

## Establishment of UN-FBN Global Initiative

### FAMILY BUSINESS FOR SUSTAINABLE DEVELOPMENT (FBSD)

#### *Framework*

##### **Introduction**

UNCTAD and Family Business International (FBN) held a series of meetings and teleconferences as from July 2019 at the Palais des Nations to strategize the partnership between the two organizations. The discussion focused on the development of a joint global initiative to promote sustainable development through family businesses worldwide. The two organizations agreed on the core elements of the framework and implementation strategy for the joint global initiative. Both sides committed to devoting efforts and resource to the joint initiative in the years ahead.

The current concept note is prepared by UNCTAD based on the discussions of the strategic meetings and teleconferences.

##### **UN-FBN Global Initiative: Family Business for Sustainable Development (FBSD)**

###### **A. Objective of the Initiative**

The overall objective of the joint global initiative is to provide family businesses worldwide with ways and means to integrate sustainability into their conventional business models, therefore contributing to global sustainable development and inclusive growth, as well as prosperity of family business.

###### **B. Package of deliverables**

The framework of the joint global initiative will have three major components: 1) Family Business Sustainability Pledge 2030, 2) Sustainability Indicators for Family Business, 3) FBSD Capacity-Building Programme. The framework and its key components will be supported by WIF-FBN Platforms and an institutional setup.

###### **C. Framework**

###### *1) Family Business Sustainability Pledge 2030*

UNCTAD and FBN will jointly draft a global statement called “Family Business Sustainability Pledge 2030” (FBSP2030)<sup>1</sup>. UNCTAD’s collaboration in drafting and endorsing the pledge statement will add to global recognition and credibility. The FBSP2030 will consist of several guiding principles and the annotations to the principles.

The FBSP2030 should be:

- In line with the Sustainable Development Goals (SDGs) and based on the experience and lessons learnt from the implementation of the existing pledging statement;
- Assertive and prescriptive in its vision and strategy, as well as actionable and deliverable in advancing the sustainability drive amongst family businesses;

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<sup>1</sup> UNCTAD’s collaboration in drafting and endorsing the pledge statement adds to global recognition and credibility.

- Succinct -- no more than two pages for the entire FBSP2030.

In the formulation and implementation of the FBSP2030, we will ensure an inclusive approach to engage all family business actors (i.e. the global network, national chapters, family businesses of all sizes, geographic location and owners of all ages). Furthermore, subscribing to the pledge could initially be aspirational for family businesses but offer an ambitious buy-in option down the road.

### 2) *Sustainability Indicators for Family Business (SIFB)*

The Sustainability Indicators for Family Business (SIFB) will provide guidance for the implementation and reporting by individual companies within the FBN, as well as a benchmark for overall assessment of the results and impact of the FBSP2030. It helps commit signatories to champion a more transparent sustainability path that can be measured and reported.

The SIFB should be:

- An indication of the sustainability performance of companies in the FBN;
- Built on UNCTAD indicators for corporate reporting on SDG contribution<sup>2</sup>, with reference to the other relevant indicators;
- Incorporating elements of both environmental, social and corporate governance (ESG) performance and investment in SDGs (corporate responsibility and development contribution);
- Comparable, as well as flexible by using sub-indices to take into account different company categories such as size, industrial sector and geographic location.

The SIFB can serve as an effective instrument for positive peer pressure and peer learning. Reward mechanisms could be introduced for good performance, e.g. awards for different categories (e.g. best report for large and small firms, recognition of progress, Next Gen initiative award, etc.). A high-level FBN-UNCTAD award ceremony and publication of rankings in a global public forum could be organized.

In the long run, FBN could consider certification as an option.

### 3) *Capacity-Building Programme*

UNCTAD and FBN will establish a joint capacity-building programme for the implementation of the FBSD initiative. The programme will aim at providing technical assistance to the FBN constituents, including its national associations, regional chapters and individual members, particularly SME family business groups.

