



Economic and Social Council

Distr.: General
2 September 2015

Original: English

Economic and Social Commission for Asia and the Pacific Committee on Trade and Investment

Fourth session

Bangkok, 4-6 November 2015

Item 5 (e) of the provisional agenda*

**Implementation of Commission resolution 70/5:
strengthening regional cooperation and capacity for
enhanced trade and investment in support of
sustainable development: engaging the business sector**

Engaging the business sector: current activities and future direction of the ESCAP Business Advisory Council, the ESCAP Sustainable Business Network and the Asia-Pacific Business Forum

Note by the secretariat

Summary

Given that the role of businesses in sustainable development is widely recognized, the Economic and Social Commission for Asia and the Pacific (ESCAP) currently engages the business sector through three modalities: the ESCAP Business Advisory Council, the ESCAP Sustainable Business Network and the Asia-Pacific Business Forum. The operations and results of these three modalities are reviewed in the present document. An argument is presented that there is a need to link these modalities more effectively to the intergovernmental processes under ESCAP to allow for the business sector to have a greater voice and make a greater contribution to the process of sustainable development as true partners of governments.

The Committee on Trade and Investment is invited to review the three current modalities and provide guidance to the secretariat on how to strengthen the secretariat's engagement with the business sector.

* E/ESCAP/CTI(4)/L.1.

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I. Introduction

1. It is well-recognized that business is an important driver of development as it provides income- and tax-generating employment and develops new technologies, products and services. It is also a main driver of regional integration through the expansion of business-driven international production networks and value chains. However, the business community is also known to struggle with issues of labour exploitation and environmental degradation, including greenhouse gas emissions. These issues have generated regional and international concern, leading to the proposal and implementation of domestic and international regulations. Thus, it is clear why the business sector would want to actively support efforts to achieve inclusive and sustainable development in an effective and efficient manner. In the outcome document of the United Nations Conference on Sustainable Development, “The future we want”,¹ the need for the business sector to be involved in the sustainable development process and to adopt responsible business practices in this regard is emphasized.

¹ General Assembly resolution 66/288, annex.

2. While business engagement in sustainable development is not unprecedented, as demonstrated by the United Nations Global Compact, it must be recognized that the business community and the United Nations operate on the basis of different objectives and principles, harbour a certain degree of mutual mistrust and prejudice, and are often uneasy partners. Therefore, it is important to move past these barriers to identify common interests and develop frameworks that constitute a win-win for business and the United Nations.

3. As part of the United Nations, the main objective of the Economic and Social Commission for Asia and the Pacific (ESCAP) in engaging with the business sector is to forge solid partnerships to achieve the sustainable development goals and the post-2015 development agenda by identifying common ground. While the principal focus of business engagement has been the private sector, in practice the border between public and private is not always straightforward, as some of the leading businesses in the region are public entities. Therefore, the approach taken by the secretariat is to engage the broader business community rather than solely the private sector.

4. There are currently three main modalities by which ESCAP engages with the business sector. At the core is the ESCAP Business Advisory Council, which advises the Executive Secretary and senior management, as well as ESCAP member States, on development issues and ESCAP programmes and projects from a business viewpoint. The ESCAP Sustainable Business Network is essentially a larger form of the Council and includes Network members who are active on task forces but are not necessarily members of the Council. The Network currently consists of eight task forces which undertake operational work, including technical assistance, capacity-building, publications and policy advocacy, and highlight the role of business in sustainable development and the need for businesses to adopt principles and standards on responsible and sustainable business conduct, including those in the Global Compact. In May 2015, the Council adopted revised terms of reference for itself and for the Network, together with a set of guidelines and criteria for their memberships, which are annexed to the present document. The third modality, the Asia-Pacific Business Forum, is the largest modality for business engagement. In essence, the Forum is an annual multi-stakeholder platform for the discussion of issues related to development and the role and needs of businesses in the sustainable development process. The following sections provide an overview of the role, function and activities of these three modalities and suggestions for the way forward.

II. ESCAP Business Advisory Council

5. The Business Advisory Council was established at the first Forum in Shanghai, China, in 2004 and provided substantive support and in-kind contribution to the Forum until the Business Advisory Council was dissolved in 2009. It was re-established in 2011 as the ESCAP Business Advisory Council with a renewed focus on guidance and support to the Commission's programme of work in general and the organization of the Forum in particular.

6. The Council aims to provide business perspectives on development issues in the Asia-Pacific region to Governments as represented in the legislative bodies of ESCAP, in particular, but not limited to, the Committee on Trade and Investment and the Commission, as well as to extend advice to the secretariat on its programmes and projects.

7. Members of the Council include business leaders, chief executive officers, representatives of businesses and business organizations and relevant experts operating in regional member and associate member countries/economies of ESCAP. Members conform to and promote ethical and responsible business practices and fully subscribe to United Nations principles and norms. They strive for full implementation of the principles of the Global Compact, which is a strategic United Nations policy initiative for socially responsible businesses, to ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

8. In 2011, the Council adopted revised terms of reference and renewed its focus on providing guidance and support to the Commission's programme of work in general and the organization of the Forum in particular. The Council has evolved into a stable body consisting of approximately 50 representatives of businesses and business organizations located and/or operating in the Asia-Pacific region. In line with its goals of being truly representative of the business sector in the region, it continues to expand and consists of large and small business from an array of economic sectors and a wide range of industries. In May 2015, the Council consolidated its terms of reference with revised guidelines and criteria for membership to ensure the quality and commitment of its members.

