Environmental Audit Committee

Oral evidence: Sustainable development goals, HC 452

Wednesday 19 November 2014

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Written evidence from witnesses:

– Christian Aid

– WWF

– Fairtrade Foundation

– Unilever

– NUS

Watch the meeting

Members present: Dr Alan Whitehead (in the Chair), Peter Aldous, Caroline Lucas, Dr Matthew Offord, Mrs Caroline Spelman, Simon Wright

Questions 89–129

Witnesses: **Andrew Scott**, Research Fellow, Climate and Environment Programme, Overseas Development Institute, **Helen Dennis**, Senior Advisor, Poverty and Inequality, Christian Aid, and **Dominic White**, Head of International Development Policy, World Wildlife Fund UK, gave evidence.

Q89 Chair: Good afternoon. Welcome to our Committee hearing and thank you for coming along to give evidence this afternoon. We must provide you with a potential apology in advance in that there may be votes this afternoon. We will all have to rush out and rush back in again, but we will try to get through the business as speedily as possible to make up for those possible hiatuses. I would be grateful if you could introduce yourselves for the record and then we will start the questioning process.

Dominic White: Good afternoon. I am Dominic White. I am Head of International Development Policy at WWF UK.

Helen Dennis: I am Helen Dennis. I am the Senior Advisor on Poverty and Inequality at Christian Aid and I also co-chair the Beyond 2015 UK coalition with over 100 members.

Andrew Scott: Good afternoon. I am Andrew Scott. I am a Research Fellow in the Climate and Environment Programme at the Overseas Development Institute.

Q90 Chair: Thank you very much. Could we start by seeking your views on what you think of the sustainable development goal-setting process so far and particularly whether you consider that the Open Working Group document represents consensus or whether there is further to go?

Dominic White: I think civil society organisations in general are very pleased with the UN Open Working Group process as that open process and the participation of civil society has been much greater than in other processes. Within the UK we have had many meetings through the Beyond 2015 coalition with UK officials, and that is very welcome. Sometimes it is not always easy to see where the traction is on certain issues but a lot of issues have been aired through large open group meetings, town hall processes as we call them, and then some more specialised meetings through roundtables. Generally the process has allowed for a lot of input, which was generated through the first eight or nine months of the Open Working Group, and that has generated the large framework that we see proposed at the moment from it.

On the number of goals, we feel that sustainable development is inherently complex and perhaps the number of goals that we have before us relates to the broad agenda that is laid out. To that extent, intellectually it makes sense that those issues are captured, but of course there are interesting challenges before us in how we make this actionable and ensure that we get the political will and the means to make the framework happen.

Helen Dennis: Christian Aid and Beyond 2015 were very pleased to see the participation of civil society within the Open Working Group. There were sessions where civil society was able to speak in the morning with the co-chairs and was able to be there in the room taking notes and so on. Going forward, we obviously want to see that retained and if possible to have the negotiations livestreamed for people who are not able to be in New York, because it is an incredibly expensive endeavour for civil society to participate in negotiations like that. From the beginning it was also quite confused in relation to the Open Working Group and the wider post-2015 agenda, the work of the High Level Panel and also consultations that took place at the national level; 88 national consultations have taken place. I think there is still a challenge in integrating some of the more grassroots voices who maybe were not in New York at the Open Working Group into the process as it goes forward.

In relation to the number of goals, whether it represents consensus, there were views expressed in the room in the final session with member states saying that there were still some things that they were not happy with but they could live with it as it was. There are issues such as fossil fuel subsidies where there is clearly still disagreement, but it was a really strong achievement to be able to get to the place where they were able to send those goals forward to the General Assembly. There is a very strong breadth of issues, including quite transformational issues relating to climate change, inequality, sustainable consumption and production.

Andrew Scott: Just to add a couple of points on the process, we should note this was a member state-led process and as such it involved at least 70 different member states in different sessions of the Open Working Group. I think all credit to the co-chairs for facilitating a process that initially was very deliberative and reflective, before getting down to the nitty-gritty of trying to come up with a package of goals and targets. To that extent it represents the consensus of at least those members of the Open Working Group, which is about 70 out of the 193 member states of the UN. The co-chairs also facilitated a number of contact groups and informal sessions that I think facilitated the process. We should note that the consensus on the 17 goals and 169 targets was reached partly through the vagueness of some of the targets. I think you will find that when you talk to different member states informally you will get different takes on what should continue to be there and what needs to be refined.

We also should note that the work is not yet finished. The Open Working Group did not really address the question of what the relationship is between national targets and global targets. It did not really address the question of indicators, and that was a deliberate decision but to some extent I think it handicapped some of the discussion. There is also a gap in the sense of we do not yet know what the reporting and accountability mechanisms are going to be and the process between now and September next year. So there are still some gaps in our knowledge of what is going on but I think we should applaud the Open Working Group for what it has produced.

Q91 Chair: From the point of view of your own organisation's involvement with this process, what is your observation of the role that the UK Government have played, particularly in things such as consultation, outreach and other processes?

Helen Dennis: From Beyond 2015's perspective, we have had very constructive engagement with the post-2015 team at DfID where it is now hosted. Prior to that, around the High Level Panel process, we had some strong engagement with Michael Anderson and some of the other people involved. We very much welcomed that engagement. There has been an attempt as well to bring together cross-Whitehall officials on some thematic areas, bearing in mind that this is not just the DfID agenda but that other departments are inherently involved in it. That has been very positive. DfID has put a lot of resource into this and it has quite high capacity both in the UK and the mission in New York, so that is very welcome. They are playing a very active role in the process. I suppose that can be perceived by some, particularly those member states that do not have so much capacity, that they need to equal it to some degree, but broadly speaking we would say it has been constructive, although points that have been made in written submissions about the role of other departments beyond DfID do need to be made. At ministerial level there has been strong championing from DfID but not necessarily from other departments.

Dominic White: I think the engagement has been very strong and is very welcome. What we have not had, of course, having had the High Level Panel process with the Prime Minister co-chairing, was that generating a default position for the UK Government. There has not been a national level process aside from that, and it was not strictly a national level process. It was a specially selected High Level Panel. After that point, civil society's engagement has been very much in that informal interaction with Government, which as I say is very welcome but we have not formally had a submission that has had a Government response and been part of the formal level process. The Government positioning is often from what we pick up and sometimes refers to the position of the High Level Panel but it does not necessarily come up with written positions of what the UK Government is advocating as it goes forward through the Open Working Group phases that we went through.

Andrew Scott: I don’t think I have anything to add to what my colleagues have said. From ODI’s perspective, we have engaged quite heavily with DfID, and previously with the Cabinet Office, during the process, both informally and through formal channels. We have also engaged with the Open Working Group itself through our membership of the Independent Research Forum and noted that the UK Government has been active in that forum and in the informal retreats that we held with them. I think there has been a lot.

I would echo the comment that in the UK—and I should think in most OECD countries—the perception is that the SDG process is primarily about development co-operation. There is the recognition that some of the goals and their universal application and their relevance to the domestic agenda has not been explored very much in any OECD country to my knowledge.

Q92 Chair: The UK Government’s analysis of the application of the goals is that they need to be limited to about 10 to 12. There has been some concern about the extent to which that potential limitation may exclude certain rather important-looking goals. What is your general view on the soundness or otherwise of that analysis? Is that something you think would be welcome or could easily be accomplished?

Dominic White: We are not necessarily in a position now to say whether that is realistic going forward, given the process that is going to unfold from February onwards. We know there is a very strong pushback from other countries to say that we have a framework and it has 17 goals and so we need to work with that. Our concern, and others share this, is that opening up the goal discussion, as in the number of goals, is incredibly risky because there is only one way down from there, whereas we could start looking for improving the goal framework and managing the expectations of what that means. Some of the concerns are that it is too difficult to communicate, for example, but we do not believe that at all. We just need the communications expertise to say what this future framework of sustainable development looks like and we can find ways of compelling the public towards why the Government would be supporting such a thing. On that side we do not see that as an issue.

There is a piece of work to be done to think about how we might communicate about some of the transformational shifts that sustainable development offers as a prospect for moving forward. There is a piece that we could work with colleagues on to develop some thinking about what that could look like and how we could start communicating much better on what 17 goals mean. 17 could be 15, could be 12, could be eight, but not all countries implemented eight MDGs. Nobody necessarily communicated eight MDGs. I think we need to be careful with the arguments that we are looking at. From WWF’s point of view, we are concerned that, first of all, we get sufficient means for implementation of sustainable development, that we have the political will, that we accept that it is big and a complicated agenda but it is a universal agenda. So we need to look at all the means available for countries to pull together towards a global sense of sustainable development.

