



The Private Sector and its
Contribution to the **SDGs**:
*A Journey to Data Gathering
Through Corporate Sustainability
Reporting in **Colombia***





Either the Sustainable Development Goals are fully assumed with enlightened self-interest by the business community, the private sector, and the financial sector, or the Sustainable Development Goals will be a very nice exercise in diplomatic discussions in New York and maybe in some policies of some Governments, but the impact on people, the impact on poverty, the impact on the planet, will be extremely, extremely small.

António Guterres, UN Secretary General

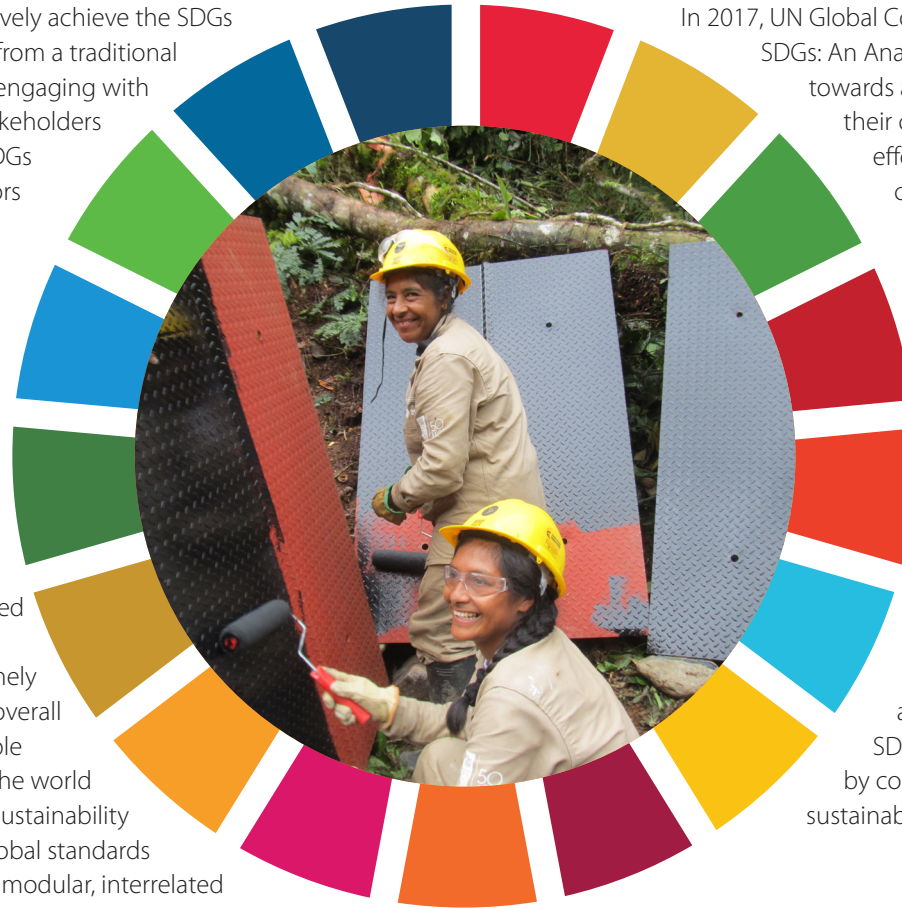


OVERVIEW

The private sector is a key player to effectively achieve the SDGs and the 2030 Agenda. Its role has shifted from a traditional financial partner to a more active one by engaging with communities, governments and other stakeholders to foster sustainable development. The SDGs represent a common language for all actors in society to contribute to sustainable development and constitutes a global framework for businesses to align and contribute to society.

In recent years businesses have advanced significantly, not only by adopting sustainability strategies, but also by adopting sustainability reporting to measure and communicate their economic, environmental and social impacts. This information is often generated sparsely and, usually, it is not aligned with the SDGs. This hinders its accurate and timely collection and aggregation to assess the overall contribution of private sector to sustainable development. Many companies around the world use the GRI Standards¹ to report on their sustainability impacts. The GRI Standards are the first global standards for sustainability reporting. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental and social impacts.