9. The Council normally meets twice a year, once in Bangkok, either prior to or as part of the Commission's session or the Asia-Pacific Forum on Sustainable Development, and the second time before the Asia-Pacific Business Forum's session at the same venue or as part of the Asia-Pacific Trade and Investment Week prior to the Committee's session. During Council sessions, discussions are held on developments in the Network, funding issues and organizational/programme matters of the Forum, in addition to substantive issues presented by one or two Commission divisions or subregional offices which require business feedback. As it cannot be expected that all Council members will be available for all meetings, meetings normally are attended by approximately 20 to 30 Council members and Network members, who were known as associate members before May 2015.

10. Council members are typically representatives of large companies or owners/managers of small and medium-sized enterprises, as most businesses in any country consist of these types of enterprises. Transnational corporations of course have more international experience and are in a better position to identify at-the-border and behind-the-border barriers that prevent the efficient establishment or expansion of the value chains they are driving. The secretariat aims to have a balanced representation on the Council of transnational corporations and small and medium-sized enterprises, consisting of people who are committed to the cause of the United Nations, ESCAP, the Council and the Network and are willing to devote time to it. The Council has a dedicated web page within the ESCAP website at <http://ebac.unescap.org/>.

11. The Council has played an essential role in helping to organize and provide speakers at its own cost to events, such as for the Myanmar Business and Development Week, which was held in September 2013, and for the Regional Conference on Aligning Corporate Sustainability with the Sustainable Development Goals, which was held in May 2015 prior to the second session of the Asia-Pacific Forum on Sustainable Development. The Council routinely provides perspectives from the business sector to that Forum.

III. ESCAP Sustainable Business Network

12. In 2012, the Sustainable Business Network was set up at the initiative and under the guidance of the Council to promote the active engagement of the business sector in addressing issues of environmental sustainability and social inclusiveness across sectors in the Asian and Pacific region. This Network was established with reference to the outcome document of the United Nations Conference on Sustainable Development, in which the importance of business's role in global sustainable development was emphasized. In May 2015, the Sustainable Business Network was formally renamed the ESCAP Sustainable Business Network. Unlike the Council, the Network is involved in more hand-on activities to promote sustainable business and the role of business in achieving sustainable development through the sustainable development goals and the post-2015 development agenda. Until May 2015, Council and Network meetings were held at the same time with parallel membership, though the Network was larger as it consisted of both Network members and core and associate members of the Council. With the elimination of the associate Council membership, the Council has returned to performing an advisory role, while the Network is continuing to grow and address sustainable development issues in a number of areas addressed by a specific task force. In due time, it is expected that the two bodies will evolve separately, though for the time being they will meet together as long as the membership remains within a certain limit. This also means that the Council Chair also chairs Network sessions, which are basically Council sessions that are attended by both core Council members, who are automatically Network members, and Network members who are not Council members. The Network web page currently can be accessed only from the Council website.

13. There are currently seven Network task forces, all chaired by a core Council member. An eighth task force focusing on the Pacific is being established. While the Trade and Investment Division of ESCAP is the secretariat of both the Council and the Network and provides overall coordination, other divisions of ESCAP provide administrative, logistical and substantive backstopping to the various task forces. Most task forces meet one day before the official Council/Network meeting.

A. Task Force on Green Business

14. Thematically, the Task Force on Green Business focuses on optimizing the positive impacts and minimizing the negative impacts of business on the environment. It is backstopped by the Trade and Investment Division and the Environment and Development Division. It carried out the lighting lives project, which involved the donation of more than 1,000 solar lights and many solar chargers to Timor-Leste. This culminated in a well-received official event in Dili to commemorate the project, which was attended by Noeleen Heyzer, Special Adviser to the Secretary-General on Timor-Leste and Kishore Mahbubani, dean of the Lee Kuan Yew School of Public Policy of the National University of Singapore, as well as Kay Rala Xanana Gusmão, former Prime Minister of Timor-Leste. There is now an online platform that allows people to donate cash and products to the project. The Task Force has also compiled content and case studies for a guidebook for best practices in green business, which should be out in 2015. Currently, the Task Force is working on a "green index" for East Asia, which will focus on the problem of food waste, which is a major issue in the region.

B. Task Force on Micro, Small and Medium-sized Enterprises and Social Enterprises

15. The Task Force on Micro, Small and Medium-sized Enterprises and Social Enterprises focuses on promoting the development of these types of enterprises for inclusive and sustainable development. The Social Development Division is helping with the backstopping for this Task Force. It has been engaged in various important events, including the Myanmar Business and Development Week, the International Workshop on Entrepreneurship in Socially Responsible Business for Development in Asia and the Pacific and the Young Business Leaders Programme. The Myanmar Business and Development Week, which was held in Yangon, Myanmar, in September 2013, brought together members of the private and public sectors and provided an opportunity to build public-private sector trust and relationships. Other task forces also participated in the events of the Week. A Myanmar business handbook has been published as a result.

16. The International Workshop on Entrepreneurship, which was held in Ahmedabad, India, in 2013, focused on identifying the factors that facilitate the implementation of principles of responsible business actions. This included topics such as corporate social responsibility, environmental protection, human rights and labour, inclusive business and social investment. The workshop adopted the Ahmedabad Charter for sustainable business. The Task Force is now disseminating the Charter to member States, in an effort to garner further support.

