What do we know about the private sector’s contribution to development?

Margaret Callan

Abstract

Business is increasingly seen by international aid agencies as a partner in development. Recommendation 21 of the recent Independent Review of Aid Effectiveness for the Australian Government reflects this: ‘The power of business should be harnessed and business innovation should be encouraged, including through an annual consultative forum.’ The Review also suggested that the aid program consider ‘establishing a mechanism to assist businesses seeking corporate social responsibility and/or inclusive business opportunities in developing countries’. This paper considers what information the private sector currently provides on its development contributions. The key finding is unsurprising: private sector reporting is oriented to serve the needs of business, not that of the development community. The paper suggests ways in which corporate reporting could be strengthened to better reflect the private sector’s role in development. The framework proposed here will be tested in a case study in Papua New Guinea, an outline of which is provided at the conclusion of this paper.
What do we know about the private sector’s contribution to development?¹

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What do we know about the private sector’s contribution to development?

1. Background: business, philanthropy, corporate social responsibility and the MDGs²

The fundamental and by far the greatest contributions that the private sector makes to international development are its investment and production activities. Through these, enterprises create economic opportunities (for employees, suppliers and distributors), build physical and communications infrastructure, invest in human capital, pay taxes to help fund the services provided by government, spread innovation and international standards and, in the case of export-oriented businesses, generate foreign exchange.

The private sector also has a long history of philanthropic contributions to society: from making donations to local charities or social services to providing endowments for national institutions such as libraries and museums.

During the 1970s and 80s, corporate philanthropy was subsumed into the business management concept of ‘corporate social responsibility’. This involved broadening the focus and accountability of managers beyond shareholders, clients and customers to include other ‘stakeholders’ such as employees, communities and governments. Over time, the concept of corporate social responsibility was combined with that of operational environmental and social sustainability,³ so that enterprises today often describe their corporate values in terms of a commitment to ‘responsible and sustainable business’. This shift from philanthropy to sustainability was an important substantive and qualitative change in approach. Corporations moved from providing gifts or benefits to society to having responsibilities in terms of long-term development in their areas of operation.

The business case for this change has evolved over the decades. Many enterprises had long recognised that for the long-term viability and profitability of their operations in

² This introduction draws on (Ashley 2009).
³ The concept of corporate social responsibility and sustainability grew mainly from two initiatives, the European Management Forum set up by Klaus Schwab in 1971 (replaced in 1987 by the World Economic Forum), and the Brundtland Commission (the World Commission on Environment and Development), convened by the United Nations in 1983 to establish policies for sustainable economic and social development.
relatively poor areas they needed to contribute to the provision of basic services and amenities. Their contributions helped to provide the infrastructure and services needed by the business as well as building goodwill and support from host communities. In the case of resource-based industries, community support amounts to a ‘licence to operate’.

In the 1990s, developments in mass communications and greater public scrutiny of corporate operations added new dimensions to the concept of responsible and sustainable business. Global environmental, labour, development and human rights organisations started to expose practices in developing countries that were damaging to the reputation and, potentially, the profitability of many multi-national corporations. For the textile and footwear industry publicity tended to focus on sweatshops and child labour (Jenkins 2005), while for the mining and petroleum sector the main issues were environmental and security practices, particularly in Nigeria (oil industry), Indonesia (Freeport mine) and Papua New Guinea (Ok Tedi mine).

Companies responded to legal actions against them and international campaigns calling for boycotts of their products by reorienting their responsibility and sustainability policies to focus on how they would contribute to the economic, environmental and social development of their host countries and communities. In mining, a number of multinational corporations joined forces in response to negative publicity by establishing the International Council on Mining and Metals in 2001 with a mandate to improve the sustainable development performance of the sector.

Expectations of the private sector as a development player took another leap in 2000 following world leaders’ agreement to the Millennium Development Goals (MDGs). This agreement expanded the potential scope of corporate responsibility and sustainability programs in developing countries by spawning new ideas about collaboration between the private sector and development organisations to help achieve the MDGs by 2015. These ideas are captured in concepts like ‘creative capitalism’, ‘inclusive business’ and ‘bottom of the pyramid’\(^4\), and initiatives such as the Business Call to Action, and in Australia, Business for Millennium Development\(^5\).

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\(^4\) ‘Creative Capitalism’, attributed to Bill Gates, is about using market forces to better address the needs of the poor; ‘inclusive business’ is defined by UNDP as business that provides products or services to or
2. International standards and models for corporate social responsibility and sustainability

Once the concepts of corporate social responsibility and sustainability gained international acceptance, best practice approaches and reporting frameworks began to emerge. They were generally developed as collaborations between private sector representatives and specialists from academic, business ethics, professional, management consultancy and development organisations. The most widely used approaches and frameworks today are sponsored by network-based organisations established to promote and support the implementation of corporate responsibility and sustainability practices.