I think it is not so much a numbers issue but it is about getting on with an actionable and implementable framework. Although it is quite unwieldy and there are some refinements that can be made, we need to focus on holding the big picture ambition for what we set out to achieve and then practically finding solutions to moving that through.

Andrew Scott: I would add to what Dominic White has said in that we need to start from where we are now, which is 17 goals agreed by 70 member states. One or two Governments are keen to ensure that that number comes down to 10, 12 or whatever, but there are equally a number of countries who are vehemently opposed to the idea of opening up negotiations again on the number of goals. If we did do that we would potentially risk some of the good things that are in the current package.

If we look at the rationale for why the argument is being put forward for a reduced number of goals, part of that lies in the area of prioritisation and coherence. I think there is scope to look at elements of the package, particularly in terms of the underlying principles—leave no one behind, equity, sustainability and good governance—and highlight those much more highly as being the key priorities for the sustainable development agenda post-2015 rather than focus on the more outcome-orientated package of goals.

Chair: Thanks very much. As you may have spotted, we have a Division bell going off, so I am afraid we are going to have to hold that thought exactly there and come back to where we have stopped in I hope less than 15 minutes.

Sitting suspended for a Division in the House.

On resuming-

Q93 Chair: Thankfully we are now quorate and we can continue our proceedings. Helen, I believe you wanted to make a brief coda to our previous question.

Helen Dennis: It was just a final comment regarding the number of goals, given how big an issue this currently is. One of the ideas that Beyond 2015 has put forward is that given that this is a sustainable development agenda and not an MDG-plus agenda, the three dimensions of sustainable development, economic, environment and social, should be adequately reflected, both across the targets but also within the goal headlines themselves. It is not necessarily a question of the number of goals but the question is: is sustainable development in all its forms adequately reflected and communicated through the goal headlines? That is a principle that we think the UK Government should probably take on. They made their points around 10 to 12 goals, but one of the ways in which we could then assess proposals going forward would perhaps be looking at the balance of the different dimensions of sustainable development.

Q94 Mrs Spelman: We had Justine Greening giving evidence to us the week before last and she raised the issue that a stand-alone goal on sustainability seemed to get siloed. My question to you is: what should be the balance between stand-alone environmental sustainability goals and integrating the different dimensions across the new goals, and is it possible to do this?

Dominic White: I don't know that it is necessarily an either/or question. If everything is integrated you still have to chunk it out somehow and, as Helen said, it is necessary to portray the essence of sustainable development through the headlines of the goal areas themselves as well. What we are concerned about is that sustainable development by definition implies integration of those three dimensions and that needs to take place much more fully through a number of these different goal areas. We see some very well crafted goals in terms of the balance of the three dimensions within them, and you could look at the food goal or the water goal for examples of that perhaps. There is always more work to be done; it is not an exact science.

Some goal areas are much stronger on a couple of dimensions of sustainable development, so we are concerned that the economics goal needs to relate more to the environmental side as well, as does the governance one perhaps, which looks at accountability but not specifically about how that might relate to a natural resource dimension. Similarly, the environmental goals need to be stronger on the social environment economic impact and that is going to be really important for people to understand why they are so critical for sustainable development.

We would argue that more equitable and sustainable use of natural resources underpins sustainable development so profoundly. Those are core dimensions of the whole framework and they need to be integrated throughout all the goals more or less as appropriate. Our concern is that the integration has not been taken up as fully as it could have been until now, but we would be concerned that as there is a refinement of the framework through the next negotiation, if that were to happen, that we do not lose some of the core essence of this interconnected thinking that is so essential for sustainable development.

Helen Dennis: Integration is clearly absolutely critical, given the twin challenges around extreme poverty but also we must ensure that intergenerational justice, sustainability, the eradication of poverty is not just a one-off event; that it is then sustained in the future and is not undermined by the impacts of disasters and climate change and so on. That is clearly essential. My pitch on the goal headlines would be, firstly using DfID's own argument around communicability, that if these are goals that are to be sold to the world, you want to ensure that the environmental messages are absolutely present and clear within what is being communicated and what is galvanising the political will. If you think about next year, particularly because of the UNFCCC process and the COP at the end of the year, you could argue that not to have a climate change goal within the sustainable development framework might send quite a strange negative message ahead of the talks on an legally binding climate deal later in the year.

So I would add that I think the communication is important and therefore, as Dominic said, it is not an either/or. It is about getting the integration right and ambitious but also making sure that the headline messages are there. I know from the gender community, for example, the lessons around gender mainstreaming have been that sometimes things get mainstreamed out of existence and that there is, therefore, still the need to retain political attention and momentum through the headline messaging, whether that is on climate change or on gender equality.

Andrew Scott: I would echo my colleagues. On the goals, they should be addressing consensus on what the global challenges are. Clearly some of those are primarily environmental, but I also think that with the SDG package we have a tremendous opportunity to have a truly integrated approach to sustainable development by having the three dimensions weaved across all of the goals, not necessarily all of the targets but certainly all of the goals. If we lose that I think we end up where we are now in terms of the MDG approach to environmental sustainability.

Q95 Mrs Spelman: Just picking up on that, do you think that failure to message well on the environment is part of the reason why MDG7 was not achieved?

Andrew Scott: I think MDG7 was not achieved because it was a badly conceived goal and the targets underneath it were, let's be honest, not entirely about environmental sustainability and some of them were pretty unambitious. The message that we got on environmental sustainability was that it is an add-on. The message that we want to convey with the SDGs is that environmental sustainability is an essential component of all development processes.

Q96 Peter Aldous: Globally we are consuming resources at unsustainable rates and I think, Mr White, WWF have said that if we carry on at the predicted levels up to 2050 we will need to find another three planets from which to replenish those natural resources. Set in that context, do you feel it is possible to square the circle of raising incomes in developing countries and at the same time achieving sustainable levels of consumption that protect the environment?

Dominic White: As you say, we tend to paint that picture illustratively using the three-planet concept to give a sense that if everyone were to consume the way we do we would need that number of planets to fulfil everyone's needs. Then the question is: how can we square that or those three round circles? I do not think it is an option because we do not have the three planets, so we have to find a way to manage to continue to support human development. I think the focus is on people's well-being and their human development rather than the economic percentage increases in GNI per se. It is what is provided as a result of that and that is the critical thing we need. There is a target in the framework at the moment that looks at decoupling environmental degradation from economic growth. That is the right direction of travel and essentially supporting countries to work towards—underpinning that sustainable development question: what is it going to look like as we allow all individuals to thrive and live a decent standard of living, consuming resources where they are not sufficient at the moment? It also means that the onus is on developed countries to start looking at how we use fewer resources to still maintain a good standard of living.

That is the question that needs sorting and the framework needs to be able to tackle the sustainable consumption and production issue absolutely fairly and squarely. This is a universal agenda, so it is imperative that sustainable consumption and production stays in this framework, because I think developing countries will frown upon the developed nations if we do not find a way to look at ourselves and our actual consumption of resources. It is imperative that that dimension of this framework is held on to. We have to move away from the donor-recipient, north-south dynamic now into, "We're all in this together", it is an interconnected world, increasingly so, and we need to seek solutions together. Our consumption has to be tempered with those who have much less than we do.

Helen Dennis: There are still 1.2 billion people living in extreme income poverty globally, and that is something that needs to be addressed, not just around income but the standards you have just talked about, the environmental sustainability goal. It is World Toilet Day and there are 2.5 billion people still without access to sanitation. These are significant justice and human rights issues that need to be addressed, but at the same time there must be an acknowledgement that we drastically need to change, whether that is our model of energy or the consumption of food, for example. There is a target currently for food waste within the framework. I think it is imperative that all of these things stay in. The question of whether we can decouple is what everyone is grappling with at the moment and will require a degree of greater equity within our consumption patterns. We estimated that currently it is 20% of people who consume 80% of the world's resources, so there is massive inequity in the way in which we consume and there are key challenges going forward. The big question is how we do that.

Just echoing Dominic in terms of thinking about what our overall goals are within the framework, I think having a goal on growth per se is slightly concerning. There is a target currently there of around 7% growth for LDCs and, of course, many least developed countries do need to increase the pie because there are not the resources there to be able to end poverty within those countries. At the same time, there are also many countries where we have seen extractives-led jobless growth, where it is inequitable. The bottom 5% have seen no progress whatsoever in many countries over the last few years. Making it very clear that it is about equitable, sustainable growth, or sustainable economies even, might be a better way of framing that particular goal.

