

14 Nordic Global Compact members

3 joint messages for Rio+20

The UN Global Compact will host the Corporate Sustainability Forum “Innovation and Collaboration for the Future We Want” in relation to Rio+20 in June 2012. The objectives of the Forum are to spur action and stimulate greater uptake of sustainable approaches to business, give inspiration to innovative public-private partnerships, business contributions and new commitments for each theme. Governments will need to create the *right policy frameworks* to unlock innovation and investment. This should include regulations that address market externalities, establishes long-term market predictability and create the right investment environment. Examples of this include; strategic public procurement that helps innovations enter the market more quickly, improve intellectual property rights frameworks that support business collaboration and investment in innovation.

13 Nordic companies and 1 business association, that are all signatories to the UN Global Compact, have proposed three action points which will support the objective of scaling best practice within Corporate Responsibility and sustainable development. In countries where these companies are represented, they will seek to engage with the local Global Compact Network which can facilitate relevant PPPs.

Energy is essential to all aspects of business development. Access to energy enables people to better realise their potential and represents market opportunities for companies. The suggested three action points below concentrates on energy access, energy efficiency and renewable energy production but will be applicable to other sectors as well. Governments, international organisations/financial institutions and the private sector must have a clear idea of their respective responsibilities, strengths and limitations.

In order for business to play an active role in access to energy, Nordic GC companies urge governments all over the world to:

- ***Establish an international Energy Maturity Rating for countries. This would aim to measure their capacity and capabilities to attract private sector investments in the energy sector and in energy efficient production of services and goods.***

*The aim is to encourage industrialised and developing countries to establish strategies that attract private sector investments in sustainable **Energy Access, Renewable Energy and Energy Efficient products and services**.* An Energy Maturity Rating would measure the continuous performance of countries in their efforts to create an investment climate that enables the private sector to scale up their investments.

In order to attract private sector investments in renewable energy and energy efficiency in production of goods and services - businesses need easy access to local Energy strategies, available incentive schemes (e.g. seed funds or public private partnerships), and the maturity of the country with regards to important elements such as regulatory regimes, tax incentives, a level playing field for competition, fair pricing of externalities, insurance systems, land availability, land use rights, education provided, public infrastructure, potential of new technologies to transform sectors etc. The indicator will seek to measure countries' progress in the above elements in order to help investors in make informed choices for where and what to invest in.

An Energy Maturity Rating would countries' progress in the above elements to enable the private sector to make informed choices as to where and what to invest in. It would encourage the continuous improvement of the enabling environment which is so crucial to the private sector and it would provide transparency to all stakeholders working on Energy Access in developing countries.

The Rating and indicators need to be sector specific to highlight differences in regulatory regimes and applicability between sectors (Many countries do not have requirements for reporting in these areas and WB/UN statistics must be used or provided where verifiable data is currently not available).

The 14 Nordic signatories would be open to take part in developing such indicators on the request of governments and in cooperation with relevant intergovernmental agencies.

- ***Establish a common platform that facilitates formation of strategic public-private partnerships scaling up of, or co-investments in developing countries in areas such as energy access, efficiency and renewable energy.***

We would propose to further develop the Global Compact as a platform/structure for clustering and Public Private Partnerships (PPP). Local GC networks could identify potential PPPs and map relevant partners, and invite these to participate based on respective comparative advantages within various sectors. The GC networks would serve as a neutral broker where companies, government offices, finance institutions and specialised organisations can define and plan PPPs. Specifically, governments need to support business development clusters: In all countries, business needs arenas for facilitating co-investments between various parts of the value chain.

The Global Compact/UN coordination system/World Bank should develop a platform which could be run by the National Confederation of Enterprise/the Ministry of Industry/UN Global Compact National focal point in given countries. The platform will enable scaling of best practice projects within public-private partnerships and ensure that it becomes viable to invest in sustainable business ventures.

Strong public-private partnerships are essential for successful progress on sustainability.

- **Agree on Sustainable Development Goals for Energy Access**, that encourages innovation within the energy sector, low-carbon development solutions, high energy efficiency, and innovative investment regimes.

Business needs political action in order to act

- Business needs regulatory regimes with long-term predictability for investment.
- Business needs global sustainability rules and a level playing field for competition.
- Business needs technology-friendly policies for innovation of sustainable products and solutions.

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