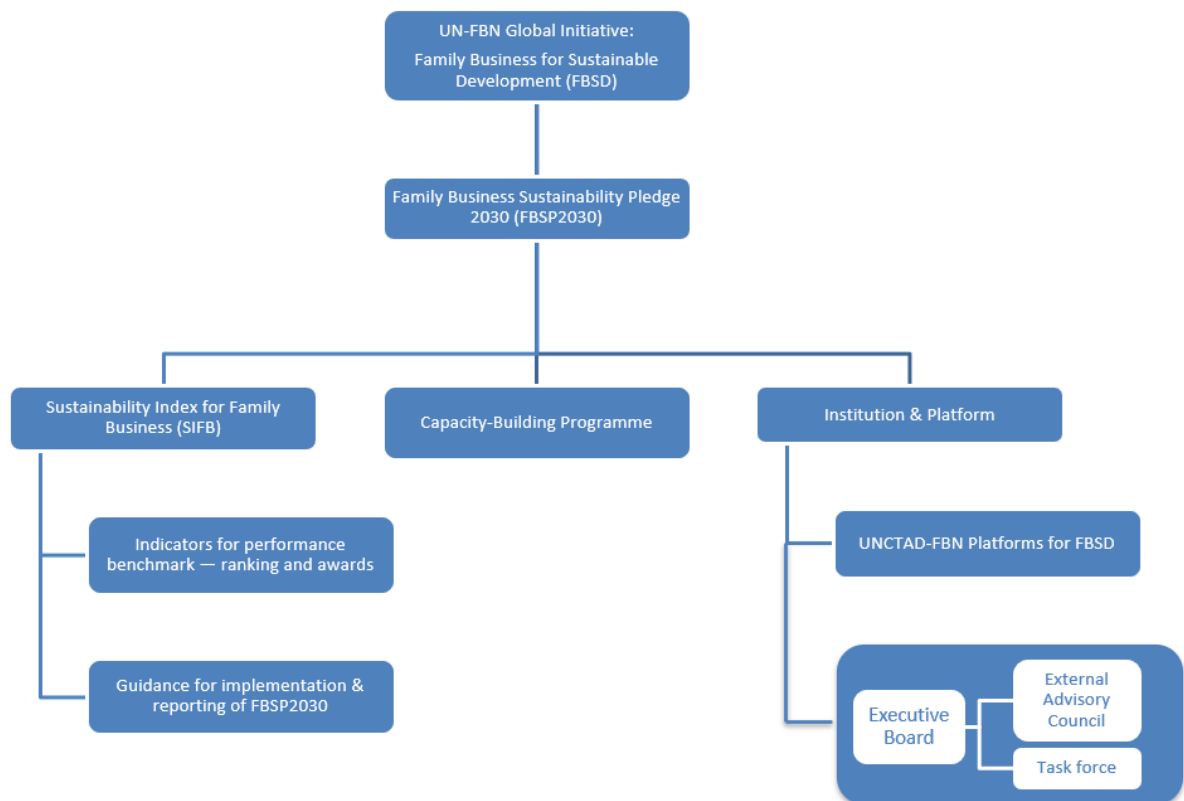
- Assistance to these key constituents of FBN can be provided through written guidance, workshops, webinars and meetings in partnership with thematic experts, or through other ad-hoc assistance in sharing best practices, connecting partners and providing examples from other private sector participants such as UN Sustainable Stock Exchanges and publicly listed companies.

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<sup>2</sup> UNCTAD *Guidance on Core Indicators for Entity Reporting on Contribution towards Implementation of the Sustainable Development Goals 2019*.

- *Polaris Game 2.0* is an important instrument in advancing the sustainability agenda. Understanding that real change comes from a change in mindsets and appreciation of self-management, FBN and UNCTAD will work together to develop *Polaris Game 2.0* – a fun mobile application to engage all members of the family business community – improving their understanding of the SDGs and the changes they could make in their personal and professional life to keep the home in good shape for generations to come.

#### D. Institutional setup and platforms of the UN-FBN FBSD



##### 1) *Institutional Setup*

To be effective in implementing the joint global initiative FBSD, we envisage the following institutional arrangement:

- Executive Board (with senior members of both organizations)
- External Advisory Council (with eminent experts and eminent members of the FBN)
- Task force (consists of key staff and subject experts)

2) UNCTAD-FBN Platforms for FBSD

- UNCTAD will provide its global multi-stakeholder platforms such as the World Investment Forum (WIF), as well as its intergovernmental machinery, comprising of over 190 countries, to publicize the FBSD Initiative and disseminate best practices of FBN in promoting sustainable development.
- UNCTAD will disseminate findings of the joint work to a wider investment community and impact investing networks to promote financing for sustainable development related business opportunities (including access to finance by SME family business).
- UNCTAD will provide policy advocacy and policy advisory services to governments for creating a conducive regulatory environment for sustainable family businesses.
- FBN will use its global conference and networking events to reach out to its members and national associations worldwide to implement FBSP2030.

**Signed 6 December 2019 at the Palais des Nations in Geneva, Switzerland.**

For FBN

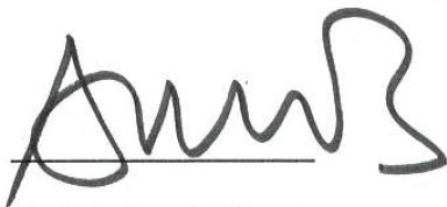


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For UNCTAD



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