Andrew Scott: The only thing I would add, first of all, is echoing that clearly a priority is to enable the people who are living in extreme poverty to get out of extreme poverty. The additional consumption of resources that that itself is going to entail in the global scheme of things is not hugely significant. The increased environmental degradation and the damage to the environment is going to come from growth and income increases among middle class, middle income people. The SDG package has to say something about that as well as to address the poverty eradication challenge.

Q97 Peter Aldous: Do you feel the UK Government have been doing enough to promote sustainable development in its aid programme?

Andrew Scott: The UK Government have prioritised poverty reduction and are prioritising the gender agenda and fragile states. In some of the challenges that they are prioritising, environmental sustainability tends to come second place. I think that there are ways that you can address some of those challenges if you think about environmental sustainability. The UK Government does try to do that. I think their record on climate change, for instance, is pretty good. Some of the other environmental challenges tend to take second place to the climate change challenge. Hopefully an SDG agenda will encourage all aid agencies to increasingly pay more attention to environmental sustainability, not just in the immediate term of the programme or project life but the longer-term consequences.

Helen Dennis: Christian Aid's analysis is that there is quite a lot of innovative work on climate change. There has been an attempt to integrate an area like disaster resilience within a lot of the bilateral programmes. In terms of climate change and the International Climate Fund, we are looking forward to the UK making a contribution soon to the Green Climate Fund as well. One area that is maybe not so clear is that there is a big push now within DfID on economic development, for example. Knowing how the approach to sustainability, environmental sustainability particularly, integrates into the new economic development focus that DfID has would be helpful and an interesting question for the Government.

Dominic White: Taking that forward, the commitment to the International Climate Fund is impressive and the UK has taken the lead for sure in some of the innovation and research that has gone on under that programme. There are some very interesting programmes coming out of that. The ICF is approximately 7% of DfID's budget, so the interest we have in terms of DfID looking at sustainable development in the round is of course with the 93% of the remainder of their budget. That is where we have concerns about, as Helen said, the economic growth agenda where often we do not see a complete coherence between some policies set out there in DfID. I would not say it is mainstream through DfID.

WWF has been concerned recently with the change in what they call the climate environment assessment process, where most of DfID's expenditure uses an assessment process to look at the opportunities as well as the risks of impacting on climate and environment. That has recently been changed or refined into something called a smart rules process. It is unclear yet how that works so we will be watching to see what it looks like. We are aware of DfID's future fit programme internally that tries to look at the climate and environment impacts a bit more coherently, but I think we need to see much more of that going through the whole of DfID's programming and not just leaving it to the International Climate Fund as the place of rest.

Q98 Simon Wright: Should the UK support a stand-alone goal on climate change or would this risk monopolising the sustainability agenda?

Helen Dennis: I gave some rationale around the climate change goal. As I said before, the challenge that is presented to us in terms of remaining below two degrees going forward is absolutely enormous and requires such a seismic shift in terms of our energy supplies, our approach to consumption, carbon emissions and so on. Everything that is possible to be done needs to be done. Therefore, ensuring that climate change is a headline within the sustainable development goals and building that momentum ahead of Paris is one way in which we can try to drive the change that is needed in low carbon investment, climate resilient development and so on. I would make a strong pitch for that. It is there currently within the Open Working Group proposals. As colleagues have mentioned, at the moment there is an open question as to the extent to which that is going to be negotiated, unpicked, developed and so on over the coming months. For now I would say it is there; there is support from countries such as France, which is hosting the COP, and support from the small island developing states and many other countries for the climate change goal. Therefore I would very much want to see the UK Government support that.

Q99 Simon Wright: Are there any conflicting or additional views?

Andrew Scott: I have a one-word answer to your question, which is yes. Even since the High Level Panel process, it has been repeatedly stated that climate change presents the greatest threat to sustainable development and poverty eradication and if action is not taken on climate change then not only will poverty eradication and the millennium development goal types of goals be more difficult and more expensive to achieve, but in future, and perhaps towards the end of the SDG period, we risk seeing people being impoverished by climate change, a redressing of the gains that have been made. For that reason, I think it is important that we retain a separate climate change goal but we also make sure that climate change mitigation and adaptation and resilience are weaved through the targets of the other goals, particularly those related to the other environmental challenges and natural resource uses.

Q100 Simon Wright: That is helpful, thanks. What are your views on whether the SDGs get the balance right between ending fossil fuel subsidies and making energy available for all?

Andrew Scott: Allow me to kick that off. Those of you who have been following the process will have noted that the target on fossil fuel subsidies has moved from the energy goal that it was under in the zero draft of the Open Working Group process to the sustainable consumption and production goal. It has also been weakened in that rather than talking about a phasing out of subsidies, it talks about rationalisation of subsidies. It also focuses on consumption subsidies and ignores the question of production subsidies for fossil fuels. Having said all of that, I think we need to recognise that again for delivering modern energy services to the 1.3 billion people who do not have access to electricity and the 2.7 billion who do not have access to non-solid fuels for cooking, fossil fuels will be part of that package. In fact, for some of them a transition from, say, wood fuels to LPG, liquid petroleum gas, is potentially an emission-reducing approach as well as being a cleaner and more efficient approach. At the access level and the energy poverty level, I don't think we can rule out that fossil fuels might be part of the solutions, recognising—which we do not have clearly yet in the sustainable development goal process—that all countries should be thinking about the transition to clean zero carbon energy systems.

Helen Dennis: We would very much like to see that target moved back under the energy goal, which is probably the space for it, and some of the other targets under the energy goal could also be strengthened in relation to renewable energy, energy efficiency. Again, they went through various stages, various iterations through the drafting process. Initially they were very much taken from sustainable energy for all, so kind of brought into it. We wanted to see greater ambition on that, for example having a share of renewables in the energy mix, but then in the final version the actual numbers dropped off altogether, so now I think it just says "reduce". I would need to double check on the wording. What we did see through the drafting process was the numbers, the shares, the proportions and so on fall off the list and so there does need to be some work now to ensure that those are reintroduced at an ambitious level.

Dominic White: If I could add something to the first half of your question about climate change in the goal mix, it was reassuring to hear that the Secretary of State commented that we have 12 months to climate smart the SDG framework. That is not the same as supporting a stand-alone goal on climate change. However, it would also be useful to understand what the Government think climate smart looks like. As Andrew said, some targets already have an integrated element of thinking about the climate implications in those targets, but it would be helpful to see across the piece how climate smart, essentially a sustainable development target-setting process, would be refined a bit further.

Q101 Simon Wright: One final question from me. We will be taking evidence from DECC before the end of this inquiry. What questions would you put to them in relation to the UK's approach to the UN climate change negotiations in Peru next month and also in Paris next year?

Dominic White: What we have been concerned about is the linkages between the two processes. One interesting question for DECC would be how they see the value of the post-2015 development framework creating a supportive perspective before they go into Paris. In other words, what does that FCCC community look to the SDGs to deliver for them so that we can have a success in terms of the General Assembly next year in setting the right context and tone for them moving forward into Paris? I think it is very important that the international climate community starts looking at the post-2015 development framework as a huge opportunity to lay the foundations for a successful outcome in Paris. It would be interesting to hear the DECC Minister's view on that.

Helen Dennis: One question is around the financing of sustainable development, particularly in the context of the summit that will take place in Addis in July about financing for development. There are massive financing needs around climate finance, a commitment around 100 billion by 2012 that is yet to be delivered and we are yet to see where that is going to come from. Then there are the additional financing requirements around the broader sustainable development agenda that have been identified as well. So I think what we need to see, hopefully, is a joined-up Government approach to the financing discussion to avoid double counting, to ensure additionality in the climate finance piece, and to properly explore a lot of the mechanisms that have been on the table for quite a long time on bunkers, innovative financing and a push across the board on domestic resource mobilisation as well for investment in climate change and sustainable development. I think there will need to be a joined-up approach across Government with DECC, Treasury, DfID and so on working together on that financing piece.

Andrew Scott: I have a couple of things to add to that. First of all, what we should be aiming for is the levels of ambition that the UK has in its own legislation being taken forward and promoted in the international field. In both the UNFCCC and the SDG process, the UK Government is negotiating through the European Union and I think there is a role for the UK to play to try to shape the European Union positions on both processes.

