engaged in adjudicatory functions on these issues, and cover the necessary expense associated with establishing this kind of 'private rule of law'.

The good news is that most participants in the private sector now have such rules and procedures, whether by coercion of law or by voluntary choice. And it is equally critical that the various constituencies of companies — from shareholders to employees to the press, and the public in general — understand the difficulties of these processes and the impossibility of perfect outcomes. The process requires good faith, balance and independence, operating under a rule of law that must simultaneously enforce the rules and invalidate false allegations.

It is tempting for governments to defer to the private sector to establish workable rules and regulations for the protection of minorities and women, subject perhaps to some general

20. World Bank, Gender Data Portal, 2017, available at <http://datatopics.worldbank.org/gender/key%20gender%20employment%20indicators>.

21. World Bank, 'Women, Business and The Law', 2016.

22. Judith Warner and Danielle Corley, 'The Women's Leadership Gap Women's Leadership by the Numbers', Center for American Progress, May 21, 2017, available at <https://www.americanprogress.org/issues/women/reports/2017/05/21/432758/womens-leadership-gap/>.

23. Ibid (describing the data on women in executive positions in Fortune 500 companies).

24. atalyst, 'Pyramid: Women in S&P 500 Companies,' 2017.

25. Ibid.

2.2 DIVERSITY AND INCLUSIVE DECISION-MAKING

PSAG MEMBER: SAHARA GROUP



Sahara Group is a Nigerian conglomerate in the oil and gas sector that more recently entered the wider energy and infrastructure sector. It is made up of 20 operating companies with offices and operations on four continents. Since the SDGs were launched in 2015, Sahara Group has played a key role in the creation of awareness as well as the implementation of the SDGs in Nigeria and other African countries. Sahara Group's Personal and Corporate Social Responsibility policy is aligned with the organization's corporate business objectives. The focus areas are education, health, environment and sustainable community development, and address SDGs 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, which collectively impact SDG 16. By codifying social responsibility into its corporate governance models, Sahara is implementing these SDGs in its business practices, from staff engagement to direct social investments in priority focal areas.

Sahara Group also implements the following actions to specifically support SDG 16: economic empowerment/ financial independence programmes, establishment of vocational centres, guidance and counselling centres for young people, entrepreneurship support programmes, literacy support programmes, career counseling and job shadow programmes and providing social amenities for local police stations.

mandate in favour of the same. History tends to show, however, that public rules can help initiate positive private cultural change, and can help avoid perceived competitive imbalances used by opponents of equality to justify, as a practical if not ethical matter, the continuation of business as usual. These positive public initiatives are not limited to requirements for equal opportunity, prohibitions of abuse, or mandates for equal pay. Here too, economic power and procurement matter, and governments around the world have taken steps such as mandatory levels of diversity for government contract eligibility. This creates, in effect, a public-private partnership in favour of diversity in a significant proportion of the world's economic activity. This is an immensely powerful spur toward diversity in the largest and most complex of projects globally, that should continue and expand.

2.3 A PRIVATE SECTOR PUBLIC STANCE FOR JUSTICE AND FAIRNESS

The private sector influences all aspects of public opinion through its products and services, its advertising, its sponsorships and philanthropy, and its public statements on the issues of the day, especially, in the case of global enterprises. Sometimes, these become a means for engagement with the SDGs through programmes that are related to several of the goals.

The core elements of SDG 16 tend toward the universal and the uncontroversial and should be a core agenda item for supportive corporate communication and action. For instance, **Ebro Foods** and its foundation participate in philanthropic activities together with the SDG Fund in an international cookery project, in which anyone can participate in an international competition of sustainable recipes. For each sustainable recipe received, Ebro will contribute to a project developed by the SDG Fund to combat malnutrition, specifically in Nigeria. Similarly, **Intel's** philanthropic activities are focused on empowering youth and women through technology. Their legal department engages in pro bono work around social impact initiatives in local communities.

But the private sector should be a force not just for peace, but also for the elements of justice that peace must be based on, which is far more controversial ground. While the private sector itself may not be in consensus about what the law should be, one can assume they agree on the need for a functioning system of laws within which disagreements may be reconciled.

The possibilities for constructive dialogue can begin with the simple idea of mutual respect. Many companies can and do

advocate for their positions without demonizing those who disagree, and without undermining the credibility of other segments of society. Elevating the dialogue in this manner may well rebound to the long-term benefit of companies who develop a reputation for being respectful and fair-minded participants in institutional decision-making processes. In addition, many of the most pressing problems or crises of peace and justice are matters in which there should be hardly any divergence of position between the private sector and the rest of civic society and which private enterprise would face little or no criticism or controversy for taking a public stance on. These include:

- Human trafficking and de facto slavery;
- Abuse of girls and women, particularly abduction into the sex trade;
- Private armies, mercenaries and the outsourcing of war;
- The rise of hate groups of every sort;
- Torture;
- Imprisonment for profit;
- Judicial training qualifications and infrastructure.

Perhaps even more urgent, the sudden and massive flow of refugees from conflict areas has had significant ethical, societal and political implications for the places where they arrive. While the refugees themselves are suffering in immeasurable ways, whole bodies politic report that they are unable to handle the strain. **The private sector is well-positioned to do much**



PSAG MEMBER: PVBLIC FOUNDATION

PVBLIC Foundation is a nonprofit committed to using media and new technologies to drive social change. Its platform and network include public and private institutions as well as the United Nations and its affiliates. Towards increasing awareness of the SDGs, PVBLIC pairs with a variety of partners at the local, national and global levels, from creative agencies to government agencies and documentary filmmakers. PVBLIC believes that the media, in particular social media, are crucial in raising awareness to help achieve the SDGs by 2030.

PVBLIC engages large audiences in all stages of its media campaigns to create consensus on the most important issues in society. Its priority SDGs are 17, 16 and 4. The biggest challenge is moving from the policy discussion and awareness level to the implementation of projects. PVBLIC supports the achievement of SDG 16 through preemptive conflict media campaigns, with the support of local and international partnerships.

2.3 A PRIVATE SECTOR PUBLIC STANCE FOR JUSTICE AND FAIRNESS

to ameliorate these strains in the refugee crisis, from employment opportunities to simple charity. Constructive actions in this area often cut across many of the SDGs, if not all of them, but the central 'peace and justice' mission of SDG 16 establishes the main ethic.

This is a far from comprehensive list. But it does illustrate a wide range of SDG 16 issues that would benefit from a clear private sector voice, expertise or resources. In some instances, private sector can play a direct role, by, for instance, refusing to do business with people and entities engaged in a harmful activity. More indirectly, it could support governments or NGOs dedicated to solving these problems.

Instability, conflict and violence have diverse and enormous impacts on private sector activities. For instance, almost all **Organización Ardila Lülle** companies suffered directly from Colombia's long history of violence. The sugar mills, radio stations, distribution trucks and TV channels were targets of bombs, threats, kidnappings and terrorist attacks. During the most intensely violent periods, their products and services could not be delivered across several departments of the country. Yet, OAL decided to keep investing in Colombia and bet on its future and prosperity.

Peaceful societies are more appealing to private investors. **Ferrovial**, for example, bases its internationalization on a secure social and physical environment for its employees, guarantees in relation to finance and ownership and transparent justice systems with policies to prevent corruption with the aim of responding swiftly to the funders' needs. Its experience shows that the private sector can align its social investments with its business strategy to achieve synergies with a dual impact: on society and on the business itself.

The shift towards corporate action on social issues began around 2011 in the emerging consensus about the private sector's role in advancing human rights. The UN Guiding Principles on Business and Human Rights, published in 2011, delivered a practicable framework for the private sector to create and monitor business operations, which has thereafter been the focal point of the UN Working Group on Business and Human Rights. The Guiding Principles did not purport to create new international law, but were instead aimed at "elaborating the implications of existing standards and practices for states and businesses; integrating them within a single, logically coherent and comprehensive template; and identifying where the current regime falls short and how it could be improved." This is progress, certainly, and public commitment to the Guiding Principles makes the private sector a major contributor to public peace and justice. But this is only the beginning.