17. Under the Young Business Leaders Programme, the Task Force seeks to promote social enterprise through an Internet-based seminar, to be held in 2015. The Task Force has prepared a brochure on socially responsible business. The Task Force is also developing a market development programme aimed at helping export-oriented small and medium-sized enterprises in the region. Thus far, the Task Force has helped develop SMARTEX, a website designed to showcase Vietnamese companies and to connect them to sources of information and with other companies with which they can do business. SMARTEX is currently trying to develop the programme in six sectors in Viet Nam.

C. Task Force on Disaster Risk Reduction

18. Formerly known as the Task Force on Inclusive and Sustainable Trade and Investment, the Task Force on Disaster Risk Reduction promotes responsible business practices to manage and reduce risks associated with man-made and natural disasters. The Information and Communications Technology and Disaster Risk Reduction Division primarily provides most of the backstopping for the Task Force. The Task Force prepared a ten-point reform proposal to address unsafe working environments and to avoid further disasters, such as the Rana Plaza incident in Bangladesh. The proposals include the classification and review of existing tier one and two suppliers; an urgent audit of all factories; movement of highly unsafe factories into the ready-made garments zone; provision of financing for factory reforms; and linkage of efficiency and productivity to wage increases. The Task Force participated in the Business Initiative Leading Development, which was launched by the Prime Minister of Bangladesh and financially supported by the International Finance Corporation and the Department for International Development of the United Kingdom. Three chambers of commerce, a taxation working committee, a small and medium-sized enterprise development committee, a financial sector reform committee and a trade and investment committee of Bangladesh were involved in this initiative.

19. The Task Force is currently active in promoting the Sendai Framework for Disaster Risk Reduction, which was adopted by the Third United Nations World Conference on Disaster Risk Reduction, which was held in Sendai, Japan, from 14 to 18 March 2015.² The Task Force organized a round-table discussion on disaster resilience, which was held in Bangkok in May 2015, to gather recommendations for the Task Force's activities and on how businesses could adapt to the Sendai Framework and help it to be successful. The Task Force plans to hold a series of workshops across the region, starting in Bangladesh in late 2015, to inform the private sector about the Sendai Framework and about increasing resilience to disasters.

D. Task Force on Banking and Finance

20. The Task Force on Banking and Finance aims to promote the adoption of responsible and sustainable business practices by banks and financial institutions and to engage them as partners in achieving sustainable development. It is backstopped by the Trade and Investment Division, though an increasing role for the Macroeconomic Policy and Development Division is envisaged in the future.

21. The main output of the Task Force has been the publication *The 3Cs for Responsible Banking in Asia and the Pacific: Corporate Governance, Corporate Social Responsibility and Corporate Sustainability*. The purpose of the publication is to identify best practices, raise awareness and promote advocacy for responsible banking and finance. The Task Force organized a seminar in cooperation with and hosted by KPMG in Hong Kong, China, on 7 May 2015 about the 3Cs and intends to organize similar seminars in other countries in the region.

E. Task Force on Digital Economy

22. The Task Force on Digital Economy, formerly known as the Task Force on Regional Integration and Connectivity, is backstopped by the Trade and Investment Division and increasingly by the Information and Communications Technology and Disaster Risk Reduction Division. The Task Force focuses on enhancing the competitiveness and connectivity of member States of ESCAP and small and medium-sized enterprises in the region, including through the development of national, regional and interregional value chains and through information and communications technology, online platforms and other digital technologies.

23. The Task Force launched the online Myanmar SME Link platform to link small and medium-sized enterprises in Myanmar with overseas investors. The platform is currently being restructured and updated with new software. The next step is to expand it to other countries in the region.

24. The Task Force plans to assist selected support associations for small and medium-sized enterprises in Thailand to enhance their efficiency in using emerging technologies. It also intends to prepare a white paper on the digital divide for small and medium-sized enterprises, examining why some have succeeded in harnessing emerging technologies and others have not.

² General Assembly resolution 69/283, annex II.

F. Task Force on Trade and Transport Facilitation

25. The thematic focus of the Task Force on Trade and Transport Facilitation is on promoting trade and transport facilitation among member States of ESCAP. The Task Force is backstopped by the Trade and Investment Division in cooperation with the Transport Division. The Task Force is raising awareness and promoting the adoption by member States of ESCAP of the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention).³ The Task Force has completed a study on the accession of Pakistan to the TIR Convention and is planning to organize workshops on this issue. The Task Force is working with the International Road Transport Union to develop a new report to be published later in 2015 on the benefits of the TIR Convention.

G. Task Force on Innovation and Competitiveness

26. The Task Force on Innovation and Competitiveness, which is backstopped by the Trade and Investment Division, was recently established in response to the Commission's attention to the issues of science, technology and innovation for sustainable development. Its thematic focus is on improving innovation, design and technology transfer and development of enterprises, with a focus on small and medium-sized enterprises.

27. The Task Force plans to identify intellectual property issues that affect cross-border trade and investment. There are also plans to launch a free e-platform where users can upload information about challenges they face while other users can submit possible solutions, thus encouraging cross-pollination of ideas. The Task Force also plans to publish a white paper on best practices regarding intellectual property.