Finally, one thing that is absent at the moment is any clear relationship—and to some extent this has been very deliberate—between the UNFCCC process and the SDG process. I would not advocate that they be formally linked in any way but I do think that the SDGs and the package that is emerging from that process, the Open Working Group proposals being the basis for that package, presents a much clearer picture of what needs to be done to achieve sustainable development agreed at the international level than we have ever seen before. We need to see that picture of what needs to be done to address sustainable development brought into the UNFCCC and other international processes so there is a coherent vision of action that is required to achieve sustainable development across international processes. At the moment that does not appear to be happening and I think there is a role for the UK Government to try to pursue it and take a leadership role in promoting that connection.

Q102 Mrs Spelman: SDGs are very different from MDGs because they are universal, they are for everyone, but how can this be reconciled with ambitious national targets, given how diverse the countries of the UN are? What process is going to be needed to set national targets and how are we going to be able to measure whether they are sufficiently stretching? Should we, for example, look at the peer review arrangements of the type that the OECD use? What are your thoughts on making this work?

Helen Dennis: It is a massively underdeveloped discussion within the process so far. There are now moves to try to articulate universality in the context of the EU common position and I hope within the Secretary-General's report as well. I think people are starting to wake up to the question of national target-setting, which is going to be very important, particularly if we want to have any degree of equity and shared responsibility coming out through the targets. All I would say on it is I agree that some of the mechanisms such as peer review, some of the accountability frameworks that are present in other processes could be learnt from. The UN has had initial regional consultations looking at different accountability mechanisms. It will be important that member states are not just reporting to the UN and filing a report with ECOSOC but that there is a more iterative process so that if member states say, "We are going to implement this particular target" but they set a very unambitious target that does not seem to add up to the global whole, there is some challenge there from potentially other member states, from civil society of course, and at a national level. I would also suggest that there is a role for parliamentary scrutiny there as well so that when national governments are putting forward their proposals they can receive some of that challenge back from parliamentarians.

Q103 Mrs Spelman: That sounds potentially like a role for the EAC. What in particular do you think the UK would need to do to translate this into practice across Government?

Dominic White: The first thing we need to do is all agree what universality means. That is not necessarily a given, but I think we have a good strong sense, at least I hope, in the UK that it is about all countries taking some equal responsibility to deliver on a common agenda, albeit differently for different targets at national level. We have not yet in the UK had any domestic engagement in this process across civil society, so we would be looking to Government to initiate the process across Whitehall to engage with respective parts of UK civil society on that.

In terms of the institutions necessary going forward, we could explore different mechanisms without over-labouring anything. I do not think we need anything new on that, although WWF is very keen to ensure that the linkage of this universal agenda is maintained, that the UK maintains its international mandate and interest to engage in international environmental issues. We have a proposal for an international environment minister that would sit outside of DEFRA and DfID so that we can look across the whole of Government at the impact that the UK has, not just its footprint and impact on other countries but also in relation to our other multilateral environmental agreements that we have signed up to. Such a post could perhaps sit in somewhere like the Foreign Office, for example, where it assumes that international role.

So there are a number of things to be explored. What I would encourage the UK Government to do is engage the UK domestic civil society, because at the moment it is the international NGOs who are engaged with the UK Government on this agenda. We need to get national level dialogue running on this agenda as well.

Andrew Scott: I would come back to the first part of the question, which is the universality agenda. As Dominic has just pointed out, universality has different interpretations and different meanings and to some extent all of them are valid. What we have in the Open Working Group proposal is a sense of universality, that this is an agenda for all countries, but there is also recognition that all parts of it are not for all countries. What we do not have is a clear picture of which parts of it are for all countries. The Open Working Group did discuss at some point the question of differential targets in the global package. What we do have is a fairly clear consensus in the Open Working Group proposal that targets should be nationally determined.

I think that we do not yet have a clear picture, probably because it has not been addressed by the process so far, of what decisions are going to be taken as to what is required of all countries and what is nationally determined. That includes the process of determining whether or not countries are contributing what other countries feel they should be contributing. There is a sense at some stages, talking to some members of the Open Working Group, that there is an element of a desire to pick and choose what they would like, and obviously that would meet countries' satisfactions. There is also an element in the tone of some countries that they are not favourable to the idea of accountability. Your question is one of the big unknowns at the moment in terms of what the relationship is going to be between the global package and the national package and the extent to which national packages are accountable to the global. We have not had that discussion in the negotiation process.

Q104 Caroline Lucas: My apologies for being at a previous meeting. I have not worked out how to be in two places at once, but I am on the case. I am glad that you are here, and I wanted to ask you a question about inequality. There is a goal proposed on inequality. Do you believe it should be a standalone goal and, if so, why or why not?

Helen Dennis: This has been another big discussion and an area where we have not had necessarily a clear response from the UK Government. From civil society's perspective, this is one of the key asks, inequality being one of the key challenges that we are seeing in so many countries, increasing inequality at a national level particularly, and many civil society organisations want to see this right at the heart of the agenda, both as a headline message and then strongly integrated into the framework. I think an inequality goal is very important in sending a message about what policy priorities should be, the orientation of public policies, and what incentives need to be put in place to drive action. There are a number of components to the inequality debate—the economic inequality discussion that has been so present in work that Oxfam and others have been doing, Piketty and others—and I think that has permeated the debate, and even the World Economic Forum saying that inequality is a big global risk. The Latin American countries particularly are quite interested in seeing this driven forward in the discussions. There are lots of different ways that you could then measure it; looking at the ratios of the top and bottom 10%, 40%, looking at wealth concentration, using the Gini, and lots of other ways.

Then there is also the leave no one behind agenda that again would be a massive step forward from where we currently are at with the MDGs, which is about averages; ensuring that work is done to ensure that those who are most disadvantaged benefit from this new framework and from public policies at a national level. The UK Government has championed this quite strongly, and we very much hope that it will be articulated within forthcoming positions and reports.

Q105 Caroline Lucas: Can I ask you on that bit specifically: do you think there is a risk that by focusing on the no one left behind agenda, it glosses over the inequality goal more specifically? You could argue that as long as no one is left behind, it doesn't matter what happens to the rest of the goals.

Helen Dennis: Completely, yes, and Christian Aid has made that point quite strongly to the UK Government. When we published our paper earlier this year, we looked at four different dimensions around inequality, so leave no one behind but also closing the gaps. That is important in economic inequality measures, but also you can look at closing the gaps and reducing disparities across a range of human development outcomes. You can look at inequalities in education, health outcomes and so on as well.

The other two elements, just quickly, are gender justice, gender equality and women's rights, making sure that that is still at the heart of the agenda, and then also global equity, these questions that we still have around—which we have talked about a little bit earlier—consumption, production and the way in which resources continue to be unequally distributed globally. I think that the point you make is very critical. It is clearly a harder political issue, but I would encourage members to look at some of the work that the New Economics Foundation did earlier in the year and some of the proposals that they made around national target-setting around inequality, given that it is quite hard to agree at a global level what a right target around economic inequality might be. They had some very interesting proposals there and looked at using the Palma indicator and also a measure of wealth concentration as potentially good indicators going forward.

Caroline Lucas: Thank you. Any further comments?

Dominic White: Just to add that in terms of the integrated agenda, we do not want to look at inequality in isolation. Unsustainable natural resource management, and inequitable consumption are both drivers and symptoms of inequality, so in terms of sustainable development it is important that we make sure we integrate fully the thinking around inequality and sustainability as core to this agenda.

Andrew Scott: I have nothing to add to the cogent position here.

Q106 Caroline Lucas: Can I ask one further question about measuring inequality? You did touch on it, Helen, but is there a particular level of inequality when it really should be flashing red lights? Can you say anything about the measurement of it?

Helen Dennis: It is obviously an incredibly difficult question. There is a fairly concrete proposal that Joseph Stiglitz put on the table, where he has basically said that there should be an assumption or a consensus that the proportion of income going to the top—I am going to get this wrong now. The post-tax income of the top 10% should be no greater than the post-transfer income of the bottom 40%, which is essentially a Palma ratio of one. That is very stretching. For a country like South Africa, for example, with such exceptional levels of economic inequality, you would look at that and think that is almost unattainable, but I think it is about setting the direction of travel. What you could potentially initiate is a more participatory discussion at a national level that involves civil society and so on in thinking about what a three- or five-year target might be. ODI have set out proposals around stepping-stone targets, so we are not looking just about the next 15 years, but looking at what could potentially be done within the next five-year period, say, could be a helpful way forward.

Caroline Lucas: Thank you. Do I have time to ask one more? It doesn't matter if I don't.