PSAG MEMBER: FUNDACIÓN SERES



Fundación SERES is a privately funded non-profit that brings together the efforts of a group of 137 companies looking to improve society at the same time as making companies stronger, through social actions built into their business strategies, creating shared value.

As active members of the PSAG, Fundación SERES works closely with companies to follow how they are working with the SDGs and aligning the goals with their objectives. To help companies deal with this challenge, they have organized several workshops and launched a guide 'ODS, hoja de ruta para empresas' to help companies understand the SDGs and align their strategy with them. SERES is working directly with different agents to create awareness of the importance of working with the SDGs and the opportunities that offers.

SDG 16 is directly linked with its activities, especially in the area of knowledge, which they have linked with human resources, value chain and engagement with stakeholder groups.



PSAG's experience in Colombia in building and sustaining peace

Colombia has faced fifty years of conflict that left 260,000 dead, tens of thousands missing and 7 million displaced persons. The peace agreements are an attempt to put an end to this tragedy. In the past 10 years in Colombia more than 57,000 guerilla and paramilitary group members decided to abandon their illicit activities and join civil society. Although the Government put together a strong agency to support them (National Agency for Reintegration), it is clear that their reintegration into society could not be achieved alone. Despite the general sense that it is mainly up to governments to pursue SDG 16, several SDG 16 advisory companies with operations in Colombia have reported on their engagement in this reintegration process in ways tailored to SDG 16, in what is hopefully now a post-conflict setting.

In order to contribute to this imperative task **Organización Ardila Lülle** and its subsidiary Postobon launched a franchise model to help former combatants earn a living and start a new life. New mini-markets represented more sales and distribution opportunities for the company. OAL also produced popular radio and television programming to improve public understanding and support for peace, such as the soap opera 'You will never forget my name'. The series was produced in partnership with USAID and a pool of public institutions devoted to build sustainable peace in Colombia, and had three communication goals:

1. Help Colombian society heal after 60 years of violence and conflict. Portray the message that everyone has a role in the post-conflict era and needs to combat prejudice and stereotypes;
2. Promote peaceful coexistence among Colombians without imposing the need to forgive. Forgiveness is an individual process and those who decide not to must be respected;
3. Show that institutional support programmes are available to all demobilized guerrilla members and victims.

The series aired in June 2017 on prime time and already has reached millions of Colombian viewers. It was created by Fernando Gaitan (who created 'Ugly Betty', which holds the Guinness record for the most watched soap opera in the world) and received technical assistance from experts from USAID, the International Organization for Migration, the National Agency for the Reinstatement of former guerrilla and paramilitary group members, National Institute for Memory and Reconciliation, and the Ministry of Health and Social Protection.

Bancamía, the microfinance institution of the **BBVA Microfinance Foundation (BBVAMF)** Group in Colombia carries out a programme to strengthen financial services and value offering for

low-income populations in territories that have historically been hardest hit by the armed conflict. It partners with IFC (World Bank) and with USAID (being part of its Rural Finance initiative that targets those territories as well). Bancamía also took part in the Macro Reconciliation Round, to find resources for programmes to rebuild the country's social fabric, bringing together public and private institutions, international cooperation and regional peace movements. Bancamía has signed a partnership agreement with the Agency for Reincorporation and Normalization. The BBVAMF is committed to SDG 16, and will continue to partner with public and private actors towards this end. Similarly, **Grupo Nutresa** has partnered with governmental and non-governmental organizations in Colombia to support the peace process and advance the cause of transparency and good governance in Colombia. In line with it, Grupo Nutresa is an active member of Corporación Excelencia en la Justicia, a Colombian private entity which promotes high standards in the judicial system and encourages a cultural and institutional transformation aiming for the effective access to justice for Colombian citizens. Besides, in order to be a relevant part of the establishment of a long-lasting and stable peace in Colombia, Grupo Nutresa has decided that its Cocoa Development Program will become the main focus of contribution. Widening the scope of this program, which has been in place for more than 60 years, the Company has committed to continuing investing and developing cocoa clusters in different regions in the country, mainly those that used to be controlled by the guerrilla and therefore were hotspots of violence and human rights violation. As an acknowledgment of the contribution that Grupo Nutresa has done to Colombia through its cocoa projects, the Organization was awarded in 2015 with the prize 'Emprender Paz'.

Another example is the Carrera 80 project in Medellín (Colombia), a motorway built by **Ferrovial**, the extension of which has improved the city's connection to the Atlantic. This project illustrates how infrastructure works do not only require technical and construction solutions to succeed, but also community involvement. El Salado, which was the scene of one of the bloodiest and most cruel events during the years of conflict, lies on the route connecting the territories held by the two sides of the Colombian conflict. In 2001, a group of 200 displaced families decided to return to their homes and farms there. The Colombian government supported a national effort to restore El Salado. Ferrovial supported refurbishing the water infrastructure, and clean water supply was provided to the residents. This was also the first time that solar energy had been used in a water project in Colombia. Today, El Salado is a symbol of recovery and peace in Colombia. Eventually, 1,300 people were able to return to their homes and get their lives back.

2.3 A PRIVATE SECTOR PUBLIC STANCE FOR JUSTICE AND FAIRNESS

There is more than enough space within the public discourse on peace, justice and human rights for the private sector to go beyond just doing no harm. It should be a powerful actor in favour of human rights in general, and oppose repression, torture and violations of the rule of law wherever it occurs in the world. The PSAG companies have offered examples of this kind of work.

Intel's work on conflict minerals has focused on avoiding financing or benefitting, directly or indirectly, from armed groups in the Democratic Republic of the Congo (DRC) or adjoining countries, and has collaborated with others to support in-region sourcing. It supports programmes that promote responsible sourcing of minerals from the DRC and adjoining countries by assisting in the creation and implementation of due diligence programmes consistent with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Fundación SERES works on the inclusion of vulnerable groups in different ways. It requires companies to fulfil the quota (set by the government) of people with disabilities working in the companies. It raises awareness by developing reports with different consultancy groups, like the report written with Deloitte called 'Impacto Social de las Empresas' (The Social Impact of Business) which contains the aggregated data of companies that participate in activities promoting non-discriminatory policies, with two objectives: know the joint impact of company actions on society (integration, contribution to reduce unemployment, etc); and encourage other enterprises to increase their commitment to this work. To address labour-related policies, **H&M** entered into a partnership with ILO on a programme called Better Work. The aim of this programme is to bring employees and employers together to find solutions to workers' issues and ensure a sustainable labour market. They collaborate on in-country programmes that include assessments, training, advocacy and research that change policies, attitudes and behaviour.

Ebro Group makes a significant contribution to the social and economic development of the communities in which it operates. Its business activities generate wealth through the creation of jobs, payment of salaries, tax contribution, purchase of goods and services from suppliers, distribution of dividends, implementation of welfare programmes, development of environmental and social initiatives, etc. Definitely, this model of working contributes to promote stability between or local communities. The Ebro Group distributed among its stakeholders 93% of the income generated during 2016.

PSAG MEMBER: INTEL CORPORATION

Intel Corporation is a multinational corporation and technology company that designs and manufactures essential products and technologies that power the cloud and an increasingly smart, connected world. Intel delivers computer, networking, and communications platforms to a broad set of customers including original equipment manufacturers (OEMs), original design manufacturers (ODMs), cloud and communications service providers, as well as industrial, communications, and automotive equipment manufacturers.

Intel is focused on SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 13 (Climate Action). It has targeted projects that have direct impact on some SDG 16 targets and indicators (e.g., supply chain policies on human trafficking and child labour, and an artificial intelligence project to use technology to help nonprofit agencies prevent human trafficking). Intel's philanthropic activities include a focus on empowering youth and women through technology. The legal department also does pro bono community work. Intel has supported programmes such as the International Tin Research Institute's Tin Supply Chain Initiative (ITSCI), the Better Sourcing Program (BSP), and the U.S. Department of State and U.S. Agency for International Development Public-Private Alliance for Responsible Minerals Trade.

