

Global Compact Network

Rio + 20 Corporate Sustainability Forum from June 15 - 18' 2012

Joint GCNI - CII Delegation briefing

Date: June 8th, 2012

Venue: Hotel Leela Kempinski, New Delhi

Mr. Ajay Tyagi, Joint secretary, Ministry of Environment and Forests, Government of India, Mr. Chadrajit Banerjee, Director General CII, Ms Frederika Meijer, United Nations Resident coordinator, Dr. UddeshKohli, Senior Advisor, United Nations Global Compact, distinguished colleagues from Corporate India, Government of India, CII, Global Compact Network, India, United Nations agencies and friends from the media;

As you are aware, the Rio + 20 Corporate Sustainability Forum is being organised by the United Nations Global Compact as a precursor event from June 15 - 18 to the Rio + 20 United Nations Conference on Sustainable Development from June 20 - 22' 2012 where Government representatives will discuss the global sustainable development agenda in the context of seven critical issues. These issues are jobs, energy, cities, food, water, oceans and disasters. The intent, of course, is to discuss and debate and finally come to an understanding on actions that need to be taken by Nations to address these critical issues in the context of sustainable development. As one would imagine, all issues are intertwined and inter-related and therefore for an actionable agenda that would be universally acceptable to all actors to emerge appears a herculean task indeed. It has been 'work - in - progress' for the past twenty years during which global temperatures have increased, disaster refugees have increased, the immediacy of finding food for seven billion earthlings has increased, the need for environment - friendly energy solutions has increased, the need for eco-friendly habitations has increased and the need to provide our productive populace with dignified jobs has increased.

We in corporate India are invariably conditioned to hyphenate the term 'increase' with 'better' and 'desirable' such as increased turn - over, increased profits, increased market - cap and the like. However, in context of finding a solution to cursed sustainability issues for planet earth, 'increased' is not really 'better' or even 'desirable' because while problems have increased, solutions have not and hence the immediacy of finding one at the Rio + 20 Conference. You would be aware of the severe indictment of the United Nations Environment Programmewhen it states in its recently released report that of the ninety most crucial environmental goals, little or no progress has been made over the past five years on nearly a third of them, including global warming and that we would soon reach an irreversible tipping point with severe implications for life - support functions of this planet.

Twenty years in the making and yet no universally acceptable solution in sight! How much more time do we need to come to a consensus? Clearly, at the moment it appears that twenty years is not enough, but hopefully we will no longer need a Rio + 30 and that implementable solutions will now emerge from this conference.

The issues that Government leaders have to grapple with are indeed cussed in nature, and you will hear more about this from Mr. Tyagi when he speaks to you shortly. Some indication is available from press reports in the papers today according to which the Indian perspective would hinge around poverty eradication and social development as overarching goals with a green economy being one of the means to achieve it. On the one hand they have to address growth aspirations of their populace while on the other, the immediacy of arresting global warming looms large. Then there is the politics of it all with various groups coalescing around common – concerns and creating embattlements. A deft balancing act or a tight rope-walk is what invariably emerges from such negotiations with no clear winners. Of course, in the long run we all lose as denizens of this planet, but this clique of clever negotiators hope that they would have left for a better place by then.

Those of you who participated in the Global Compact Network's Annual Convention on the theme "Corporate perspective towards sustainable development" organised on March 21st this year will recall the concern of the hon'ble Minister for Environment and Forest, Ms JayanthiNatrajan toward the growth aspirations of the 'last Indian' who toiled each day to earn a bare sustenance based livelihood. Given the stark reality of a substantial segment of India's 1.2 billion people grappling with acute poverty each day, she expressed her priority toward addressing the matter of 'Livelihood sustainability' as against 'Lifestyle sustainability' that according to her, was more a matter of concern for the developed world. Of late, according to media reports, she feels beleaguered with the green brigade berating her for not doing enough while Corporate India harangues her for being difficult in granting green approvals to their projects.