Chair: I think we have run out of time for the panel, and I do apologise that the unfortunate business of having to go and vote—I know it is unfashionable—has got in our way, but we have been very grateful for your evidence this afternoon. I think it has been very helpful to our inquiry, so thank you very much for attending this afternoon.

Examination of Witnesses

Witnesses: **Thomas Lingard**, Global Advocacy Director, Unilever, **Michael Gidney**, Chief Executive, Fairtrade Foundation, and **Jamie Agombar**, Head of Sustainability, National Union of Students, gave evidence.

Q107 Chair: Good afternoon. Thank you very much for coming to give us evidence this afternoon. I would be grateful if you could please introduce yourselves for the record, perhaps, Jamie, starting with you.

Jamie Agombar: I am Jamie Agombar, Head of Sustainability, NUS.

Michael Gidney: Hello. I am Michael Gidney, Chief Executive of the Fairtrade Foundation in the UK.

Thomas Lingard: Good afternoon. I am Thomas Lingard, Global Advocacy Director at Unilever.

Q108 Chair: Firstly, I would like to find out from particularly a business point of view what involvement your organisations have had in the sustainable development goal process. I know Unilever, for example, has been involved in the High Level Panel.

Thomas Lingard: That is right. We have been very involved, largely through the involvement of our chief executive, Paul Polman, who was invited by the Secretary-General to serve on the High Level Panel on post-2015, and since that process we have remained involved in a number of business coalitions that have been actively engaged on the issue.

Q109 Chair: Have either of you been involved?

Jamie Agombar: NUS has not been directly involved by any UK agencies. We have been informally involved by the European Students' Union, but there is no direct UK involvement for us.

Michael Gidney: We have been involved through BOND, which is the association for British NGOs working on private sector.

Q110 Chair: Thank you. From a business perspective, what do you think about how you might place the importance of sustainable development goals as far as reporting within businesses and as far as changes in business practice?

Thomas Lingard: From Unilever's point of view, this is a terrifically important agenda. As a global business that operates around the world, it helps us to organise our business and understand what the world thinks is important, if the world has a very clear set of objectives about where it wants the world to go in the next 15 years. Having an international process and a set of goals that demonstrate that consensus makes it very easy for the business community to rally around it and play a role in support of delivering the outcomes that are defined.

Michael Gidney: Fairtrade's mission is fighting poverty through trade. It is our belief that if you organise trade in a certain way, then trade can be the most incredible vehicle for fighting poverty and achieving sustainability. To do that you need good standards, standards across the range of sustainable goals, so environmental and social and economic standards, but you need also the highest standards of accountability and transparency, accountability to both ends of the supply chain, to consumers and to producers.

Our interest in the sustainable development goals is that they seem to be a step change from the MDGs because of the universality of the proposition, because of the interconnectedness of the goals, and the understanding that, for the first time, the market has an incredibly important role to play.

Q111 Chair: What have you observed from your somewhat inside perspectives about the extent to which other organisations in the UK may be reviewing or changing their strategies in the light of the goals, certainly once they are finalised but even in the context of where we are now?

Thomas Lingard: Companies start out from a point of view of knowing that is important to them, but also to companies, particularly like ours that are consumer-focused, what matters to people also inevitably matters to companies. There are things that we know more about because of the nature of our business. Water sanitation and hygiene are very important to Unilever because of our interest in and knowledge of hygiene behaviours and soap products and so on, particularly in developing countries, but also you come into these broader discussions and have other issues put in front of you that you perhaps had not considered before, and that begins an internal process of going, "Is there something we could do here that would help, which wouldn't be particularly disruptive to our business and actually would help to contribute to building a more sustainable world, which in turn is good for the business?" We find these discussions helpful. We bring expertise in particular areas, but we are also very open to listening to the views of others and understanding other issues that are not in our day-to-day business but on which we can make a positive impact.

Michael Gidney: I think there is a great deal to learn from the leaders, and there are leaders developing, Unilever among them. That is a response to increasing public interest and to an increasing understanding of the need to invest in your supply chain if you are going to have a secure supply of product in the future, all of these things. What concerns us in Fairtrade is that the pace of change is not fast enough. There is very little to distinguish between leadership and the laggards. There are many laggards still who are trying to continue with business as usual for as long as possible.

There are perhaps two areas worth exploring. One is around trade practice: what can the Government do to incentivise leadership but also to regulate against or defend the weakest against the laggards? The other area of trade policy is: how do we create a truly enabling environment that does not work against pro-poor and sustainable trade?

Jamie Agombar: I think there are some interesting parallels between the business world and tertiary education in that in tertiary education quite a lot of the addressing of sustainability is about doing less bad through their campus estates, which is not really the purpose of tertiary education. It is all about how the students they turn out at the other end of the system can be part of the solution to the world's problems. You see that in the business world too, and Unilever is refocusing its business proposition all around sustainability, and that is a visionary example. There are a few universities—not that many in the UK as yet—that are starting to do that too.

Q112 Mrs Spelman: That leads on to the question of whether it is realistic to expect the sustainable development goals to help companies improve the sustainability of their operations, particularly, for example, if you focus on sustainable consumption and production. Unilever is here to prove that it is possible, but it is very much, as you said, in the vanguard and there are rather a lot laggards that are not on the page. How realistic is this?

Thomas Lingard: I think one has to consider the whole political spectrum, so you have this process, you have the climate process and business is looking at the state of the international politics, trying to get a read on the level of political ambition to make a shift in the trajectory of business as usual. This is particularly true when it comes to climate and decarbonisation and the kinds of shifts that are required in the energy system. I think these international statements of intent to go in a particular direction at a particular level of ambition are incredibly powerful because of that signalling value. Businesses will look at this; they will judge where they place investments, what kind of investments they make, the level of confidence. We know that in a lot of renewable energy investments, political risk is seen to be one of the largest variable costs that increases the difficulty with getting these things through, and the more people sense a real willingness and a higher level of political ambition to do something meaningful in the next 15 years, the more business will rally around that and align with that future that they see coming.

Q113 Mrs Spelman: Jamie, you mentioned some evidence of this in higher education, but is this a trickle or are we on a watershed? Is this going to happen fast enough? These goals are going to be time-specific, so how fast do you see these changes happening as organisations review their working practices because the SDGs are coming? Do you want to have a try at that?

Michael Gidney: Shall I have a go? I do not think we are going to see enough change fast enough, or at least not sufficient, reading the ambition of the SDGs. Part of the problem perhaps is that maybe we are a little bit naive in the way we think that the private sector can solve all of these problems on their own and there is bit of a style about optimism that the private sector will do a lot of this heavy lifting. But let us not forget that the corporate governance of companies is that they have a primary responsibility to their shareholders and even the best intentions will be subject to those caveats. There are only a certain number of initiatives that an individual company can take on unilaterally, and that is where I think there is potential for better regulation to encourage a reasonable level playing field, whether it is on climate—and we have seen an increasing number of companies calling for better planning regulation—or in the area where we work on, on supply chains.

It is interesting to see the coalition of people who are calling on a stronger Modern Slavery Bill. The transparency of supply chains clause, which has just gone through, is a interesting initiative, partly because it was not just the usual suspects calling for it, it was also companies calling for it too, so those who want to be accountable, who want to go further are enabled with some kind of minimum regulation so that they do not feel they are sticking their neck out and making themselves unviable to their shareholders.

Q114 Mrs Spelman: It is a good illustration. You have touched on supply chains, which are critical for stamping out slavery. How do you ensure that supply chains minimise their impact on the environment while maximising the benefits to local people? You may have a worked example of that.

Thomas Lingard: These things are connected, in our view. We are trying to tackle a number of big challenges: increasing food production, raising human rights standards and value chains. Big companies like Unilever have a role to play here, but so do national Governments, so do NGOs. I completely agree with the point that we cannot assume that big business is going to go away and do this on its own, that Governments can go, “That is fine, we will set some goals” and then walk away. The spirit of partnership working is fundamental to how the private sector sees the SDG agenda.

To your point of the urgency, will we be able to do enough fast enough? That has been one of our primary concerns and one of the reasons we are pushing so hard for there to be clearer implementation plans behind every goal that is agreed. In our view, what we cannot afford is to agree a set of lofty ambitious goals in September next year and then spend five years working out how we are going to implement. I think if the conversation is had at the same time and not just in a linear process, you start to see what might be possible. Rather than just putting the goal out there and then having the conversation, say, "What could the private sector do? What do we think is deliverable?" and maybe there are some areas over here that lend themselves to a more ambitious goal, because we already know a way to make a big impact. I think linking the how and the what is going to be an important part of turning this from just a set of goals into something that impacts on the ground.