2.4 CORPORATE PHILANTHROPY IN SUPPORT OF THE SDGs

Global corporate philanthropy in support of all the SDGs is enormously important. Corporate social responsibility or CSR philanthropy seems to be growing in the aggregate. Such philanthropy touches every one of the SDGs, and PSAG companies have reported that they now make specific efforts to manage such philanthropy in conjunction with their operations generally and their commitment to the SDGs. For instance, **Ferrovial's** Social Infrastructure programme, was implemented in 2011 to improve and increase coverage and access to water for drinking and basic sanitation among socially vulnerable groups in Africa and Latin America. They collaborate with Save the Children to improve the supply of drinking water and sanitation in various educational establishments and communities in El Tambo and Bolívar (Cauca, Colombia), which also form part of the SDG Fund's Joint Program 'Productive and food secure territories for a peaceful and resilient Cauca'. The programme focuses on strengthening local leadership towards peace and sustainable development, and improving food and nutrition autonomy and security, drawing on local knowledge. As part of their commitment to CSR, **Grupo Nutresa**, through its corporate volunteering, mobilizes employees to solidarity, cooperation and talent, guaranteeing resources for sustainable development. In 2016, 11,862 volunteers across the strategic region spent 33,048 hours working on projects that empower communities. They developed the 'Aula' programme, a model that allows volunteers to transfer knowledge, provide management tools and encourage leadership to build collaborative networks with customers, suppliers and communities.

For Intel, technology is a major driver towards achieving the SDGs and improving the lives of the economically disadvantaged. The company invests in education and promoting broad economic development initiatives, and works with communities on the ground. Intel has linked a portion of its executive and employee compensation to corporate responsibility factors such as environmental sustainability and diversity, to bring its internal stakeholders in line with their CSR goals.

But the fact remains that **private sector philanthropy rarely focuses on justice systems or on the basic elements of the rule of law, which are the foundational elements of SDG 16**. The reasons for this are complex. It appears that the private sector tends to defer to governments almost entirely on questions implicating the rule of law, seeing its own role as mainly advocating for particular legal outcomes rather than supporting the fairness and impartiality of the legal system itself. It prefers to not be seen as interfering in basic government functions like the delivery of justice through the courts, and has no pro bono tradition akin to the legal profession.

Nevertheless, there are models that can be used as templates for developing a greater private sector public service ethic in

connection with peace and justice. **A good example is the pro bono efforts of the organized legal bar to provide legal services to the poor, to engage in litigation in support of human rights** and against governmental misbehaviour or overreach, and specifically to focus on the basic elements of the rule of law. In the United States, bar associations have guided or mandated minimum levels of pro bono effort by individual lawyers and by law firms, with the American Bar Association including in its Model Code of Ethics (6.1) a target of a minimum of 50 hours per lawyer, and with the International Bar Association adopting its Pro Bono Declaration, which asserts that "access to justice for all individuals is a human right," and that "the delivery of pro bono service by the legal profession is of vital public and professional interest and helps to fulfill the unmet legal needs of the poor, underprivileged and marginalized." In Latin America, the Pro Bono Declaration of the Americas, organized with the advice of the Vance Center for International Justice, now has more than 500 signatories in 21 countries, each targeting 20 hours of pro bono per year as a minimum. The result of this pro bono ethic has been the delivery of billions of dollars of legal support to vulnerable groups who need it most and cannot afford it, involving the participation of hundreds of thousands of private sector lawyers.

This model of public service in support of justice systems is worthy of export to the private sector more generally. Large corporations now directly employ hundreds, and sometimes thousands, of lawyers, deploying them in some cases all over the globe. There is a clear trend throughout the legal profession of companies recapturing legal work by hiring in-house lawyers directly to do that work as employees. Corporate legal philanthropy is clearly on the rise via the personal efforts of lawyers in corporate legal departments, and systematic efforts by some corporate legal leaders to engage their staff in public interest law.

The private sector could consider including 'rule of law enhancement' among the important priorities that guide private sector financial philanthropy corporation-wide, i.e., *outside and beyond their lawyers and law departments*, in order to move away from the idea that SDG 16 and promotion of the rule of law is not an ecosystem that companies can and should inhabit.

As examples, PSAG companies have reported engaging in a wide variety of external anti-corruption efforts, including membership in broad based anti-corruption and anti-money laundering organizations. **BBVAMF** identified gaps in the microfinance sector revealing the need for adequate microfinance regulation. The existence of a competent supervisory and regulatory environment is vital if microfinance is to develop, making it easier for institutions that serve the most vulnerable entrepreneurs to grow responsibly. To support

2.4 CORPORATE PHILANTHROPY IN SUPPORT OF THE SDGS

the rule of law, it publishes *Progreso Microfinance: Corporate Governance, Inclusion and Development*, a quarterly digital newsletter, which collates the most important legislative and regulatory developments in the sector and new developments in corporate governance, worldwide. This publication reports on the trends influencing change in the regulatory framework, to support better informed decisions and debate.

Fundación SERES created a guide, 'ODS, hoja de ruta para empresas' ('SDGs, a roadmap for companies') to guide companies in their work with the SDGs As members of the Consejo Estatal de Responsabilidad Social de Empresas (CERSE), SERES is in conversation with members of the Spanish Government to whom they have presented this roadmap. Meanwhile, **Organización Ardila Lülle**, through RCN, informs the public about how to access instruments of justice and other State services, and to identify instances of corruption and to denounce them. **H&M** engages with governments on legal and policy areas relevant to their sustainability strategy, with the Government of Cambodia, for instance, on freedom of association, regular wage review mechanisms and the recent draft trade union law. H&M's project aimed to improve industrial relations in that country through actions such as the technical review of the draft law conducted by the ILO as well as capacity-building for staff at the Ministry of Labour and Vocational Training.

As mentioned earlier, **Ferrovial** partners with Save the Children to improve water supply for drinking and sanitation in El Tambo and Bolívar (Colombia); all **Grupo Nutresa** employees volunteer on sustainable development projects And **Intel** applies technology to broaden communities' access to opportunities, and has linked a part of its executive and employee compensation to corporate responsibility actions.

These examples should be motivation enough for the private sector to consider establishing a central clearinghouse for Rule of Law work, in partnership with various agencies of the UN, NGOs working in the area and local volunteers. Interested companies can be matched with Rule of Law projects that suit their expertise, geographic location, area of interest and resources. While many organizations attempt alignment on these lines, it has been a random process through chaotic networks of volunteers. A private sector operated clearinghouse may have sufficient gravitational pull to draw more and more actors in and match them with worthy projects.

Lastly, many private sector programmes can and do transcend any individual SDG and serve the purposes of many or all of them at once, exactly what SDG 17 recommends. The interests of peace and justice are advanced via integrated projects that focus on societal problems, including those in SDG 16, through

outreach and the development of infrastructure.

The fact is, the 2030 Agenda and SDG 16 cannot be achieved without the meaningful engagement of the private sector, as a critical driver of innovation and technological development and the key engine for economic growth and employment. The UN has within its orbit dozens of organizations working in the field to promote social justice and the rule of law. The SDG Fund firmly believes that every company, regardless of size, location or sector, can make a critical contribution towards shared economic, social and environmental progress and peace.

2.5 THE FLOW OF INFORMATION

The last element of SDG 16 is perhaps the most indirect element in the conceptual infrastructure of peace and justice — the idea that fair decision-making must be based on a sufficient and accurate flow of information. Thus, SDG 16 calls for a minimum level of disclosure or transparency from all participants and, in turn, implicitly calls for honesty and candour and decision-making based on facts that are broadly disseminated among all involved constituencies.

The mandate does not seek to abolish privacy or confidentiality, particularly as it applies to the private sector. Rather, this transparency involves measures that strengthen institutions:

- A conscious affirmative effort by institutions, including the private sector, to base decisions on disclosed facts, and to establish decision-making processes that include diverse inputs from constituencies who are reasonably well-informed;
- A conscious avoidance of dishonesty, misleadingly partial disclosure, reliance on junk science, rumour or innuendo and avoidance of the so-called politics of personal destruction;
- Support for those people and institutions who collect and report facts, particularly in connection with conflict and violence, including journalists and a broad range of investigatory NGOs.