IV. Asia-Pacific Business Forum

A. Purpose and role

28. The Asia-Pacific Business Forum is the largest of the three modalities for engaging the business sector. The Forum has been organized by the Trade and Investment Division annually in collaboration with the Commission's other substantive divisions⁴ for 12 years in a row (2004-2015). The Forum is an important modality for consultations with the private sector and other relevant stakeholders on business-related policy issues of importance to Asia and the Pacific, increasingly with a focus on sustainable development and regional connectivity issues. It is the first and only region-wide multi-stakeholder forum with the participation of business representatives, Government officials and representatives of international agencies, civil society organizations and academia that aims to establish and strengthen a solid and meaningful network among stakeholders. The Forum normally attracts 200 to 500 participants, including the members of the Council and the Network and the public at large.

³ United Nations, *Treaty Series*, vol. 1079, No. 16510.

⁴ In the past, the Environment and Development Division, the Information and Communications Technology and Disaster Risk Reduction Division, the Social Development Division and the Transport Division provided technical expertise for the sessions of the Forum and helped organize various sessions.

29. From 2004 to 2008, five annual sessions of the Forum were organized as a side event to the Commission session. In 2009, the Forum was decoupled from the Commission session and held separately a few months before it with the intention to provide substantive inputs to the Commission session. In 2010, it was totally separated from the Commission session and held one month after the Commission session as an independent activity. During the second Asia-Pacific Trade and Investment Week, the 2011 Forum was held as a main event, back-to-back with the session of the Committee.⁵ In 2012 and 2014 it was hosted abroad in Kuala Lumpur and Colombo, respectively. In 2013, it was supposed to be held in Sydney, Australia, but due to logistical issues it was brought back to Bangkok.

B. Achievements and challenges

30. The Forum has been successful in many aspects. For example, a substantial number of stakeholders from business, government, academia and civil society throughout the region and many high-level speakers have been participating in the Forum. Also it has facilitated multi-stakeholder dialogues on key issues of relevance to business in the region, including a pro-business environment, global value chains, South-South investment, corporate social responsibility, energy security, regional connectivity, health care and climate change, resulting in a number of useful recommendations for future policy formulation in the region.

31. It is noteworthy that the Forums organized in 2005, 2008 and 2011 were highly successful events in terms of depth of discussion as well as the usefulness of recommendations. This was most likely due to the fact that the Trade and Investment Division organized them with a focus on topics on which the Division has expertise. The topics, such as a pro-business environment, corporate social responsibility and business connectivity, were selected by the Division in collaboration with other substantive divisions of ESCAP and the Council.

32. However, since its launch in 2004, the Forum often has been an event with well-known public figures discussing issues at a general level rather than stakeholders and experts focusing on critical policy matters to produce specific recommendations for policymakers. It is unclear to what extent Governments have actually acted on those recommendations. It is therefore important to forge more effective linkages between the Forum and the formal policy formulation process.

33. The Forum would also benefit from additional funding, in particular for outreach and marketing, which would enhance impact and levels of participation, in particular from businesses outside the host country. Often, the expectations that representatives from local businesses would meet with representatives from foreign businesses were not always fully met, although at the 2011 Forum held in Thailand, nearly 60 per cent of participants were from outside the host country thanks to the networks of Council members and aggressive marketing by the Division.

⁵ Business forums other than the Asia-Pacific Business Forum were also organized by the Transport Division and the Environment and Development Division as side events to the Ministerial Conference on Transport (2006) and the Ministerial Conference on Environment and Development (2005; 2010).

34. The preparations for the yearly Forum are very labour-intensive, requiring substantial staff time, especially among those working in the Division. In this regard, enhanced efforts need to be taken to ascertain the involvement of reliable partners and sponsors.

V. The way forward

35. The Council, the Network and the Forum have evolved as important modalities for ESCAP to engage with the private sector. Though the Division has taken the lead in backstopping for these modalities, other divisions have assumed increased backstopping responsibilities for the Network task forces active in their respective areas. Other divisions also are increasingly participating in and giving presentations at Council sessions and receiving feedback.

36. The Executive Secretary of ESCAP, who has opened the most recent Council sessions held in Bangkok as Co-Chair, requested that the level of business representation on the Council, its visibility and its impact be enhanced. As a result, the Council adopted a set of revised guidelines and criteria for Council and Network membership, which are annexed to the present document. As mentioned earlier, the Council should be representative of the business sector in the Asia-Pacific region, both geographically and sectorally, but should also give a voice to the massive small and medium-sized enterprises sector, which, in most cases, accounts for well over 90 per cent of the business sector in all countries. However, given the importance of big businesses and their supply chains for the economic and sustainable development of the region, the establishment of a small group of chief executive officers or high-level representatives from leading corporations in the region to advise the Executive Secretary is currently under consideration.

37. It is important for the Council to be more visible in ESCAP intergovernmental processes to allow the business sector to be heard. While the Council has routinely made a statement at the annual Commission session, such statements are normally made at the senior officials meeting and are not fully reflected in the report on the Commission session. It is recommended that the Commission accord some time at its session to reviewing an annual report of the Council and the Network. The Council, however, plays a more active role in the annual Asia-Pacific Forum on Sustainable Development and the Committee meeting. The Council's role could be further expanded at the sessions of other ESCAP Committees and at intergovernmental and ministerial meetings, in particular when such meetings address issues which are aligned with business interests. Generally, Council members are committed to the cause of sustainable development, understand the role business plays in this regard and are ready to work and consult with Governments and other stakeholders to advance a common agenda based on mutual understanding and appreciation.