Michael Gidney: I think it is about accountability and openness, isn't it? There is a very good case, finally, to encourage companies over a certain size to report on the top or bottom line rather than just on their economic performance. It has been a debate for years; it has been avoided for years. It is absolutely necessary so we can understand two things: first of all, the extent to which companies themselves are trying to understand the scale of the problem and then what they are doing about it. Whether that is for investors of the future or for new generations of consumers or employees coming through, increasingly that is going to be necessary.

Q115 Caroline Lucas: Just a very quick follow-up with Mr Lingard. I was very pleased to hear what you were saying about your vision of the role of business. Can you say anything about what you can do in the business circles within which you move to persuade colleagues as well? Particularly when I was in the European Parliament more than here, the strongest pushback on the proposals for greater regulation are the industry groups. Often they are the lobby groups who claim to speak on behalf of lots of individual groups, and within those lobby groups the individual businesses are often a lot more progressive than the common voice you hear as the one that is doing the lobbying. What can you do to make sure that as policymakers, the strongest voice we hear is not one calling for deregulation?

Thomas Lingard: We are very aware of the dynamics. Trade associations play a valuable role, but in some conversations there is a division of opinion and it is difficult always to land the message that you want to land. We work very actively for a number of global and regional business associations that are trying to put a more progressive view. We are very active through the World Business Council for Sustainable Development. We were in Atlanta a couple of weeks ago for their annual council meeting. Again, our CEO happens to chair the WBCSD, and that is a place where you see—to the earlier question of trickle or flood—a huge step up in increase, a lot of CEOs showing up to the meetings, participating, new CEOs and new sectors coming in and wanting to be part of the solution. WBCSD has about 200 members and a global network, with 35,000 local companies in their global network, the UN Global Compact, 9,000 organisational members. It is not just Unilever and a few other companies; there is now a groundswell of business leadership. But there are millions of businesses, you are right, and not all of them will share that opinion. We are doing what we can. We have preferred to run with a coalition of the leading who want to go further, rather than spend all the time bashing on closed doors. We think it is better to try to show the way and get visibility for that and pull people along with us.

Q116 Caroline Lucas: I suppose my point is that I have never been lobbied by any business saying, "Why don't you make that timetable a little bit more ambitious? Why don't you make that deadline a little bit closer? Why don't you push it?" The voices we always hear are the other voices. I appreciate that is not you or indeed the business within which you move, but what other leverage might you have over them to make the business case for regulation, apart from anything else?

Thomas Lingard: It is a good question.

Caroline Lucas: Good.

Jamie Agombar: There is a group, as I am sure you are aware, called the Aldersgate Group, of which we are a member, which is a green business lobby. I do not know if Unilever are involved or not.

Caroline Lucas: I am talking about how do they talk to the ones that are a problem.

Q117 Peter Aldous: Just to state I am a supporter and a member of the Aldersgate Group. Looking at the public-private collaboration, what do each of you see as the contribution of business in that relationship to achieving sustainable development goals?

Thomas Lingard: If you look at what is likely to come out of the SDG framework, a lot of the action will be delivered in some way or other by the private sector. Whether that is investment in agriculture or renewable energy, whatever it happens to be, when the rubber hits the road the private sector is going to be involved and that is why we have been so keen to ensure that the private sector has a voice within the process. The process has been very open and there have been opportunities to help shape that. I think more could still be done to engage more businesses. As I think was said in the earlier evidence session, there has been a very good international conversation about the SDGs, but there is a need now to bring it down to a domestic level so that we get national businesses, who maybe do not play on the international stage but will also, in their own parts of the world, be very involved in delivering whatever comes out of this, involved in the conversation so that this is not presented as a fait accompli when it comes back and it is translated into national action plans.

Q118 Peter Aldous: That is helpful. Just moving on, perhaps Mr Gidney might put a variation on this. He has identified between leaders and laggards. Do you think if we look at the laggards, we might be able to make some sort of excuse for them that Government have not engaged with them sufficiently for them to understand their role?

Michael Gidney: I think that is reasonable. Look at the grocery sector: the news over the last few days has been that for the first time in more than 20 years the grocery sector in the UK is shrinking, and then of course there is some turmoil among some of the retailers about their market share and what their plans are and how they retain profitability. The grocery sector, which of course is the source of market access for many developing country farmers, who we might work with in Fairtrade as well as other supply chains like Unilever, is pretty much a race to the bottom on price. The proposition is that consumer prices, the three-for-two promotions and so on are a good thing if you can offer consumers cheap. The difficulty there is if that devalues the supply chain so much you commoditise things and you strip value out, down through the supply chain there is a very little for the farmers or workers at the other end to invest in their businesses. We have been working on bananas this year in Fairtrade for just that reason, because the consumer price in the last 10 years has halved, while costs have more than doubled in origin countries, and still there is endemic poverty among small farmers and workers. The price needs to go up, but the way the business is articulated in the UK, nobody can make that first move. The price wars are such a part of life that no single retailer is going to say, “I am going to make myself uncompetitive by charging a reasonable price for bananas”.

What we do in Fairtrade is protect those farmers from the price wars, but the retailers who engage in Fairtrade take that hit. That is fundamentally difficult to sustain for them in terms of their profit, but also in terms of driving real value so that farmers can achieve environmental and social goals that would be in the spirit of the SDGs. One of the ways in which I think Government could help there is trying to find a better balance, so if you look at competition law and things like the Grocery Code Adjudicator, the articulations are all about, “Cheap is always a good thing”. I am not suggesting that we should contribute to food price inflation in a naive way, but we should try to find a better balance between consumers’ rights or needs for food security in the UK and affordable food with the needs of the supply chain to make it sustainable economically and environmentally. That is completely absent at the moment from the regulatory environment.

Peter Aldous: Jamie Agombar.

Jamie Agombar: I do not think I have anything to add.

Q119 Peter Aldous: Just moving on then, do you think the Government—and indeed, internationally as well—has the balance right between voluntary agreements and international standards?

Michael Gidney: Fairtrade is a voluntary scheme, and I think there is a huge amount of potential in voluntarism. In the UK we are working with 500 companies. All the Ben & Jerry’s all over the world are Fairtrade, there is the Unilever brand, but we also work with some pioneering trade crafts, Divine Chocolate, Cafédirect as well, lots of the retailers. There is a lot of potential in voluntarism, but only to a certain extent. For example, one of the things that we are struggling with at the moment is the EU change in sugar rule means that cane sugar from Africa, Caribbean and Pacific countries is, at a swoop, much more expensive, so the price has dropped because there is so much beet sugar available, meaning ACP sugar is suddenly uncompetitive and we are seeing 200,000 sugar smallholders in some of the poorest parts of the world fundamentally at risk.

What is the point of trying to engender voluntarism, where we have been working with committed brand-owners like Tate & Lyle over the last few years to drive more benefit for the farmers, if along comes a political or technocratic decision that may have all kinds of good reasons for it but the application of it is unthought through, too short a timeframe? I do not know if you have been to the Shire Valley in Southern Malawi, but you cannot suddenly find an alternative livelihood for the sugar smallholders. They were food insecure before they started working with us. They have just achieved food security, just starting to scale up, and we have taken that market away from them.

Thomas Lingard: Regulation versus voluntary agreements is a false dichotomy, in my view. This is about a system change process and it is about how different types of initiative at different points in the process on different issues can be played in a particular way to drive that change. Things may start out as voluntary agreements, the leaders start to move, sometimes the pack follows, sometimes it does not, and then regulation can often follow up and bring the laggards along. I do not think it is an either/or. It is very contextspecific, very issue-specific, and one has to look at what one is trying to achieve and is it too early in the process to regulate or is it exactly the right time. The solutions are there and we just need to bring everybody along.

Q120 Peter Aldous: That is helpful. Finally, do you think there is more that Government departments could do working together to promote sustainable development? Do you find the frustration that perhaps there is too much silo working between departments?

Michael Gidney: That is a fundamentally important point, isn't it? I do not think the SDGs are going to have a hope of success unless we get a much clearer policy coherence, and then also a preparedness to act. If you look over the life of the MDGs, there has been a sense that too often trade or trade policy has pulled in one direction while the MDGs and civil society initiatives like, for example, Fairtrade are pulling in another. The example of the Economic Partnership Agreement roll-out over the last 10 years or so would be a case in point. Too often the effort was to understand the impact by commissioning very good research but then not to act on the findings, or not to act on the findings in good enough time.

