

Pandemic Raises Stakes for Success of the SDGs

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In this Decade of Action for the Sustainable Development Goals (SDGs), we hear much about how organizations, countries and individuals are stepping up their efforts to achieve the 2030 Agenda. Despite this, the reality is that the pace of action has not been quick enough and we are already far behind on delivering the Global Goals.

The countless tragic consequences of the COVID-19 pandemic bring an added layer of urgency. Yet, true to human nature, the focus has already shifted to how as a global community we can forge a new way ahead – with the *'build back better'* mantra being highly relevant from the perspective of progress on the SDGs.

Against this backdrop and as **Global Goals Week** concludes, GRI has analysed the **Voluntary National Reviews** (VNRs) presented by countries at this year's UN **High-level Political Forum**. Every year since 2016, GRI has reviewed how member states are

involving the private sector in the implementation of the SDGs, in particular to assess progress on **SDG 12.6**: *to encourages companies to adopt sustainable practices and integrate sustainability reporting*. With each year seeing a different set of countries submit their VNRs, the analysis varies in terms of the sample of political systems, economies, and geographical representation, providing insights over time to global trends.

Mixed messages on private sector engagement

In total, 42 countries carried out VNRs in 2021. Countries with informal, less regulated economies tended to find that they were facing challenges with tracking SDG progress, which have been exacerbated by the pandemic.

Overall, 86% of the analysed reports recognized the need for private sector investment, which is more than double the level reached in 2020, perhaps triggered by COVID-19, and 85% refer to the contributions of the private sector to the SDGs. Yet less encouragingly, the number of countries consulting the private sector as part of the VNR has fallen to the lowest level since 2016, at 76% (down from 87% in last year).

There are though positive signs of governments and the private sector collaborating more for the SDGs, with 83% referencing public-private-partnerships (compared to 54% in 2020). This aligns well with the *building back together* notion, something GRI discussed at length during our HLPF event – **The key role of innovative partnerships and transparency for the SDGs** – which we co-hosted with Enel and UNDP Business Call to Action.

Improving alignment of SDG priorities

What our findings show is that there is a clear understanding of the important role the private sector plays in achieving the 2030 Agenda. However, it is not enough that only three-in-four countries engage the private sector in the VNR process. If we are to deliver on the SDGs, we need open collaboration that gets all parties onboard – from analysing the issues, to defining the solutions, through to implementation and reporting on the progress.

Government and business interests are naturally not always fully aligned. The role of the private sector for SDG 4 - *Quality Education*, SDG 5 - *Gender Equality* and SDG 7 - *Affordable and Clean Energy*, was most often mentioned in VNRs. Yet, as revealed in the **2020 KPMG Survey of Sustainability Reporting**, the most prioritized SDGs by the private sector are SDG 8 - *Decent Work and Economic Growth*, SDG 13 - *Climate Action* and SDG 12 - *Responsible Consumption & Production*. What this indicates is that there can be a disconnect between SDGs priorities and ownership, illustrating how important it is for all stakeholders to engage and align, in order to achieve impact and progress.

Examples to learn from

We see a number of innovative digital initiatives in this space, as identified through the VNRs, that can serve as inspiration for others. For example, the success of the **SDG Corporate Tracker in Colombia**, a platform now used by 480 businesses in the country that is standardizing SDG-related data collection on the role of the private sector. The **Initiative 2030 platform**, meanwhile, which is aligned with the GRI Standards, makes it easier for companies to assess how they are contributing to the SDGs, driving SDGs participation within Cypriot society through the involvement of all stakeholders.

Simultaneously, the analysis found new or increased regulations for disclosure of non-financial information – as adopted in Indonesia and Sweden, as well as stock exchanges in Malaysia, Thailand, and Zimbabwe – which is driving an increase in private sector sustainability reporting.

Emerging significance of tax transparency

As a new element of the analysis, in 2021 we saw 29% of VNRs reference corporate taxation and tax reporting. Strong and effective tax systems are necessary to generate the resources needed to meet the SDGs and promote inclusive economic growth yet, as discussed in the opening episode of our new podcast series **SDGs: The Rising Tide**, it remains a significant challenge.

A fair taxation system is key to achieving the 2030 agenda, and we look forward to tracking the progress on how this will be reflected in VNRs in the coming years. **GRI 207: Tax 2019** – the first and only global standard for comprehensive tax reporting at the country-by-country level – will play an important role in facilitating the regional and global conversations on fair tax policies. After all, ensuring finance for sustainable development is a cornerstone for fulfilling the SDGs.

Stepping up the momentum

Through the 2030 Agenda, world leaders have called on businesses to apply their creativity and innovation to solving sustainable development challenges. Yet we also need businesses to be transparent in how they maximise their positive impact on the SDGs. That is why governments must ensure they are bringing companies, and other stakeholders, into the operations room when it comes to developing and implementing their SDGs plans as well as reviewing progress.

Looking ahead, GRI will follow with keen interest the role played by the COVID-19 response in the next VNRs. Will recognition of sustainability challenges see the number of reports by countries – and engagement of the private sector – increase? And will we, years from now, be able to say that the pandemic instigated greater action and

collaboration in support of the SDGs? On both these counts there are opportunities within the adversity that can and must be seized.

When you view the SDGs as the roadmap to a better world – one without poverty or hunger, with gender equality achieved, fair economic growth and the environment protected – participation in their success should not be a hard sell for anyone, be it governments, business or citizens alike. Inclusion and partnerships, at all levels, will be the key to their successful fulfilment. Let's stay positive that together we can reach that sustainable future.

ABOUT THE AUTHOR

Tina Nybo Jensen is International Policy Manager at GRI. She leads on the development, management and implementation of GRI's Sustainable Development Program, with a special focus on the SDGs and engagement with multilateral organizations. She joined GRI in 2014 and has previously worked with the GRI Community, report services and governance relations.

Prior to GRI, Tina worked for the Danish Red Cross Youth in Jordan and the Westbank, and at the Danish Embassy in Thailand. She holds Master's Degrees in Development & International Relations (Aalborg University, Denmark), and Political Science with Specialisation in Environmental Governance & International Relations (Vrije University Amsterdam, the Netherlands).

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