38. The Network is growing steadily and is active through its task forces. The task forces will continue to move beyond providing advisory services and expand into other activities, including publishing papers, organizing workshops and awareness-raising events, and establishing online platforms. It is hoped that member States of ESCAP will provide their full support to the Network's activities, as these do not normally entail costs to the secretariat apart from the staff time required to provide administrative and logistical support, and this kind of network is rather unique in the United Nations system.

39. Of the three modalities, the Asia-Pacific Business Forum requires the most attention to ensure that the costs involved in its organization justify the benefits. Given the relatively large number of high-profile business forums in the region, the Asia-Pacific Business Forum needs to find its own niche to be visible and add value. Sustainability could be this niche; for example the Forum could address the role and needs of businesses in achieving the sustainable development goals and the post-2015 development agenda. Though various other business forums that address sustainability and corporate social responsibility exist in the region, the Forum is the only body involving the whole Asia-Pacific region as a multi-stakeholder forum. It is envisaged that the Forum will evolve as the annual apex body of the Network in due time. While ideally the Forum could offer businesses matchmaking opportunities, in practice this has proved challenging for an organization such as ESCAP. The Forum was and is meant to be a platform for multi-stakeholder discussion on sustainable development issues and the role of business in this regard. However, without a stronger business dimension it is challenging to attract the wider business interests in the region.

40. While the Forum has been hosted in various locations outside Thailand, these events have had a mixed track record. Often, host organizations are not aware of the associated costs. For example, costs to ESCAP are high due to the need for preparatory and consultation missions, travel of staff to the Forum itself and the need to prepare host country agreements, which take a lot of time and are not always duly concluded or implemented. The Forum is by far most visible when organized in Bangkok, in particular as part of the Asia-Pacific Trade and Investment Week, when government participation is also guaranteed. It has not proved very productive to organize the Forum in conjunction with the Commission session as there is normally not sufficient time as the session is held for five days and the Forum requires at least one full day, the country delegations to the session are not normally from business-related government entities or ministries, and the issues discussed at the Commission session are not always of interest to or require inputs from business. The organization of the Forum in conjunction with more focused intergovernmental meetings would therefore be more appropriate. In this regard, ESCAP organized a successful business forum in collaboration with the Council at the Asian and Pacific Energy Forum in Vladivostok, Russian Federation, in May 2013. This was made possible as a result of generous funding made available by the host country Government. Subject to available funding, the organization of similar business forums back-to-back or as part of ministerial conferences or other important intergovernmental meetings addressing a specific topic could be explored.

41. Resource mobilization from the business sector can and should be sought, but this is not a simple or straightforward process. The private business sector is normally not keen on complying with some United Nations rules and procedures, which are often considered cumbersome or excessive, such as the payment of a 13 per cent-programme support (overhead) cost. Private businesses also tend to be hesitant to contribute to trust funds and capacity-development projects in which their individual recognition as a donor or sponsor is reduced. Businesses also want due recognition for their contributions through advertising of their name, products and logos during sponsored events. Currently, an internal process to provide clarity on the rules of engagement with the business sector, in particular with regard to fundraising and allowed modalities for recognition given to businesses, is still ongoing.

VI. Issues for consideration by the Committee

42. The Executive Secretary is currently reviewing the secretariat's engagement with the business sector with a view to making such engagement more effective. In this regard and with reference to the issues presented in this note, the Committee is invited to provide comments and, in particular, consider:

(a) Ways and means to enhance the voice and contribution of the business sector in intergovernmental processes under ESCAP, including consideration by the Commission of reports of the Council and the Forum;

(b) Specific ways and means for ESCAP to effectively engage the business sector in sustainable development.

Annex

Terms of Reference for the ESCAP Business Advisory Council and the ESCAP Sustainable Business Network

Section 1

ESCAP Business Advisory Council (EBAC)

A. Roles and functions

(1) Provide business perspectives on development issues in the Asia-Pacific region to Governments as represented in the legislative bodies of ESCAP, in particular (but not limited to) the Committee on Trade and Investment and the Commission.

(2) Provide advice to the ESCAP secretariat on its programmes and projects.

(3) Assume ownership and determine the strategic direction of the Asia-Pacific Business Forum (APBF).

(a) Select and decide on the theme and topics to be covered by APBF sessions reflecting the role of business in addressing critical policy issues in the region in support of inclusive, resilient and sustainable development.

(b) Ensure high quality of speakers and participants in each session of the APBF and assume the role of panellists and/or moderators in APBF sessions wherever possible.

(c) Provide overall logistical, hospitality and financial support wherever possible to APBF.

(4) Foster ESCAP Sustainable Business Network (ESBN) as an “incubator”.

B. Membership

The guidelines, criteria, rights, obligations and other features of membership of EBAC are contained in section 3 of the present document.

EBAC will establish a three-to-five-member Committee on Membership. This Committee considers the nomination of new members on the basis of inputs from individual EBAC members and the EBAC secretariat and advises the Chair of EBAC to invite new members. The Committee on Membership also proposes termination of membership to the Chair based on advice provided by the EBAC secretariat.

C. EBAC Board

EBAC will have a Board that consists of a Chair and Vice-Chair. EBAC will elect its Chair and Vice-Chair from its membership every two years at a regular meeting of EBAC. The Chair and Vice-Chair provide the necessary technical and coordinating support to EBAC and its secretariat and chair all regular meetings of EBAC. The Chair becomes Honorary Chair (for a period of two years) after his/her term expires. All EBAC sessions are co-chaired by the ESCAP Executive Secretary or Deputy Executive Secretary

(or, in their absence, Director of the Trade and Investment Division or director of another substantive division or their designated representative).