Movement toward these kinds of honest transparencies in decision-making is a necessary pre-condition to building strong institutions with broad legitimacy, which are the essential building blocks of peace. Indeed, as the concentration of power follows the concentration of wealth and economic resources, the need for reasonable transparency has never been more clear and compelling. But today, positive notions of transparency are under great stress.

The private sector should favour transparency of ownership, control and funding of political or educational organizations, and use funding influence to positively affect the integrity or the work being done and the statements being made.

Within the private sector itself, this report has already noted the **large discrepancy between disclosures required from public companies but not required from privately owned ones**. Communication is tied to integrity of actions and transparency. As discussed earlier in the paradox of self-interest, when companies position external monitoring groups as the enemy

(be they governments or rights activists) they set up an adversarial relationship, one in which many forms of information cannot be shared. Further, corporate misdemeanour (money laundering, shell companies, etc.) makes secrecy necessary. The information and communication campaigns that emerge from companies engaged in such behaviour is compromised and at odds with the mission of the SDGs.

That said, responsible institutions can use many tools to create responsible communication environments. This begins with an ethic of truthfulness, which is not at all contradictory to the need for companies to defend themselves or avoid taking controversial positions. Truth and integrity diminish the further the speaker is from the person or corporation whose reputation is involved, hence corporate actors often use networks of agents or trade associations to spin communications, and distance themselves from the inaccuracy of those communications. **Companies should vet their outsourced communications as if they were direct communication from senior management**. The private sector should favour transparency of ownership, control and funding of political or educational organizations, and use funding influence to positively affect the integrity or the work being done and the statements being made. And it is worth repeating that support for non-partisan NGOs who conduct fact-based studies on societal issues — be it climate change or human rights or governmental misbehaviour or corporate corruption — should be a core element of any responsible corporation's sustainable development agenda.

Most large companies now have internal reporting and compliance schemes to locate and eliminate corruption. These internal processes can be connected to external organizations and public/private partnerships to enhance their effectiveness. For instance, the **Organización Ardila Lülle** companies have recently revised and improved anti-corruption transparency by introducing systems such as Sarglaft (a risk management system for preventing money laundering and financing of terrorism) and by facilitating and protecting reports about corruption by employees, clients or suppliers. Organización Ardila Lülle constantly promotes on RCN Radio the availability of its free phone lines and mail addresses where listeners can communicate their complaints or make information requests. RCNTV has a weekly programme called 'The viewer guardian' devoted to receiving comments from the public and responding to audience concerns.

Fundación SERES created a committee of good government and transparency years ago with three main objectives: to check that the objectives of the foundation were followed, to check the accounts and to ensure the activity of the foundation. SERES is constituted by a board of trustees, an executive committee and advisor committee, and all decisions about the direction of

2.5 THE FLOW OF INFORMATION

the foundation have to pass through these boards and then to the registry of foundations of the Ministry of Health, Social Services and Equality of Spain. SERES has thus become one of the most transparent foundations in Spain. **Ferrovial**, made the pioneering decision in 2014 to publish an Integrated Annual Report in order to further information transparency and quality for all stakeholders. It offers significant, structured corporate information to investors and other stakeholders explaining the business model and how the company creates value. Ferrovial's Integrated Report is authorized by the Board of Directors and verified by an external auditor.

Grupo Nutresa regularly identifies matters that have an impact on the creation of value and provides information through sources such as its website and the Integrated Report where it discloses all the procedures that are in place to reduce the risks related to money laundering, corruption and human rights violations, and publicly communicates the occurrence of these incidents. Additionally, it held a discussion on how organizations were incorporating SDG 16 into their management or how could they do so in the future. **PUBLIC Foundation** leverages on its expertise to promote awareness through informational media campaigns to preempt conflict, with the support of local and international partnerships.

Programmes like these try to overcome the many obstacles and fears that people have about reporting misconduct and corruption. They try to create not just an ethic of transparency, but a collective ethic of integrity designed to isolate and eliminate corrupt misbehaviours, and to empower individuals to report bad behaviours without fear of retaliation.

2.6 CONCLUSION

THE INDISPENSABLE AND OBLIGATORY ROLE OF THE PRIVATE SECTOR



25 YEARS AFTER THE END OF ITS CIVIL WAR, EL SALVADOR IS COMBATTING HIGH RATES OF VIOLENCE. THE CAMPAIGN "I CHOOSE TO LIVE IN PEACE", DESIGNED WITH INPUT FROM YOUNG PEOPLE AND COMMUNITY LEADERS, TEACHED TOLERANCE, RESPECT AND PEACEFUL COEXISTENCE. © SDG FUND / EL SALVADOR

whole new careers in combating corruption and tracking sustainability. These tools stream instantaneous information to corporate managers that can be evaluated and used to reduce risky and illegal behavior. This is important because private companies do not operate under disclosure regimes with the level of transparency obligations and shareholder pressures that public companies have. The private sector must lead as much as the public sector to suppress corruption, and the private sector has as much or more to lose from its perpetuation.

However, do no harm is not enough to support the preconditions for lasting peace and justice. It is in fact the minimum expectation of corporate citizenship. The private sector must enable conditions for progress, realizing that these are not antithetical to its interests: they include inclusive decision-making, outspoken opposition to corruption and those who purvey it, support for the rule of law (even when opportunities arise to manipulate the rule of law), truthful disclosure and an ethic of support for justice akin to the pro bono efforts of the organized bar and consistent with the ethic of corporate philanthropy. In some instances, private sector can play a direct role, by, for instance, refusing to do business with people and entities engaged in a harmful activity. More indirectly, it could support governments or NGOs dedicated to solving these problems, the ongoing refugee crisis being an example where the private sector can step in with charity and job offers.

This progress towards social justice, upon which peace depends, will not be instantly measurable in outcomes, but manifested over time in the stability of societies, in the strength and credibility of their institutions (most especially the private sector) and, in due course, in the continuing reduction of violence.

Private sector support for SDG 16 centres first on the acceptance of a basic responsibility for social improvement, given the private sector's important economic role, its vast resources and its inherent engagement with and dependence on communities large and small. This acceptance must overcome the paradox of self-interest which, in turn, should be measured in decades and not in weeks and months.

With regard to SDG 16, the private sector has seen it mainly as the government's domain, with activities focusing on corruption and eliminating bad corporate behaviours. But this is a narrow view that misses the role of the private sector in areas such as anti-corruption, promoting diversity and gender equality, free information flows and supporting justice initiatives. Each of the SDG Fund's PSAG companies are examples of what is possible. They have, for instance, launched anti-corruption and anti-money-laundering processes, and implemented data-driven diversity initiatives that go all the way to top management.

The primary imperative of the private sector is to do no harm, which has led to the development of two fields of corporate endeavour: compliance and CSR, with technological tools and





3. CASE STUDIES: THE SDG FUND AND THE PRIVATE SECTOR AS PARTNERS FOR PEACE

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The SDG Fund has been championing the role of the private sector in its sustainable development projects through its co-design, co-financing, co-implementation approach. The SDG Fund provides businesses with a one-stop shop to engage with the UN on global projects and work with several specialized UN agencies, leveraging their complementary expertise, knowledge and networks. In a multi-agency mechanism, all SDG Fund programmes are able to leverage additional funding from different partners to increase impact. The SDG Fund also brings to bear accumulated experiences of the MDG Achievement Fund in the strategic design and implementation of more than 150 joint programmes in 60 countries. And it works with local and national partners to allow business actors to actively participate and engage in the design, selection and monitoring of the programmes.

The SDG Fund is addressing the challenge of how businesses can become more involved in joint development initiatives with governments, civil society and UN agencies. It is currently supporting joint programmes in the areas of inclusive economic growth, food security and nutrition, and water and sanitation in 22 countries in Africa, Arab States, Asia, and Latin America and the Caribbean.

