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**Business and Industry Major Group Intervention
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Thematic Discussion: Sustainable Industrial Development for poverty eradication

Compiled by Norine Kennedy, USCIB (not delivered due to time constraints)

Thank you Mr. Chairman, distinguished delegates, major group colleagues. My name is Norine Kennedy, and I am speaking on behalf of business groups attending CSD14.

I wish to thank the panelists for their helpful presentations. The challenge ahead is to support and promote the growth of sustainable businesses, particularly in developing countries. Industrial development makes pivotal contributions to economic growth, environmental management and social development — sustainable development.

Three key areas of required domestic legal and regulatory frameworks to grow sustainable businesses are set out in a report of the Secretary-General on Strengthening the Role of the Private Sector and Entrepreneurship in Financing for Development:

- Opening and closing a business—bureaucratic requirements to start up a business are excessive and time-consuming in many countries and laws and regulations often restrict the ability of enterprises to restructure or shut down.
- Property rights—in many developing countries a large part of land property is not formally registered, limiting access to credit and improved land values, especially for small enterprises and the informal sector; reducing the size of the informal sector should be a prime objective of public policy.
- Effective enforcement of contracts and protection of creditor rights, which needs a well functioning court system backed by effective enforcement.

Industrial development and society's economic, social and environmental goals should be pursued in a harmonious manner, and there need be no contradiction among them. *In this way, a successful industrial base strengthens society.* Many parts of the business community are engaged in the process of industrial development, and many more depend upon it. As such, industrial development is clearly an essential component of job creation and other activities of society as a whole.

Any “one size fits all” approach to sustainable industrial development is incompatible with the great diversity that exists within business. The great variety of policies, practices and skillsets of

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individual companies attest to this diversity, are a resource of successful approaches, and should be encouraged. I might say here, that although many have referred to difficulties and hurdles faced by many SMEs, we also know of SMEs that are innovating and making real efforts to push the envelope on sustainability and share their ability with others. We should not see them only as recipients of assistance but also as sources of solutions.

Industrial development enables business-to-business and cross-sectoral cooperation towards sustainability. The internationalization of industry through supply chain relations, joint ventures and FDI as well as through locally grown businesses offers new opportunities to developing countries to participate in cross-border production networks and partnerships. The roles and activities of businesses often go well beyond the immediate workplace, marketplace and supply chain. Sustainability is often not limited to areas within a company's boundaries, such as manufacturing and plant management, and can be valid for activities upstream and downstream of a manufacturer's plant.

Companies spread good practices among customers and employees, suppliers and business associates in the countries where they operate. In this regard, businesses regard economic, environmental and social reporting as one element of a continuous dialogue with stakeholders rather than as a stand-alone exercise, and in the framework of societal transparency more broadly.

Industrial development, good environmental practice and technological cooperation work hand in hand. The use of environmental management systems and other management tools is well under way in many companies. Waste minimization, pollution prevention and cleaner industrial production are key elements of continuous improvement and increased eco-efficiency in industrial operations.

The capacity and willingness of the private sector in developed and developing countries, in companies of all sizes and sectors, to advance sustainable development is immense and progress is being made. Yet ultimately, success will depend on the will of local and national governments to implement the appropriate policy and governance frameworks. Successful and sustainable industrial development is largely a function of both local private sector and FDI operating in a conducive market-oriented framework of enforced, science-based, market-oriented regulations and strong institutions. Protection of intellectual property rights will support technological, innovation, cooperation and dissemination that is an essential part of these enabling frameworks. The fight against bribery and corruption must be intensified in Public and private sectors.