D. Management and strategic direction of the Sustainable Business Network

EBAC will set up and provide overall management and guidance to the ESCAP Sustainable Business Network (ESBN). Within the context of ESBN, EBAC will establish ad-hoc sectoral task forces on important current topics with a limited duration to review and research various issues and undertake policy advocacy, dialogues and capacity-building activities within the context of achieving sustainable development as specified by the Sustainable Development Goals. As an interim arrangement until ESBN reaches a certain level of maturity and membership, the progress of sectoral task forces will be reported back to EBAC at its regular meetings.

E. Secretariat

The Trade and Investment Division of ESCAP serves as secretariat to EBAC and ESBN. The secretariat will maintain and update a dedicated web page of EBAC and ESBN under the ESCAP website: ebac.unescap.org and esbn.unescap.org.

F. Venue and frequency of meeting

EBAC will meet in principle twice a year, preferably in Bangkok back-to-back with a legislative body of ESCAP, in principle the Commission and one Committee, such as the Committee on Trade and Investment or APBF. Meetings may be held outside Bangkok subject to the availability of co-sponsorship and funding from EBAC or a local host. Between meetings, discussions among members will take place through email and conference calls.

G. Financing

The cost of operations of the EBAC secretariat is borne by ESCAP. EBAC members attend EBAC meetings at their own cost and are fully responsible for bearing the costs of organizing substantive activities within the context of ESBN.

Section 2

ESCAP Sustainable Business Network (ESBN)

A. Roles and functions

The ESCAP Sustainable Business Network (ESBN) was set up by EBAC to promote the active engagement of the business sector in addressing the issues of sustainable and inclusive development in the Asia-Pacific region based on the three sustainability pillars: namely (1) economic pillar, which referred to all aspects of the need for sustained economic growth; (2) environment pillar, which referred to environmental protection and development; and (3) social pillar, which describes the need for poverty reduction and enhanced development of local communities and disadvantaged social groups.

The role of the ESBN is to promote and nurture the concept of inclusive, resilient and sustainable business in the context of environmental sustainability and social inclusiveness in the Asia-Pacific region.

ESBN shall undertake the following roles and functions:

1. Mobilize the business sector in the region across sectors and countries as an active actor in promoting inclusive and sustainable development.
2. Act as a force of change for businesses in the Asia-Pacific region through highlighting the need for businesses to: (a) adopt responsible and sustainable business practices based on existing global CSR instruments such as the Global Compact, Global Reporting Initiative, OECD Guidelines for Multinational Enterprises and ISO 26000; (b) adopt monitoring and evaluation procedures for implementing these practices and duly report on progress; (c) engage actively in social and impact investments or, at a minimum, consider the environmental and social impacts of their investment decisions; (d) generally engage actively in promoting inclusive, resilient and sustainable development through public-private partnerships and providing funding or co-financing for development projects, including humanitarian and disaster relief assistance.
3. Be a dialogue partner with Governments and voice the perspectives of the business sector on inclusive and sustainable development issues with particular reference to discussing with Governments the requirements for an enabling policy environment for the adoption, practice and implementation of corporate sustainability.
4. Promote cooperation among businesses and facilitate exchange of knowledge, ideas and experiences across borders among businesses to identify best practices in adopting responsible and sustainable business practices and global instruments and engaging in social/impact investments.
5. Assist in resolving issues in the sustainable and inclusive development of micro, small and medium-sized enterprises (MSME) in the Asia-Pacific region, in particular in the supply chains of ESNB members.
6. Contribute to the extent possible to ESCAP organized or sponsored conferences, meetings and events related to sustainability, in particular (but not exclusively) the Asia-Pacific Business Forum (APBF) and its special events, in the form of providing speakers or papers on pertinent issues reflecting the business perspective, recommendations and best practices.
7. Set up task forces led by EBAC members to focus on specific issues of sustainable and inclusive development in key areas of interest as decided by EBAC.

B. Membership

Membership of ESNB shall comprise EBAC members, ESNB members and advisors. EBAC members will be automatically ESNB members and may join specific task forces at the invitation of the Chair of the relevant task forces. The guidelines, criteria, rights and obligations of ESNB members and advisors are contained in section 3 of the present document.

C. ESNB Task Forces

1. The functions and tasks of ESNB shall be carried out through designated ad-hoc task forces. EBAC may form task forces within ESNB on

important current topics to review various issues and propose actionable options, including dialogues and capacity-building activities. Such activities could be conducted at any time of the year with involvement of selected members of the task force. The progress of task forces will be reported back to EBAC and EBAC secretariat.

2. Task forces shall consist of EBAC members and ESNB members from the business community and non-governmental organizations active in the area of business and development in the Asia-Pacific region.

3. EBAC elects the Chair of each ESNB task force from its members who are serving in or assigned to the task force for a two-year term at regular meetings of EBAC. The Chair of each task force provides the necessary technical and coordinating support to the task force, EBAC and EBAC secretariat.