My example of sugar a minute ago is another case in point. The impacts are not surprising. The likely impacts were known, but the adjustment window is just too short to be viable. We absolutely fundamentally need it. There are examples now of where we are struggling to see how trade and development policy can support each other. One of the consequences of the East African communities EPA being delayed is putting under threat the Kenya horticulture business. 500,000 people in Kenya depend on the flower industry and if flowers are suddenly subject to tariffs because of the deadline signing, it creates a problem. I think for this to work, it is about political capital. DfID is very good at understanding impacts and researching the findings, but then we need as a community to require Government in its entirety to act on those findings, which is more than just DfID. I think it needs to be supported within the Foreign Office and within BIS as well.

Thomas Lingard: I agree with that. I think the structure of Government makes it difficult and leads towards silos and you have to try extra hard to break those down. Again, it is not just DECC and DEFRA; it is Treasury, it is the Foreign Office. This is a whole system development agenda and I think Government has a responsibility, as does business, to take a whole system view on the issue and what can be done. This is not led in Unilever from a sustainability department, it is led at a strategic level. We have bits of our business that work on sanitation products or hygiene products or food products that are engaging actively in the agendas linked to external agendas. It is not a small sustainability and I think the same has to be true in Government.

Jamie Agombar: If I can say something on education and the interconnectedness of that, I think there is a real disconnect between the different forms of education: primary, secondary and tertiary. I think you get quite a lot on sustainable development in primary, not too much in secondary and a fair bit, depending on where you study, in tertiary. That could certainly work better, because I think it is quite confusing for young people as they transfer between the different forms. I have recently returned from the UNESCO Conference on Education for Sustainable Development last week, which was the end of the Decade for Education on Sustainable Development, and it was quite surprising and disappointing there was not a UK delegation there. We used to be leaders on this field maybe 20 years ago around education for sustainable development; I think we are now laggards, having seen what other Governments like Japan and Germany are doing, how they are embedding it into the core purpose of that education. Part of that is that our departments do not talk. I do not think BIS talks to the Department for Education, talks to DECC and talks to DEFRA.

Q121 Chair: Mr Gidney, we have discussed the question of sugar producers and how Fairtrade may protect those producers to some extent, but perhaps not from the wider waves of price reduction. To what extent do you observe there is a constituency for Fairtrade, to the extent that members of the public are beginning to be willing to pay differential prices if there is a Fairtrade logo, and to what extent is it alternatively the case that there is a Fairtrade logo from you but that has limited defensive capacities over and above the other forces that you have described?

Michael Gidney: It is a very good question and I think there is some optimism in what you are saying as well. The next generation of consumers is likely to be much more sensitised to these issues. The Fairtrade mark is 20 years-old this year and we have seen a change in attitudes over that time that will mean that people are more aware of impacts across the supply chain and more aware of the interconnectedness of things and their role as responsible consumers. That could be a very powerful lever for encouraging a step change in corporate behaviour over the life of the SDGs. You do need to keep banging on about it though and you do need to keep finding ways of reaching new people.

One of the most exciting areas of Fairtrade is we have local groups, volunteer groups, who get together on wet and windy Saturday afternoons and give out leaflets in the high street. There are 9,000 groups around the country, and within that the most exciting bit is one-third of the schools in Britain are voluntarily working towards Fairtrade status, which means you are using Fairtrade as a way into understanding the wider interconnectedness of development and social things in schools, so it might be within a citizenship or geography or PSHE classes or whatever. There is an incredible opportunity to work with that group to think about what it means to be a responsible consumer, what does sustainable growth look like. Some of the rather challenging language in the SDGs could be worked through in that kind of way.

That said, also part of our job is to encourage people to see that Fairtrade is only a piece of one solution, a very viable and useful piece of a solution for driving better terms for farmers and workers, but you need a systematic and system-wide change to make that lasting and long term.

Jamie Agombar: May I add that it is not necessarily just about students or young people as consumers but about them as the future employees of companies? We do an annual survey with the Higher Education Academy, which has surveyed 20,000 students over the last four years, and consistently more than half of students would sacrifice £3,000 of their first job’s salary to work for a company that they deemed to be ethical or environmentally friendly. There is this kind of latent student interest and demand to go and work for businesses that get it. I think that gives quite a strong message of hope.

Q122 Simon Wright: I wanted to ask some questions that link to goal 12, which includes references to the importance of technology and information in driving behaviour change in relation to sustainable development. Some of you have touched on this in some of your comments already, but what, in your experience, is the best way to influence people to have a positive impact on sustainable development and what do your organisations do in this area?

Thomas Lingard: We are in the business of behaviour change, whether that is as simple as persuading people to buy our products rather than someone else's or the more complex ones around environmental behaviours. Behaviour change is an outcome and there are a number of inputs to that. Some of that can be around consumer message, product innovation and can also be regulation and legislation, so again, this is something where you have to look at everything in the round. We have done a lot of work taking what we know about behaviour change from a traditional marketing standpoint and published that for the public good about how we drive behaviour change, a theory called the Five Levers of Change and I would be happy to circulate information on that.[1] That does not give you the solution; it gives you a framework in which you can explore solutions to any particular behaviour change problem. There is a huge amount we can do and we are starting to learn more about how people respond to cues around environmental behaviour and not necessarily messaging environmental benefits upfront. People are busy and stressed and short of money and if we can appeal to things that are top of their mind rather than long term what appear to be distant issues of climate change, you can get engagement with people. If you make it fun and interesting and engaging, again you can get more engagement.

But to say that the solutions to all of these challenges lie in getting better at persuading people to do things is probably mistaken. I think it needs to be a combination of hard policy and Government intervention and behaviour change. I was struck by something I saw about the seatbelt legislation, which was a nice case study of legislation and peer pressure and behaviour change, that when we made it mandatory to wear seatbelts in the back that seatbelt wearing in the front went up. The reason was the parents get in the car and say, "Kids, put your seatbelts on" and they say, "Well, you are not wearing yours, Dad". So it was peer pressure of the kids combined with the regulation to do something that drove behaviour in a different way. It is not always easy to predict how regulation interacts with behaviour and how we can use regulation smartly with behaviour sciences to understand how we can drive behaviour in a particular way.

My one caution would be again it is the urgency when we look at some of these issues. Consider behaviour change; if you think about how long it has taken us to ban smoking, we do not have that kind of time to ban environmental behaviours that are extremely carbon-intensive and unnecessarily carbon-intensive. One does have to think through what we are trying to do, the timeframe in which we need to do it and the means that are available to us.

Michael Gidney: What we do at Fairtrade is we try to put the information in the hands of individuals to make informed choices. That can be quite an empowering proposition, so you read bad things and rather than being overwhelmed by what you understand of the way the world works, you can make a positive difference today by exercising a slightly different choice as a consumer or as a campaigner or voter or whatever. That has real mileage. It would be made easier if companies were able or required to be more

[1] Unilever have provided additional information contained within this website: http://www.unilever.com/sustainable-living-2014/our-approach-to-sustainability/embedding-sustainability/encouraging-behaviour-change/

transparent themselves. You can look through Fairtrade material and you can understand the value distribution across the supply chain. I spend £2 on my cup of coffee; how much goes back to the farmer? How interesting if everybody else in the chain would do the same, so the retailers and the brand-owners, how much could they share? The knee-jerk reaction from some laggards would be it is too commercially sensitive but there are aggregate values and volumes traded you could put in there. There is a description of generic supply chain maps you could start to put in the public domain that would help to put more information in the hands of consumers and then they will make informed choices.

Jamie Agombar: We do quite a lot on behaviour change, which you probably saw in the written briefing, but 10% of everyone that works at NUS these days works full-time on sustainability and that has mostly come around through a behavioural perspective. We took some funding from DEFRA maybe five years ago to run an action-based research project that looked at moments of change. Effectively, if you are going through a big moment of change in your life, whether you are having your first child or leaving home for the first time, it is a great time to break old habits and form new ones, and that is what the research project showed. We get students arriving at university and if you can create the social norm of sustainability and responsibility—they get it in the dormitories, in the departments, on the campus and in the lecture theatres—then you are more likely to get out at the end of it sustainability literate graduates, which is exactly what we need.

It is probably just worth saying as well that we are seeing the role of tertiary education as having a disproportionate duty to do a lot of this work. There is a great UNESCO statistic that says globally less than 3% of the world's population go to university but 80% of the world leaders have been to university. There is a throughput of massive numbers, hundreds of millions of students through tertiary education every three years, and if you can embed it in the right place in this critical moment of change, then the students that come out will. I suppose I am testament to that as well, in that I had it when I went to university and now I am working in the field. But it is not only that, it is around brand loyalty as well. The beer that I started drinking at university is the beer that I drink these days too because of that moment of change. Understanding the social theory behind it and empowering organisations that are at the frontline to do stuff on it can be incredibly powerful.

