



18 December 2012

THE ACHIEVEMENTS AND FUTURE PROSPECTS OF THE MILLENNIUM DEVELOPMENT GOALS: INPUT FROM CIVIL SOCIETY

EESC/EC PUBLIC HEARING 18 DECEMBER 2012

PANEL DISCUSSION: “CIVIL SOCIETY’S CONTRIBUTION TO THE DEVELOPMENT AGENDA POST-2015” – INCLUSIVE BUSINESS MODELS IN SUPPORT OF THE MDGs OR HOW TO FURTHER ENGAGE THE BUSINESS COMMUNITY IN DEVELOPMENT

SOFIA BOURNOU, ADVISER INTERNATIONAL AFFAIRS

Ladies and gentlemen,

- I am very happy to be amongst you today. It is our view in BUSINESSSEUROPE that the best approach to development is the multi-stakeholder approach and that the private sector can play an important role in achieving the Millennium Development Goals.
- BUSINESSSEUROPE recognises the inter-linkages between Development and Trade policies and supports efforts to create more synergies between these two policy fields, such as the European Commission Communication on Trade, growth and development.
- We strongly support the ‘Agenda for change’. More room should be created for the private sector in the development policy-making process and new ways should be explored to better leverage private sector resources. Increasing the engagement of the private sector would create win-win situations for developing countries and for business development.
- BUSINESSSEUROPE has a particular interest to promote the active participation of the private sector in the discussions around development. It is our strong belief that trade and investments can be useful tools to increase employment, improve governance and significantly contribute in poverty reduction. A positive agenda has been developed, for instance in the framework of the G20 with the B20 recommendations of the Cannes Summit, where development and food security were one of the priority areas.
- To this end, in BUSINESSSEUROPE we are happy and honoured to participate every year in the European Development Days, organising high-level panels jointly with stakeholders such as the European Investment Bank. We have nevertheless



noticed that we usually are the only, or one of the few private sector representatives at these events.

- A more structured dialogue should be established with DG DEVCO and other stakeholders on policy issues and instruments, for instance to discuss on tools to support improved governance, cooperation on raw materials or trade and investment issues. The principle already exists in the Commission's Communications, but we need to put it in practice.
- I would like however to share a concern of ours. BUSINESSEUROPE has been working for some time to establish a dialogue and cooperation with the Commission on development issues. And while some progress has been made, we still see a reluctance to engage directly with large EU companies that are big potential investors in developing countries. In addition, there is still very little information about the investments (development aid) the EU will make in areas like energy or agriculture announced in the Agenda for change.
- Furthermore, we see a contradiction in the EU policy on governance issues. On the one hand a reluctance to engage with large companies in the resource sector to address governance challenges, on the other a propensity to legislate on the same issues. This leads to new compliance burdens on companies and encourages them to abandon investments in developing countries where governance is a major issue (in Congo for example). Could the commission not try a cooperation model with business instead?
- European companies can share valuable experience on their initiatives for development. In recent years, an increase in partnership models may be observed. When a European company invests in a developing country, a network of local suppliers – SMEs in the majority of the cases – is created, with positive externalities. To give you some examples:
 1. BASF has developed a fortification project for staple foods in Tanzania. They assist local industry, including SMEs, develop their technical capacity through the organisation of training workshops. The purpose is to help local SMEs diversify their products, and therefore become more competitive and improve their position in the market.
 2. Unilever has also started a pilot programme for sustainable tea production in Kenya. Focusing on improving productivity, environmental management, energy and habitat conservation the project tries to address the growing pressure on natural resources. This initiative raised farmer revenue and fostered employment.
- To conclude, for BUSINESSEUROPE trade and development go hand in hand. These examples show that even in cases where the business climate is not ideal, the presence of investors can bring growth and improve employment, ultimately contributing in poverty reduction. Our doors are always open to discuss how we can further enhance the contribution of the private sector in development.