¹ <https://www.globalreporting.org/standards/>



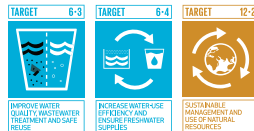
In 2017, UN Global Compact and GRI Business Reporting on the SDGs: An Analysis of the Goals and Targets, a first step towards a uniform mechanism for business to report on their contribution to and impact on the SDGs in an effective and comparable way. The publication contains a list of existing and established disclosures that businesses can use to report on their contribution and impacts on the SDGs. It also lists illustrative actions that businesses can take to make progress towards the SDG targets. Therefore, there is a valuable information about business impacts on the SDGs, which comes from corporate sustainability reporting.

This four-pager seeks to explain how the National Government is considering the contribution of the Colombian Private Sector to the SDGs, to understand its overall impact and contribution, without imposing any burden, but facilitating the collection of SDGs related business data, already disclosed by companies, through impact measurement and sustainability reporting according to the GRI Standards.

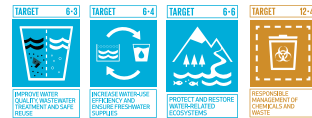
OUR INITIAL JOURNEY



GRI (303-3)
Recycled and Reused Water



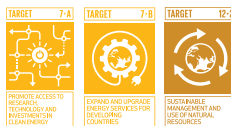
GRI (306-1) Water Discharge by
Quality and Destination



GRI (302-4) Reduction of Energy Consumption



GRI (203-1) Infrastructure
Investments and Services
Supported



GRI (305-7) Nitrogen Oxide, Sulfur
Oxides and other Significant
Air Emissions



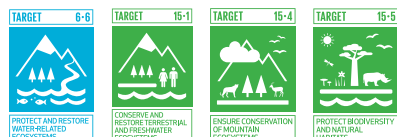
GRI (301-2) Recycled Input
Materials Used



GRI (306-2) Waste by Type and
Disposal Method



GRI (304-2) Significant Impact of Activities, Products
and Services on Biodiversity



Acknowledging all efforts underway, the Government of Colombia intended to deepen the understanding of the overall contribution of the Colombian private sector to the SDGs. Technical Secretariat of the SDGs in Colombia, confirmed by the National Planning Department -DNP-, with the support of the GRI, the United Nations Development Program -UNDP- and Business Call to Action -BCtA-, decided to promote synergies and develop a roadmap to collect and analyze data from the private sector, about its impact and contribution towards the SDGs.

Eight (8) sustainability disclosures connected to priority topics, connected to SDGs Goals and Targets were selected to measure companies' impacts and contribution to the SDGs and inform the Colombian National Voluntary Report at the HLPF 2018 -SDG 6, 7, 11, 12 & 15-. This prioritization is based on a comparative analysis of ongoing initiatives and country priorities (such as the Green Growth Strategy) plus a review of indicators frequently reported by companies using GRI. Furthermore, a "working group" which provided inputs for required methodological adjustments to the data collection tool and ultimately for its consolidation reviewed these indicators.

With DNP guidance and the technical support of GRI, UNDP/BCtA developed a guide which defines and captures all relevant data vis-a-vis the eight selected indicators. The data gathering process was carried out through an on-line tool developed by UNDP, which allowed companies to fill in available information directly².

Simultaneously, through different regional entities, such as the Private Competitiveness Council -CPC-, Bogotá's Chamber of Commerce, Antioquia Sostenible and Asobancaria, we could capture information from 70 companies nationwide across seven (7) economic sectors: services, transportation, food and beverage, manufacturing, energy mining, construction and telecommunications. A multi-actor team from UNDP and DNP collected, systematized and analyzed the reported information.

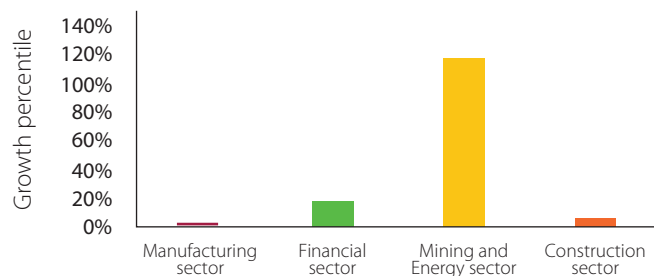
² www.ODSReporteVoluntario.org

RESULTS PER SDG

SDG 6, the mining-energy sector consumes more than 70% of ground and surface water, and the food and manufacturing sectors more than 50% of the water from public aqueducts. Furthermore, only 20% of the reporting companies carry out water reuse processes, which corresponds to 16% of the total volume of consumed water in 2017. Some reporting companies have limitations in water reuse, especially those from food and beverage industries.