4. The roles and functions outlined above for the ESNB automatically apply to the task forces under the ESNB in their respective focus areas. Task forces are to conduct policy dialogues, organize capacity-building workshops, hold networking events, provide speakers and/or participate at their own cost in selected ESCAP/EBAC meetings related to their respective areas, as well as facilitate research in their areas of focus. They would also play important roles in organizing sessions/panels/round-table discussions in the APBF. An ESNB task force on preparations for APBF may be established consisting of existing ESNB members.

5. EBAC task force Chairs are to recruit and mobilize ESNB members who will be the members of their task forces. They will strive, in principle, to achieve gender and geographical balance in the task force membership.

6. The details of the present task forces are summarized in the annex contained in this document.

D. Secretariat

ESCAP's substantive Divisions serve as secretariat to the ESNB and its task forces with the Trade and Investment Division providing overall coordinating support as the EBAC secretariat.

The EBAC/ESNB secretariat will maintain an interactive ESNB website for the time being as part of the EBAC website in order to maintain the knowledge and activities of ESNB in the public domain and enable members to engage in moderated public dialogue on pertinent issues, be informed of upcoming activities and relevant studies and publications, and have access to other available relevant information on responsible business practices and corporate sustainability: esbn.unescap.org.

E. Venue and frequency of meeting

By default and for the time being the EBAC meetings and venues will be ESNB meetings and venues. Between sessions, discussions among members will take place through email, an online collaboration platform on the ESNB website, social media and conference calls.

F. Financing

The cost of operations of the EBAC/ESNB secretariat is borne by ESCAP. ESNB members attend ESNB sessions and participate in task force

activities at their own cost. In order to recuperate the costs of capacity-building activities they organize, participants in such activities may be required to cover their own participation costs related to travel and accommodation. However, no additional fees for participation shall be charged.

Section 3

Guidelines, conditions and criteria for EBAC and EBAC/SBN membership

A. Membership of EBAC

1. EBAC members shall meet the following qualifications and conditions:

(a) They are Chief Executive Officer, President, Chairman or Vice-Chairman of the Board, or managing director or senior representative of a registered company operating legally in at least one ESCAP member state, or

(b) They are managing director or senior representative of a regional, subregional or national subsidiary of a global or regional Multinational Enterprise (MNE) operating in the ESCAP region, or

(c) They are the head or director of a department of an MNE or large company specially set up to undertake CSR activities or ensure corporate sustainability, or

(d) They are the President, Chairman or senior representative of a national, subregional or regional chamber of commerce and industry or other private sector representative institution, or

(e) They are the CEO, President, managing director, or senior representative of a registered company recognized as a small or medium-sized enterprise (SME) which is part of a regional value chain and/or employs 50-500 people directly or indirectly, and

(f) They represent a company or business-related entity that has met United Nations due diligence requirements and is or aspires to become a UN Global Compact Member.

2. Representatives of non-business, non-governmental organizations or non-profit private sector organizations can be considered for EBAC membership on an exceptional basis provided that they are the managing director, President, CEO or Chairman or Vice-Chairman of the Board of a well-known national, subregional or regional non-governmental entity or public-private partnership which undertakes activities aimed at promoting sustainable development with business involvement or promoting responsible/sustainable business, including social enterprise and investment.

3. Representatives of both private and public business entities are eligible, in principle, for EBAC membership. Representatives of public sector business entities are only eligible for EBAC membership (apart from fulfilling the conditions laid out in the articles above) if their business is for profit and operates on market economic principles.

4. EBAC member candidates will be screened by the EBAC secretariat, which will make a recommendation to the EBAC Membership Committee.

The EBAC Membership Committee will review and consider the recommendation and make a decision on accepting the membership application for approval by EBAC at its next meeting.

5. Individuals are eligible for EBAC membership upon the recommendation of (a) the EBAC secretariat; (b) an EBAC member; (c) Government of an ESCAP member State or associate member State; or upon application. The secretariat and EBAC Membership Committee, in reviewing the recommendation or application for membership, shall apply membership conditions and criteria as set out in articles 1-4 of this document.

6. Members of the ESNB task forces who are not EBAC members may become members of EBAC upon the recommendation of (a) the EBAC secretariat; (b) an EBAC member; (c) Government of an ESCAP member State or associate member State; or upon application of the member. Typically, such members shall have demonstrated active participation in or contribution to the activities of at least one SBN Task Force for at least one year before their membership in EBAC can be considered.

7. While there is no strict limit to the number of EBAC members, the target limit is set at 50 members. New members beyond this target will be admitted on an exceptional basis if it can be demonstrated that they are well-known influential businesspersons or representatives who are willing to contribute to EBAC or ESNB, either financially or in kind.

8. Priority for EBAC membership will be given to: (a) citizens of countries not yet or underrepresented on EBAC; (b) women; (c) representatives of private sector; (d) ESNB members.

9. EBAC members agree to (a) undertake all activities within the context of the terms of reference as contained in section 1 of this document; (b) undertake all such activities at their own cost; (b) fully participate in and/or contribute, financially or in kind, to the annual APBF; (c) promote and implement the values and principles of the United Nations; (d) submit a brief annual report to the EBAC secretariat on their activities under article 9 (a) to (c).

10. EBAC members who have been considered by either the EBAC secretariat or EBAC Chair or Vice-Chair to have been inactive for two years or have ceased to meet the criteria of membership as set forth in this document shall be considered for termination of membership by EBAC.

11. EBAC members are admitted in principle for an initial period of three years which is renewable by another period of three years. After the maximum of 6 years of EBAC membership, EBAC members are free to continue as SBN members for an unlimited period. In exceptional cases and upon the recommendation of EBAC or the secretariat, particularly active EBAC members can extend the period of their membership beyond the maximum period of 6 years.