The SDG Fund is uniquely positioned to collaborate with the private sector, encouraging each private sector actor to identify together with the Fund the partnership modality that goes best with a company's core business, values and interests. This collaboration takes place largely in three ways: (a) working on the ground with the SDG Fund in joint programmes; (b) supporting ongoing private sector initiatives, such as the PSAG, sustainability campaign or initiatives on creative industries; and (c) piloting initiatives and independent partnerships under the co-design, co-create and co-invest modality with a focus on current and future work of the SDG Fund.

The 2030 Agenda requires the private sector to be more involved in development activities. The following national cases studies showcase how businesses convened by the SDG Fund are working with national governments, UN agencies, civil society and local partners to achieve development goals by capacity-building, job creation and infrastructure provision. The information about joint programmes was gathered from regular monitoring reports facilitated by the countries.

3.1 BANGLADESH

THE PRIVATE SECTOR AND GENDER EQUALITY

Extreme poverty has been a serious problem in Bangladesh, especially for households headed by widowed, divorced or abandoned women. Moreover, women in Bangladesh are often employed in low productivity jobs and disproportionately affected by low-skilled and low-wage jobs. The SDG Fund joint programme, 'Strengthening Women's Ability for Productive New Opportunities' (SWAPNO), aims to promote employment, and most importantly future employability of very poor rural women. SWAPNO acronym means 'dream' in English. Creating productive employment opportunities is considered the most efficient way to secure poverty reduction and inclusive growth.

The programme has been piloted in the Kurigram district in the north west and the coastal Satkhira district, chosen on the basis of the incidence of poverty, vulnerability to natural disasters, vulnerabilities due to climate change and geographical remoteness. Kurigram district is an area affected by seasonal hunger, recurrent floods and riverbank erosion, while Satkhira district in the coastal belt suffers from natural disasters and the effects of climate change, with a high incidence of extreme poverty.

The SDG Fund's joint programme is implemented by UNDP, ILO, local governments and several private sector partners. SWAPNO provides vocational skills training, job placement, diversified climate-change-resilient livelihoods options, and social and economic inclusion for women beneficiaries. Strategies of the joint programme will focus on building human capital, knowledge, skills and confidence of extremely poor women for future employability. The women will be engaged for an 18-month employment tenure, mainly in maintaining or rehabilitating important community assets but also in public works and community service beyond infrastructure. The programme will provide assistance to smooth the transition from safety net employment to market-driven employment by vocational skills training, job placement and diversified climate-change-resilient livelihoods options, ensuring market



WOMEN PARTICIPATING IN THE SDG FUND JOINT PROGRAMME IN BANGLADESH ARE LEAVING POVERTY BEHIND THANKS TO A PUBLIC WORKS EMPLOYMENT PROGRAMME. © SDG FUND / SWAPNO / BANGLADESH



RAHIMA BEGUM IMPROVED HER INCOME AND LIVELIHOODS OPPORTUNITIES AFTER HAVING PARTICIPATED IN A TRAINING PART OF A PARTNERSHIP BETWEEN THE SDG FUND, GARMENT COMPANIES AND THE KURIGRAM TECHNICAL TRAINING COLLEGE © SDG FUND / BANGLADESH

linkages and access to essential public services and through the social and economic inclusion of these women. By engaging with local government it enhances good local governance and the capacity development of these institutions.

In addition to assisting women in starting and operating self-employment micro-enterprises, the joint programme will focus on facilitating linkages with Small and Medium Enterprises (SMEs) and Public-Private Partnerships (PPP). The private sector imparts the needed vocational skills and provides apprenticeships through local SMEs that offer contract employment for SWAPNO beneficiaries trained by the programme. Local SMEs in the rural non-farm and off-farm sector are encouraged to absorb women trained by the programme. The trainings are designed based on the private sector's demand for skilled workers, following ILO's Community Based Training for Rural Economic Empowerment. National ownership is also strengthened by this cooperation in job training and placement with the private sector. SWAPNO has established a PPP model in the project that includes partial funding for Satkhira district from Bangladesh Steel Re-Rolling Mills Ltd. (BSRM) and joint collaboration with the Readymade Garments sector through Bangladesh Garments Manufacturer and Exporters Association. Beneficiaries were trained in the readymade garments sector and are in the process of job placement. Moreover, women beneficiaries are employed by Kurigram Spinning Mill after completing a two-month apprenticeship.

By empowering women, building resilience in households and increasing economic inclusion, SWAPNO promotes stability and inclusion in the community. It provides opportunities for the downstream application of an innovative delivery approach at the local level, which will improve delivery capacity and use field-based evidence to inform social protection strategies and policies in the future.

3.2 COLOMBIA

THE PRIVATE SECTOR AND REGIONAL RESILIENCE

The prolonged state of violence and the destructive business of drug trafficking in Colombia has dramatically affected security and generated a serious humanitarian situation, causing more than 2 million victims of forced displacement over the last 10 years. The armed conflict in Colombia has also damaged production, institutions, food security and social trust, resulting in weakened organizational structures, marginalized productive processes, insufficient food security and a fractured social fabric. The department of Cauca, despite being one of the areas with the most natural resources in Colombia, is also one of the most adversely affected areas by the country's decades of armed conflict, where the reconstruction of the region's economic and social pillars remains a challenge.

The SDG Fund in close collaboration with UNDP, UN Women, FAO and WFP, is implementing the joint programme, 'Productive and food secure territories for a peaceful and resilient Cauca'. This programme addresses post-conflict problems, generates processes of change and creates a scalable model to be replicated in different areas of Colombia. This joint programme aims to improve food autonomy, and food and nutritional security, as well as support rural producers, all of which strengthens sustainable development and local leadership capacities for peace-building. The aim of the programme is to align ongoing community initiatives with national social, environmental and economic policy orientations.

The SDG Fund has targeted 1,000 families and 20 rural farmer organizations in Cauca for its programmes. For instance, 49 rural farmers and indigenous leaders were trained in the 'Traces of Peace' methodology and certified to work in peaceful conflict resolution. Preliminary results from its monitoring reports confirm that strengthening local capacities and generating options for development have indeed contributed to progress in peace-building. The findings also confirm that partnerships with governments and communities help to reduce significantly all forms of violence and support long-lasting solutions to conflict and insecurity.

The private sector partners include the Colombian Coffee Growers Federation and the Association of Quinoa Producers, and they work together on improving capacity, productivity and access to markets for micro and small producers of coffee and quinoa. Technical and organizational investments are being strengthened for four associations of quinoa producers in the municipality of Bolívar, which includes Asoquimil, Asopplab, Agrocazan and La Puente. The private sector is also involved in service provision. Working closely with municipal administrations, indigenous local communities and local organizations such as Producers' Organizations, Communal Action Boards, and Community Aqueducts Management Boards, private sector actors provide deworming micronutrient



THE SDG FUND JOINT PROGRAMME IN CAUCA IS CONTRIBUTING TO IMPROVE FOOD SECURITY AND CREATE NEW LIVELIHOODS OPPORTUNITIES. © SDG FUND / COLOMBIA / FREYA MORALES

powder supply, purchase supply inputs and provide trainings on rights, gender equality and peace-building. In addition, Ferrovial, through Save the Children, is using its business expertise and experience in the infrastructure sector to address issues on water management. It is helping to improve access to water supplies and sanitation in the village of Los Milagros by tackling deforestation, the emergence of illicit crops, and deregulated agricultural production, with the ultimate goal of establishing an integrated water and sanitation system in these communities.