Similar perspectives will in all likelihood emerge from much of the developing world and therefore there is much anxiety on whether Rio + 20 will really emerge as a breakthrough event.

At this convention, I spoke about adopting a twin – pronged strategy to address these concerns.

First – Create an equitable and enabling regulatory framework and then enforce it diligently across the board with hefty punishment for transgressors. This would ensure a level-playing field and obviate the need to resort to subterfuge on the sustainable development agenda. I did caution that the success of this prescription would depend upon a number of considerations such as emergence of universally accepted standards, development of objective and fool-proof metrics to evaluate sustainable development actions, design and effective delivery of an empowered regulatory framework as also the ability of the economically weakened consumer's willingness to pay an additive cost toward green goods and services.

Second – Providing incentives for entities to embrace volunteerism in implementing their sustainable development agendas without waiting for host Governments to establish an enabling environment. As an example, I had mentioned the UNFCCC framework that enabled pro-active action on environmental responsibility to be monetised. Other variants could be incentives in terms of 'soft' project loans, export benefits, preferential 'approvals and clearances' and rewards and recognition that enhance brand value.

Today, in the context of this engagement that is primarily targeted at Corporate India, it is the second prescription – Volunteerism that is germane for further discussion. The United Nations Global Compact embraces volunteerism as a cogent delivery mechanism for Corporates around the world to adopt sustainability focused programmes without waiting for policy prescription to emerge from host Governments. It encourages them to adopt actionable templates and voluntary ‘pledges’, ‘declarations’ and ‘commitments’ as goal – setting tools in these endeavours. Its advocacy and outreach programmes educate and engage with Corporates to empower them with knowledge, expertise and peer support in implementing voluntary initiatives. In return, it merely asks that members submit an Annual Communication on Progress to ensure that their actions are archived. This tool, to my mind, is actually an additional support measure for members themselves as it enables them to carry out an annual survey and to evaluate their own work in a systematic manner and permits an inter – temporal record to be created and maintained.

The Rio + 20 Corporate Sustainability Forum from June 15 – 18 is perhaps the most ambitious attempt by the UNGC to precipitate meeting and networking of nearly 2000 participants from the Corporate world, investors, governments, local authorities, civil society and United Nations entities. The theme of this forum is **“Innovation & Collaboration for the Future We Want”** that will be discussed in nearly one hundred sessions on six themes that mirror the seven critical issues that would be discussed in the main conference. A number of key launches of voluntary initiatives will take place and resources will be released in the electronic format. More information is available on the website comact4rio.org and I urge you to visit it for a birds-eye view on the sheer scope and scale of this unique engagement platform. In its closing plenary session entitled ‘Compact for Rio’ on June 18th, CEOs and Forum participants will mull over discussions held over four days and determine best sustainability practices, innovations and collaborations, and will also announce new commitments across all themes. This closing session will also put forward recommendations for government actions that would be made available to the secretariat of the main conference to serve as input to discussions and deliberations by Government representatives.

Considering the unique and ambitious nature of this event, Global Compact Network, India and CII have collaborated to facilitate a delegation of leading lights from Corporate India to participate in strength and to showcase the spirit of volunteerism that we have embraced toward sustainability development. It will also enable us to learn from best practices that business entities from other countries have adopted. We will also be enriched by learning more about innovations and collaborations that our global peers have adopted that could be replicated within this country as well. Finally, it will enable us to network with our peers and will open up new business opportunities available in the global green economy. We are encouraged by the response from Corporate India and we hope that this initiative become a regular practice and that will surely open up new opportunities for us to collaborate and craft win – win innovative solutions.

I thank you for investing your time in joining us this evening to discuss the sustainable development agenda. It demonstrates your passion and commitment to this cause and I urge you to connect with your peers and engage with them so that they too join us in

this endeavour. We need more representation from Corporate India for the spirit of true volunteerism to take root and to flourish.

Thank you.