B. Membership and advisers of ESNB

12. SBN members shall meet the following qualifications and conditions:

(a) They represent a registered company operating legally in one or more ESCAP member States, or

(b) They represent a regional, subregional or national chamber of commerce and industry or other private sector representative institution, or

(c) They represent a company or business-related entity that has fulfilled United Nations due diligence criteria, and

(d) They are either UN Global Compact members or strive to become a member.

13. Representatives of non-business, non-governmental organizations or non-profit private sector organizations can be considered for SBN membership on an exceptional basis provided that they represent an officially recognized national, subregional or regional non-governmental entity or public-private partnership which undertakes activities aimed at promoting sustainable development with business involvement or promoting responsible/sustainable business, including social enterprise and investment.

14. Representatives of both private and public business entities are eligible, in principle, for SBN membership. Representatives of public sector business entities are only eligible for SBN membership (apart from fulfilling the conditions laid out in the articles above) if their business is for profit and operates on market economic principles.

15. SBN members can apply to become members of EBAC upon the recommendation of (a) the EBAC secretariat; (b) an EBAC member; (c) Government of an ESCAP member State or associate member State; or upon application of the member. Application for EBAC membership can be submitted through a communication of the applicant to the EBAC secretariat via official letter, fax or email. The EBAC secretariat, in reviewing the application, shall apply EBAC membership conditions and criteria as set out in the relevant articles of this document. Typically, SBN members shall have demonstrated active participation in or contribution to the activities of at least one SBN Task Force for at least one year before their full membership in EBAC can be considered. The EBAC Membership Committee shall review the application or recommendation and make a final decision on accepting or rejecting the application or recommendation for approval by the next EBAC regular session.

16. SBN member candidates shall be screened by the EBAC secretariat. They shall not be reviewed by the EBAC Membership Committee. ESNB members are not automatically EBAC members but are eligible for EBAC membership in accordance with the provisions of article 15.

17. The limit to the number of ESNB members is in principle 200 (8 task forces x maximum 25 members per task force). There shall be no limit to the period of ESNB membership.

18. ESNB members agree to (a) undertake all activities within the framework of the terms of reference as contained in section 2 of this document and at their own cost; (b) fully participate in and/or contribute, financially or in kind to the annual APBF; (c) promote and implement the values and principles of the United Nations; (d) submit a brief annual report to the EBAC secretariat on their activities under article 18 (a) to (c). Common members who fail to comply with the provisions of this article for two consecutive years will be requested to terminate their membership.

19. ESNB members shall be required to actively participate in the activities of one or more ESNB task forces. Task Force Chairs may terminate membership of a particular ESNB member in his/her task force normally on the basis of failure of the member to participate in the activities of the task force, non-performance or disruptive behaviour.

20. For as long as EBAC and ESNB sessions will be held in an integrated manner, ESNB members will be permitted to attend EBAC sessions. Both EBAC and ESNB members will meet annually within the framework of the Asia-Pacific Business Forum.

21. ESNB Task Force Chairs shall be free to appoint advisers to their task forces as they see fit. Such advisers need to represent entities which are working in the area covered by the particular Task Force and need not be, strictly speaking, from the private sector. Such advisers shall be appointed on an ad-hoc basis for a limited time period and shall not constitute EBAC members or ESNB members. The total number of advisers in each task force should ideally not exceed five. Advisers may attend EBAC meetings only on the invitation of ESNB Task Force Chairs on an exceptional basis.

Section 4

Miscellaneous and interim provisions

1. The EBAC/ESNB secretariat shall strive to expand ESNB and to evolve EBAC and ESNB as separate entities in line with their present terms of reference. For the time being, the EBAC Board (Chair and Vice-Chair) shall function as the Board of ESNB and ESNB task force Chairs shall submit brief reports to EBAC meetings on the activities and results of their respective task forces. In due time, full reports shall be made at annual ESNB summit meetings as part of the APBF.

2. ESNB task forces shall not ideally exceed 8 in number. Each task force shall not have more than 25 members. Members of ESNB task forces shall comprise EBAC members, SBN members and SBN advisers. Each ESNB task force shall be chaired by an EBAC member in principle, or an ESNB member on an exceptional basis.

3. When ESNB reaches a critical mass of 100 members (including members of EBAC), an annual plenary session of ESNB shall be held as an integral part of the APBF.

4. The issuance of EBAC membership and ESNB membership cards or other tangible proof of such membership shall be developed in due course for all EBAC and ESNB members and advisers. The rights and obligations associated with EBAC and ESNB membership shall be further developed by the EBAC secretariat and adopted by EBAC as and when appropriate.

5. The annual reports to be submitted by all EBAC and ESNB members (as set forth in articles 9 and 18 of section 3) shall be prepared in accordance with a format to be distributed by the EBAC secretariat in due time. These reports shall be short and to the point, not exceeding 5 pages.

6. The provisions laid out in this document shall apply as of 1 June 2015 until further notice.

7. This document will be reviewed and amended when deemed necessary. Proposals for amendments can be made by: (a) the EBAC secretariat; or (b) an EBAC member. The revised document will be reviewed, considered and adopted by the next scheduled EBAC meeting.

Adopted by EBAC at its 9th meeting on 19 May 2015 in Bangkok, Thailand