3.3 OCCUPIED PALESTINIAN TERRITORY

THE PRIVATE SECTOR AND SUSTAINABLE BUSINESSES

Although the occupied Palestinian territory is categorized as a developing country, the persistence of the Israeli military occupation continues to define the Palestinian economy by a limited presence of micro, small, and medium enterprises (MSME's). Yet, these MSMEs stand out for their significant contribution to productive employment, income generation and innovation. During periods of economic crises, Palestinian MSMEs have constituted a buffer against sharp increases in unemployment and poverty rates and have repeatedly displayed a strong commitment to social responsibility. These enterprises also demonstrate true entrepreneurial qualities, contributing significantly to productive employment. However, women-owned cooperatives face structural weaknesses due to the prevailing patriarchal culture that keeps women at the lower end of the value chain. As a result, the occupied Palestinian territory faces a significant gender challenge, reflected by enormous disparity in employment and asset ownership between women and men.

The SDG Fund's joint programme, 'Creating a one-stop-shop to create sustainable businesses on inclusive economic growth', is implemented in collaboration with UN Women, FAO, ITC, several government ministries, women's cooperatives and women-owned businesses (Al-Thimar Agroprocessing and Marketing Company and Al-Rozana Foods Company). The joint programme aims to enable the women-owned MSMEs to increase their incomes and become self-sustaining. To achieve this, the joint programme partners helped expand the scope of women-owned and women-run MSMEs and cooperatives by introducing techniques to preserve perishable cultural and agricultural products that they produce, and turning them into marketable and exportable products. The sustainability of this approach depended on creating local and international marketing channels that would enable targeted MSMEs and cooperatives to generate profits in the long run. The proposed joint programme also addresses issues related to institutionalization, standardization and marketing food and non-food products produced by the women-operated MSMEs.

The SDG Fund has been closely involved in building partnerships in the private sector. The private sector provided technical assistance to enhance policies and practices on inclusive socio-economic development of women-owned MSMEs and cooperatives. The joint programme, working with Bank of Palestine and the Birzeit Pharmaceuticals Company, conducted a Participatory Gender Audit Approach to develop gender-sensitive policies and regulations based on international gender audit tools. The project also supported the sales of MSME products through a marketing company, New Farm, in the West Bank, and through Al Hanona Market in Amman (Jordan), where 23 women-owned cooperatives signed contracts to supply products. These efforts boosted the sales of

women-owned MSMEs by 37 percent. The joint programme supported the targeted MSMEs in creating partnerships with other businesses (Al-Thimar Agroprocessing and Marketing Company and Al-Rozana Foods Company in Jenin and Halhoul) that acquire, package and sell their agricultural products.

Private sector engagement in the joint programme strategy also includes strengthening the capacity of government and local private sector businesses to be more inclusive in their policies and operations and practices. It supported the physical upgrading of production capacities of MSMEs and cooperatives, skilling, information provision, and business-to-business linkages for improved quality and product diversification. An evaluation of the results of this joint programme confirmed that it increased economic and market access opportunities for women MSMEs and cooperatives, and built capacity within key government institutions and the private sector to mainstream gender in their policies.

This joint programme is a unique and first of its kind approach to support women-owned businesses through a partnership with the private sector. This unique initiative is expected to contribute to increasing Palestinian exports, which will drive income and employment generation and contribute to the overall socio-economic development of the country. Most importantly, it supports women in realizing their economic rights, promotes gender equality and ultimately contributes to a more peaceful and inclusive society.



CLAUDIA AND WUROOD, TEA ENTREPRENEURS AND PARTICIPANTS IN THE SDG FUND JOINT PROGRAMME IN JENIN. "WE DON'T ONLY SELL TEA, BUT WE ALSO COME TOGETHER TO PROVE THAT EVERY WOMAN CAN BE A PROUD ENTREPRENEUR. WE SHARE THE LABOUR AS WELL AS THE PROFITS. RELATIVELY WE DON'T EARN MUCH BUT OUR INDEPENDENCE IS A PRICELESS REWARD" © SDG FUND / UN WOMEN / MOHAMED BADARNE

3.4 CÔTE D'IVOIRE

THE PRIVATE SECTOR AND POVERTY REDUCTION

Socio-political instability caused by the crisis that has been going on in Cote d'Ivoire since 2002 and the post-election crises of 2010 has created a situation of insecurity and vulnerability. Human Rights Watch reported in 2011 that the post-election crisis evolved from a targeted campaign of violence to an armed conflict in which armed forces from both sides committed grave crimes. Since then, peace deals have alternated with renewed violence as the country has slowly edged its way towards a political resolution of the conflict. It has led to the collapse of the judicial and prison system, worsening poverty and heightened inequalities including access to basic social services such as low rates of civil registration. As a result, problems of identification, discrimination and community and interpersonal violence have risen. People lack knowledge of key legal provisions to protect property and persons, and have poor access to institutions of justice.

The San Pedro region in Cote d'Ivoire is one of the most vulnerable regions. Its population has more than tripled in the past 25 years due to migration from around 600,000 inhabitants in 1988 to over 2 million in 2012. Despite its great agricultural potential, its growing population, especially vulnerable women and young people, faces acute unemployment and food insecurity. San Pedro region has a very low rate of registration in the civil registry (about 46 percent of the youth under 18 years old are not registered, comparing to a national average registration of 74 percent for the same age group). This directly results in the exclusion of youth from legal civil documents and a domino effect of social and economic exclusion. Individuals who have limited or no access to basic social services, social protection systems or financial services are also unable to register businesses. In a region where 58 percent of women and 43 percent of men are illiterate, they lack information about their rights and key legal provisions for the protection of property and persons. For example, in the region of San Pedro in the case of 86 percent of married women the husband decides on the use of his income without consulting the wife. At the national level, 32 percent of women who have incomes cannot make their own decisions on the use of their income. Aggravating this situation is interpersonal violence which affects women and minors, further hindering their ability to fulfil their potential.

To address these challenges, the SDG Fund along with UN agencies (UNDP, UNICEF, FAO), the national Government and local organizations (ANADER, the local Port Authority) launched a joint programme on poverty reduction in San Pedro region by providing basic needs for the at-risk population. The joint programme promotes dialogue between the private and public sector to support local initiatives for development of the region. Youth unemployment was estimated at 50 percent during the election crisis, so a steering committee was established to build



ADAMA (8) LIVES IN BOUNGANOU IN THE COASTAL REGION OF SAN PEDRO. THANKS TO LEGAL SUPPORT PROVIDED BY THE SDG FUND JOINT PROGRAMME IN CÔTE D'IVOIRE HE OBTAINED A BIRTH CERTIFICATE AND IS NOW ATTENDING SCHOOL. © SDG FUND / UNICEF / CÔTE D'IVOIRE

a close partnership between the Government, employers' organizations and young people to promote employment in the region. The programme is now in its implementation phase and a priority with the SDG Fund. It will focus on inclusive growth with a critical emphasis on targeting skills training for young people, including women and girls. It provides technical and financial support in various sectors ranging from agriculture to education and health care.

The programme is especially focused on providing support to women, who can access legal information and individualized counselling through legal clinics and a community network. These juridical clinics run by the Association of Female Jurists of Côte d'Ivoire (Association des Femmes juristes de Côte d'Ivoire) offer legal aid and judicial services to families, with particular attention to children at risk of abuse, negligence, violence and exploitation. They also provide aid to children who could not be registered at the civil status registry within the legal deadlines and hence have no birth records. Counselling and legal assistance provided in the clinic include free individual legal consultations, detention visits and support to obtain auxiliary judgments. The organization also ran radio programmes and other legal awareness campaigns. Since January 2015, 12,997 people have benefited from free consultations on their legal rights in various areas, such as property ownership, rural land tenure, employment law, inheritance law, civil registrations and child support. The SDG Fund, the French Agency for Development and UNICEF support the legal clinics.

Civil registration is very important in Côte d'Ivoire and the joint programme supports local government efforts to address the invisibility of unregistered children. Communication and mobilization activities were conducted in nearly 700 localities with low civil registration rates to raise awareness about its importance. Community-based mechanisms for the timely notification of births have been implemented in nearly 470 localities. Additionally, the joint programme has provided equipment to more than 623 civil registration services in the country, that includes registries, rolling stocks and computer equipment, to expand and strengthen the quality of services.