SDG 7, there is a high consumption of energy based on the use non-renewable resources such as Natural Gas; however, it has decreased by 10% since 2015. The main energy consumers are within the mining-energy sector, followed by the manufacturing sector. The consumption of non-conventional renewable energy remains stable and low at 3% of the total energy consumed in the last three years.

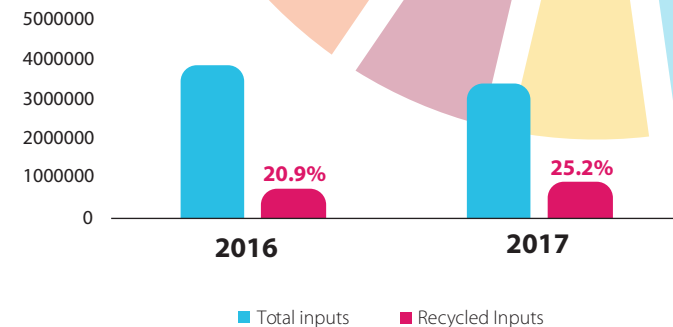
Social Investment Growth by Sector, 2017



For SDG 11, the information suggests that private sector investment in infrastructure increased between 2016 and 2017 only in 4 sectors: i) manufacturing (0.1%), ii) financial (17.7%), iii) construction (4.1%), and iv) mining-energy sector (118%), and the one with the highest representation accounted for over \$3 million USD. Nevertheless, companies that keep to Exploration and Production (E&P) and Technical Evaluation Agreements (TEA) activities in Colombia, must develop and implement Environmental Management and Social Management Plans to grant an environmental license³.

As to **SDG 12**, according to gathered data, there is an increasing trend to recycle to produce new products as this practice grew from 20.9% in 2016 to 25.2% in 2017. This growth factor is essential to reduce the depletion of natural resources, as it is from the initial waste assessment that these materials can be kept more time in the economic cycle while minimizing waste generation.

Proportion of recycled inputs used to produce



Finally, for **SDG 15** around half of the reporting companies recognize there are significant impacts on biodiversity generated by their indirect operations through their supply chains. This is a very favorable situation as recognition increases, more awareness on how production process affects the environment. It is important to highlight the positive impact on biodiversity from the financial sector, whose activity does not have a serious environmental impact and yet companies are committed to planting trees and protecting endemic species.

³ It establishes the activities that must be developed in the field of social, economic and sustainability investments that minimize the impacts generated and contribute to increase the living conditions of the local population. See Agreement 05 of 2011 of the National Oil & Gas Agency (ANH for its acronym in Spanish).

MAIN CHALLENGES

From this pioneer experience in Colombia two (2) main lessons can be drawn: First, the need to strengthen the measurement and systematization of information on sustainability within private sector actors on (i) intensity use of resources and (ii) environmental impacts. Second, the relevance to continue strengthening and promoting the 2030 Agenda and the SDGs as roadmap where both the private and public sector must aim their efforts.

Recommendations moving forward:

- Improve the reporting process with companies through more personalized follow-up mechanisms, facilitating the interpretation of records and its relationship with the company's economic and productive performance.
- Increase reporting times and analysis timeframe to address data inconsistency issues and confirm information with companies.
- Use standardized data registration mechanisms, such as web-based tools to reduce the chances of human error in data transcription, while gaining more time for the aggregation process.
- Have an SDG expert team by theme to improve data interpretation and enable report writing with a technical approach.
- Strengthen the description of the requested information on each of the indicators, to reduce the risk of a wrong or inconsistent reporting due to the interpretation given by each company.
- The SDG contribution reports provided by local and corporate initiatives should be carried out gradually giving priority to the annually prioritized HLPF goals, to facilitate the data targeting as well as quality assurance.



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