Q123 Simon Wright: Jamie, could I ask you also does the NUS promote the International Citizen Service? Do you have any thoughts on how you can increase the diversity of young people who get involved in that?

Jamie Agombar: I asked around about this and I have yet to find anyone in NUS who can answer the question, so we will look into it and get back to you on that.

Q124 Simon Wright: Great, thank you. Could I finally ask then what differences there are in how you communicate sustainable development messages with people who live in the UK compared with poor people overseas? What are the different approaches and different strategies that need to be taken in a global scale?

Michael Gidney: That is where the application of the SDG framework is so incredibly important, isn't it? If you were talking to Fairtrade in Africa, the producers who are engaged in Fairtrade, what is on their minds? The answer is market access, the sustainability and viability of that, the clarity of the terms of trade, the clarity of the power imbalances and how they can overcome those, but critically, adherence to social, environmental and economic standards, compliance at the very least. If you were to do the same in the UK—I was talking about the schools' support for Fairtrade— it is about our responsibility as the more powerful in the partnership, which may be less palatable. Some of the changes are going to be less palatable. If you get into a frame of responsible consumption means consuming less, then you have lost people. You need to find a way of making it an empowered choice. But yet for farmers it is absolutely about trade; it is about the viability of their trade on good standards and their negotiating power. That is one of the things we have not discussed yet, but for us to make the progress we need on SDGs, we do have to understand that there is still a very highly-concentrated trade sector where most of the benefits accrue to a very few companies in a very small number of countries.

Thomas Lingard: We spend a lot of time communicating to consumers all around the world, billions of them every day, mostly about products. One of the most exciting things that we are working on now is trying to develop the conversation that we have with consumers to be not just about products but about the broader issues that these products are involved in trying to address. We call that Project Sunlight; it is a website. There are a number of different websites in different countries. That has driven us to do a lot of research in different parts of the world about exactly what messages people do respond to. The reality is you cannot go in and start a conversation by talking about climate change or about poverty in many places, but you can go in and start to talk about people's children, about the future. It sounds a little bit twee sometimes, but this is a universal theme that people can engage on, "What kind of world do you want to build? What kind of world do you want to live in? What kind of world do you want to leave for your children and what opportunities do you want your children to have?" It works obviously better with parents, but there is still something universal and there are a lot of parents. We know that children can be big drivers of behavioural change within homes, exactly to the point about if you can get them young and the kids come home from school or university and say, "Mummy, why are you not recycling this?" that can be a hugely powerful driver, often underestimated.

But we are not targeting children; we are targeting the parents who are thinking about children they are bringing into the world and what world they will grow up in. We find that gets very high resonance scores as a way of getting people into thinking about what they can do, what their contribution could be, but a kind of "save the world" type framing, kind of doom and gloom climate change we know does not engage people or at least sufficient numbers of people. There is always a hard core who get it, who can be persuaded with that sort of message, but we are, I suppose, specialists in mass market consumer messaging and that is what the data tells us.

Jamie Agombar: I think our work is characterised by fun. It is quite engaging for both staff and students and we use a lot of social media to advance that. But I suppose if our vision for sustainability is that students turn out of the system as part of the solution to the world's problems, you cannot just do that through behaviour change, you also have to do that through some institutional change to ensure that they are getting taught what needs to be taught. It is not just about knowledge either, it is also about the attributes they pick up, so critical thinking, global citizenship, all that sort of stuff that comes through inter-disciplinary learning. There is a big job trying to articulate that or turn higher education around so that it can perform that duty. It is not just learning about carbon.

We are doing two things, partly in response to the Global Action Programme around Education for Sustainable Development that came out from the conference last week. We are developing an institutional change programme called Responsible Futures, which is an NUS stamp on the whole institution's approach to sustainable development, building on all our behaviour change work to start to change how the institution does its core business. The second one is we are running a photographic exhibition at 100 universities concurrently at the start of the next academic year that will be on all the continents around the world. We are going to try to connect students up through these photographic images of sustainable development and get them to talk about and discuss how they are part of the solution to those problems.

Q125 Simon Wright: That is the Whole Earth?

Jamie Agombar: Whole Earth, that is correct, yes. I think that you probably saw that in our submission.

Simon Wright: Yes.

Jamie Agombar: We want to use that as a way of starting to get students a global voice on sustainability, so in this country, because we survey through the NUS survey, we can say that 60% of students want to learn about sustainable development consistently, but the students in France are asking a different question, as they are in Canada and in the States. So if we can, on the back of that, start to get some collaboration on research, communications and campaigns, then it means that next time round, whatever the successes are to the SDGs, maybe we will have a voice, a more powerful voice, and show that young people are interested in this agenda.

Q126 Mrs Spelman: We are a bit short of time, I think. You have used the sugar example to highlight the fact that free trade does not always benefit the most vulnerable countries, but the SDGs currently mention realising duty-free, quota-free market access on a lasting basis. Do we have something fundamentally wrong here or have we failed in some way to adequately deal with the negative consequences of liberalisation at pace?

Michael Gidney: I think the spirit of it is absolutely right, but you just need some accompanying measures, so you need a commitment to good research and then to act on the findings. Nobody engaged in the sugar protocol would have expected the smallholders in some of the ACP countries who are producing to be able to adapt in that incredibly short window. The problem there was not necessarily the wish to change the sugar regime and it was not necessarily the research; it was the inability or the inadequacy of the action on top of the research. What you would need is to understand the implications of liberalisation, understand the risks to sustainability, and put in step a robust plan to mitigate them.

Q127 Mrs Spelman: But wasn't the problem here that the UK signalled that? It was an EU-wide decision and only two countries in the EU import cane sugar, ourselves and Portugal, and the voice was simply drowned out.

Michael Gidney: It is absolutely that and it is political capital, so that is a trade-off in Brussels. Most of the trade agenda that we talk about here as being relevant to the SDGs will need proper negotiation within the EU framework and that is very tough.

Q128 Caroline Lucas: Can I ask you one last question, which was one we did not think we would get around to? Could you touch on how can corporate sustainability reporting be improved and made more common as a tool for driving forward these SDGs?

Michael Gidney: I would say make it mandatory for companies over a certain size.

Caroline Lucas: Yes, that is easily said. It has worked for other things.

Michael Gidney: It has worked for other things and what is also interesting is it does not need to be a fearsome tool. It can enable better business practice, so the leaders who are trying to do that kind of thing—

Caroline Lucas: Yes, the proponents of it.

Michael Gidney: —understand more the inadequacies in their supply chains and what they can do to improve. Often it drives profitability.

Q129 Caroline Lucas: Given that it was the voice of business that brought about the change to the Modern Slavery Bill because enough voices in business wanted to see transparency in supply chains, what do you think the chances are of achieving corporate accountability for sustainability on the same basis?

Michael Gidney: I am sure you will have a different view, but I think it is to do with the quality of the reporting, so this would need to be meaningful reporting where there is some kind of proper stakeholder engagement rather than just a PR report. If it is meaningfully done and properly accountable, I think people would see it as a good leveller.

Thomas Lingard: I would not disagree with that at all. It is about the understanding. The reporting is the thing that comes out of it, but it is about the internal conversations that happen in the company at a senior level about what are we trying to do here, what is the company strategy, how is the world changing, what are the big social, environmental and economic risks, how are we positioning ourselves to respond to those risks, and then this becomes just part of corporate reporting. Corporate sustainability reporting should not be different from corporate reporting. It is an update to the stakeholders and shareholders on how the business is being stewarded. Businesses that are reporting on numbers but not on any of the risks are just missing part of the picture. So, yes, I would not disagree at all.

Jamie Agombar: Just a slightly different twist; for universities it means trying to get universities and colleges to stop looking at the negative implications of their estates and more at the graduate attributes or learner attributes of the students that turn out of the system. For some time we have been talking about how we can get a question in the National Student Survey on sustainability that would then give us an indicator of which are doing it well.

Mrs Spelman: Thank you. That is a good idea.

Chair: Thank you very much. I am afraid once again we have run out of time. We have green pester power and sustainability reporting well on our map now, but if there is anything else you would like to add either to your written evidence or any further thoughts you may have had from what we have discussed today, we would be very receptive to hearing from you further on that. Thank you very much for attending and for the very significant evidence you have been able to give us this afternoon.