The results of this programme have demonstrated the importance of interventions in promoting access to justice and consolidation of peace through targeted support. Vulnerable women and youth are more aware about income-generating issues such as rural land tenure, commercial law, labour law,

tax law and the operation of civil and judicial administrations. These efforts and interventions have improved the social inclusion of vulnerable populations and poverty reduction in the San Pedro region, and in Côte d'Ivoire, in general. In fact, the United Nations Operation in Côte d'Ivoire (UNOCI) was established by the Security Council (United Nations Security Council Resolution 1528, 2004) in 2004 with a mandate to facilitate the implementation by the Ivorian parties of the peace agreement signed by them in January 2003. Following the 2010 presidential election and the ensuing political crisis in Côte d'Ivoire, it has remained on the ground to protect civilians, provide good offices, and support the Ivorian Government in the disarmament, demobilization and reintegration of former combatants as well as in the reform the security sector and the monitoring and promotion of human rights. The UN Operation successfully completed its mandate in Côte d'Ivoire on 30 June 2017



THE SDG FUND IN CÔTE D'IVOIRE IS SUPPORTING WOMEN, BY ENHANCING THEIR ACCESS TO LEGAL INFORMATION AND INDIVIDUALIZED COUNSELING, THROUGH A LEGAL CLINIC AND ITS COMMUNITY NETWORK. © SDG FUND / CÔTE D'IVOIRE

3.5 SIERRA LEONE

THE PRIVATE SECTOR AND CONFLICT PREVENTION

There are large numbers of unemployed youth in Sierra Leone who are ex-combatants returned to Kono district seeking to make a living from artisanal mining (subsistence mining). This district is one of the richest mineral regions in the country, but one of the least developed areas in Sierra Leone characterized by substantial inequality, poverty and environmental degradation. It was significantly affected by Sierra Leone's civil war in 1991–2002. The war had complex origins, including decades of rampant corruption, especially in the natural resource sector. Youth unemployment is one of the key challenges in the Kono district. Moreover, low levels of education and skills, limited private sector development, weak local purchasing power and poor infrastructure also hamper recovery of the local economy.

The Kono district has one of the most productive mineral industries (diamonds and gold) in the country, yet revenues generated through the extractive sector until now were not invested in local development or in creating jobs for the growing youth population. The disconnect between public expectations of development returns from mining revenues versus the slow pace of economic and social progress has resulted in social tensions and increased risks for conflict. As some authors argue²⁷, mineral wealth today represents a flashpoint that could reignite mass violence and threaten the country's peace, where war had complex origins, including decades of rampant corruption, especially in the natural resource sector, impoverished and marginalized rural populations and general economic decline, and a lack of trust in the authoritarian government²⁸. Currently in the Kono district, safe drinking water is limited. Deep pits dug in the search for diamonds pose serious environmental and health risks. All this is compounded by gender-based violence and women's discrimination which is relatively high. Moreover, the 2013 Ebola outbreak has made the situation even more difficult.

The management of the diamond industry and creation of employment opportunities for marginalized youth became one of the principal focus of peace-building in Sierra Leone. The SDG Fund's joint programme in Sierra Leone, 'Enabling Sustainable Livelihoods through Improved Natural Resource Governance and Economic Diversification in Kono District 2015-2017', brings together the UN agencies, UNDP and FAO, as well as new development actors, including the private sector and universities, to work together on the governance of natural resources and improve diversification of livelihoods in Kono district. In collaboration with the Government (Ministry of Finance, Ministry of Youth Affairs, National Youth Commission), local councils, paramount chiefs, and the private sector, the programme aims to enable the diversification of the local economy and offer targeted training and skill-building activities for youth to improve their chances for employment and

entrepreneurship in both urban areas (Koidu city) and rural.

The primary beneficiaries of the programme are urban citizens affected by the extractive industry, unemployed youth (15–35 years), and targeted rural communities, with a particular focus on women and people living below the national poverty line of \$2 per day. Unemployed youth (where 50% are female) in rural and urban communities benefit from workshops, entrepreneurial training, post-training support, mentorship, coaching, business advisory services and seed funds that will help transform them from being dependents to income-earning members of the household.

Civil society has an important role to play. One of the goals of this joint programme is to increase the capacity of NGOs to promote constructive dialogue with the extractive sector on economic, social and cultural rights. This will strengthen the ability of NGOs to monitor and report on natural resources management. Through measures like these, and increasing the media's capacity for informed and objective reporting, the programme aims to reduce the potential for dispute and conflict among the urban population in Koidu by improving transparency, accountability and inclusiveness in the extractive industry.

Private sector companies engaged in the preparatory stages of this programme have reported positively on the potential cooperation in capacity-building and training of local youth and women in economic activities, and the planning of next steps. Strategic PPPs were established with regional and local businesses and local councils for risk sharing and leveraging of resources, with a specific focus on job creation and income generation for youth and women. The programme also provides seed capital and facilitates access to financial service providers for youth start-ups. Unique PPPs are being formed around



SIGNATURE OF THE FIRST-EVER COMMUNITY DEVELOPMENT AGREEMENT IN KONO DISTRICT, SIERRA LEONE © SDG FUND / SIERRA LEONE

²⁷. Peters Krijn 'War and Crisis of Youth in Sierra Leone', Cambridge University Press, New York, 2011.

²⁸. International Crisis Group, 'Sierra Leone: Time for a new military and political strategy', ICG Africa Report, No. 28, 2001.



YOUTH CELEBRATING THEIR GRADUATION FROM A BUSINESS SKILLS TRAINING BY THE SDG FUND PROGRAMME IN KONO DISTRICT. WITH SMALL LOANS THEY ARE STARTING THEIR OWN BUSINESSES © SDG FUND / CATHERINE WONG

agriculture, aquaculture, value-added trade, and mini-processing and production. Communities are gaining knowledge and skills to establish and manage mini aquaculture enterprises and poultry farms. For instance, communities partner with private companies engaged in chicken farming to facilitate the establishment of out-grower schemes. The private partners provide day-old chicks, feed and veterinary services to the farmers. This creates market linkages between the farms and companies in Kono district which diversify livelihood opportunities and improve food and nutrition security.

Findings from the programme's monitoring report in Sierra Leone confirm that the SDG Fund's innovative approach to supporting PPPs has helped promote peace and build trust in the region. Moreover, the programme resulted in the signing of the first ever Community Development Agreement in Koidu town, the district's capital, since mining started in 1930. Community Development Agreements are required by law and allocate revenue from extractive activities to local communities. They are negotiated between extractive companies and host communities and are an important means of company-

community engagement. Effective bargaining from the outset could reduce risk of conflict later.

Another important element of this programme is building reliable cadaster systems. Through the programme, the two local councils in the district, the Kono District and the Koidu New Sembehun City Council, are upgrading and enhancing the functioning of the cadaster systems, which will enhance transparency and accountability in these councils. For instance, in March 2017, one of the mining sector workers discovered in Kono district one of the world's largest uncut diamonds. He brought the diamond to the local authorities, and it is now in the hands of the Sierra Leone government. In the words of the President of Sierra Leone Ernest Bai Koroma²⁹, the owners should get "what is due to them" and it should "benefit the country as a whole." The Government plans to hold a transparent auction for the gem for the benefit of the community and the country once tainted by so-called blood diamonds. The achieved results of the SDG Fund programme clearly confirm how PPPs can contribute to poverty reduction and bring peace to the conflict-affected area.

²⁹ The Guardian, 'Pastor Unearths 706-Carat Giant Diamond in Sierra Leone', published on 16 March 2017, available at: <https://www.theguardian.com/world/2017/mar/16/pastor-unearths-giant-diamond-sierra-leone>

CONCLUSION AND RECOMMENDATIONS

SDG 16 is both a distinct and achievable aspiration on its own, and one of 17 SDGs that together form a practicable platform for societal progress. To establish an enabling environment for sustainable development, attention must be accorded to conflict prevention, addressing the root causes of conflict and ensuring the rule of law and strong and accountable institutions. The 2030 Agenda is premised on a comprehensive ethic that considers sustainable development to be critical to societal well-being, and considers the participation of all elements of society to be essential to the mission. This ethic is, in turn, based on broadly accepted, if not quite universal, ideas about personal and institutional responsibility in a modern world being disrupted and reinvented constantly by the forces of technology, institutions of vast scope and power, and conflicts within and among countries and cultures.

For its part in the matrix of 17 SDGs, SDG 16 speaks directly to violent conflict — not just wars between states, but also the kinds of violent conflicts that arise in populations under great stress from the global and local forces around them. Private business can support and encourage the equal enforcement of the law, and independent adjudication of the law. Erosion of the rule of law contributes to violence and feeds extremism. It is also an ethical injunction to the private sector to collaborate with national governments to enhance the rule of law, build strong and inclusive and transparent institutions, and respect the processes of dispute resolution and amelioration (and all parties participating in such processes). This ethical stance calls upon companies to evolve their definition of self-interest using a longer-term evaluative lens, a broader societal sensibility, and a more acute sensitivity to societal stability as the indispensable foundation for any real and lasting corporate success.

This call to overcome the paradox of self-interest is not mere rhetoric: this report has documented the clear causal relationship between violence and poverty, instability and corruption. It has shown that the rule of law leads to reliable productivity and profits, that corruption leads to substantial competitive disadvantages for honest purveyors, and that the malfeasance of institutions leads first to their loss of legitimacy and then to the substitution of more chaotic, and often violent, ways of resolving disagreements. Thus, the ethic at the heart of SDG 16 is in fact also a set of statistical truths.

Drawing on this, SDG 16 has established various targets, indicators and measurements designed to guide implementation and to measure progress or regress. From these, responsible parties can see where they may contribute constructively, and the potential for action begins to emerge. For the private sector, who often think of SDG 16 as only about the behaviour of governments, SDG 16 offers clear guidance, perhaps even more than for other elements of society.

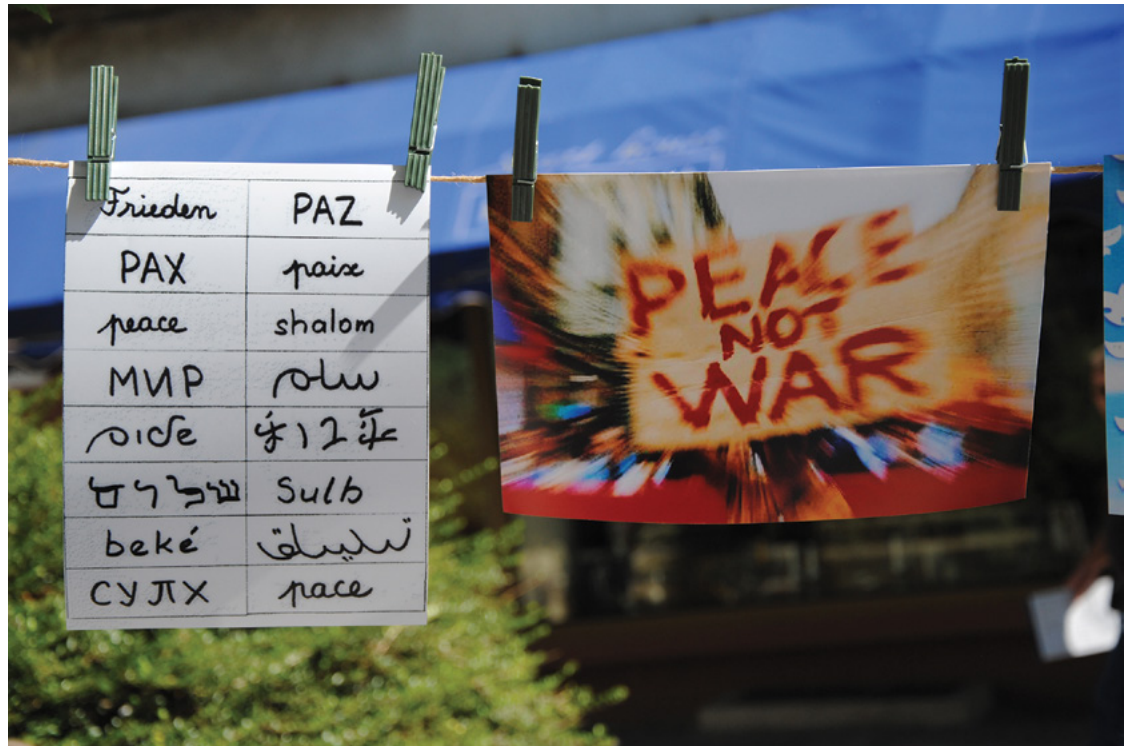
This guidance begins with an unarticulated but clearly implied message: 'First, do no harm'. This means a number of internal commitments, one of the most significant being suppressing corruption within a company and throughout its stream of commerce. It also means establishing clear standards of behaviour and credible and impartial internal processes for fact-finding and adjudication, akin to a corporate rule of law. It means treating minorities and women fairly and with respect and equal opportunity, being reasonably inclusive and transparent in decision-making.

SDG 16 calls on the private sector to use its enormous influence and resources to take a clear public stance in favour of social stability and justice, to enhance the rule of law, and to protect the free flow of vital information throughout society.

Publicly, it calls on the private sector to use its enormous influence and resources to take a clear public stance in favour of social stability and justice, to enhance the rule of law, and to protect the free flow of vital information throughout society. This public participation in the design and maintenance of stable social structures, particularly dispute resolution structures, can and should place the private sector prominently among the constituencies contributing to sustainable development and, specifically, to the reduction of violence.

This report has described many initiatives in line with the SDG Fund's mission to collaborate with a wide range of partners in support of the SDGs. Some of these are aimed at SDG 16 exclusively, while others serve the purposes of SDG 16 in the context of broader objectives affecting many other SDGs. From this experience, the SDG Fund offers the following recommendations to those interested in resolving the paradox of self-interest in a way that favours action in support of SDG 16:

- The private sector should continue to enhance its compliance capabilities, while establishing strong and credible internal processes for the resolution of disputes about allegations of bad behaviours, particularly corruption. As many of the PSAG companies have shown, compliance should extend through the supply and financial streams of commerce, and to intermediaries who broker or evaluate transactions, obtain licenses, and so on.
- The private sector should consider participating in projects designed to strengthen the credibility and competencies of



YOUNG PEOPLE FROM SOUTH SERBIA SEND THEIR MESSAGES TO THE WORLD © SDG FUND

societal institutions charged with resolving disputes peacefully according to law. The SDG Fund recommends the creation of PPP to match companies with development projects around the world. The inventory of such projects in need of expertise or resources is vast, and the SDG Fund involves the private sector to assist with its own expertise in project design and coordination.

- The private sector should vastly increase pro bono or philanthropic work to support the rule of law and through corporate philanthropy engaging in projects that are building a strong and reliable infrastructure of justice. The SDG Fund recommends that all companies support this vital area that serves both corporate and societal interests.
- Projects that support SDG 16 are often designed to support many or all of the SDGs, as the experience of the PSAG companies has shown. As this report demonstrates, everything relates to everything else when it comes to sustainable development. The world needs large, multilateral, effective collaborations among governments, the private sector, academia and civil society to tackle

problems that often transcend borders, specializations and the capacity of individual actors to succeed.

- Modern societal stability is no longer a zero-sum game, if it ever was. Progress along the SDG 16 framework toward violence reduction and toward justice requires good faith collaborations among constituencies who have not always been friends, and a competitive desire to win is not going to be a solution. SDG 16 requires, clearly, a reduction of disputes between the private sector and others, and a means to conduct dignified dialogue, with the fullest transparency, among people and institutions that have varying interests. SDG 16, and this report, are premised on the idea that self-interest and disagreements are inevitable, but solutions come from win-win opportunities designed by people who want solutions more than they want victories. The projects of the SDG Fund, involving the participation of the private sector are creative, collaborative and all depend on the development of mutually beneficial relationships among widely divergent participants who have a shared goal.



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