Almost all models propose a similar range of issues for companies to consider in developing their responsibility and sustainability practices, starting with corporate governance: articulated policies; senior management responsibility for implementation; independent oversight and audit; regular reporting. The models provide guidance on how companies select the responsibility and sustainability activities that are most relevant for their operations, best practice approaches to implementation and how to measure and assess performance.

All responsibility and sustainability models propose similar underlying principles for corporate responsibility and sustainability policies and practices: overwhelmingly a focus on materiality (activities should be aligned with business interests, focus on activities of importance to stakeholders, and be pertinent to these issues); consultative and partnership approach (activities should be planned and implemented with communities, governments and other relevant organisations); transparency and accountability (reporting should be regular, use good quality data, be subject to independent verification, and be available and accessible to all stakeholders).

sources from the poor; ‘bottom of the pyramid’ refers to market innovations to reach billions of poor consumers.

5 ‘Business Call to Action’, initiated in July 2007 by Gordon Brown and Kofi Annan, called on the private sector to take a greater role in international efforts to achieve the MDGs; Business for Millennium Development, established in 2007, is a partnership forum for Australian business to support MDGs in the Asia-Pacific region
In practice, most companies focus their responsibility and sustainability efforts on similar issues: economic value generated (taxes, royalties and other payments to governments and communities, employment generation); environmental management (including support for biodiversity, climate change mitigation and waste management); employee welfare and opportunity (education, training, health and safety, workplace diversity); community programs.

### 2.1 Widely used models and standards

The *Global Reporting Initiative* (GRI), with about 2400 published reports from users in 2010, sets out principles and performance indicators for organisations to measure and report their performance.

- *London Benchmarking Group* (LBG), with 200 members globally and 51 in Australia and New Zealand, provides guidelines on what to include and how to measure and value corporate community investment contributions.
- *Corporate Responsibility Index*, with 113 participants globally and 21 in Australia and New Zealand, provides guidance, a self-assessment tool and an annual company score.
- *Sustainable Development Framework*, with 20 corporate members globally and 31 mining and commodity association members. Provides toolkits to assist companies, including a ‘Partnerships for Development’ toolkit.
- *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (IPIECA Guidelines)*, endorsed by the International Association of Oil and Gas Producers, provides guidance tailored to the industry.

Many of the models incorporate internationally agreed standards and initiatives for responsible corporate practices, many of which have international development as a high-order objective. These include:

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6 [CorporateRegister.com](http://www.corporateregister.com)
• International Finance Corporation (IFC), *Performance Standards on Social and Environmental Sustainability*, applied by IFC to manage social and environmental risks and impacts and to enhance development opportunities in its private sector financing.

• OECD, *Guidelines for Multinational Enterprises*, recommendations for responsible business conduct in areas such as human rights, environmental and labour standards, bribery, sustainable consumption.

• *Extractive Industries Transparency Initiative* (EITI) to promote transparency and accountability for revenues paid by the extractive industry to governments.

• *UN Global Compact* (8700 participants in April 2011) and *Voluntary Principles on Security and Human Rights* to support key principles from the Universal Declaration on Human Rights and other international declarations in relation to work, the environment and corruption.

• *Equator Principles* for determining, assessing and managing environmental and social risk in project finance transactions, adopted voluntarily by financial institutions and applied where total project capital costs exceed US$10 million.

The most widely used models tend to cross-reference, include or endorse elements of the others – this helps to standardise approaches, enables comparisons of data between models and assists companies which report against multiple initiatives. For example: GRI incorporates LBG methodology for corporate community investments; GRI’s next iteration (GR4, to be published in 2013) will include the UN Global Compact and the MDGs; and LBG data can be fed into the UN Global Compact and Dow Jones Sustainability Index (see 2.2 below).

### 2.2 Initiatives to review and benchmark performance

Growing interest in private sector responsibility and sustainability performance from company boards, directors and managers, employees, shareholders, investors, special interest groups, governments and communities, has led to the emergence of initiatives for independent review, assessment and benchmarking of company performance.
These include:

- CorporateRegister.com, a global corporate responsibility resources website that provides a directory of company reports (30,000 since 1992), announces new reports, provides critical reviews of reports, and assesses trends in the field.

- *Sustainability Reporting: A guide for Australia*, developed by KPMG and the Group of Top 100 Australian companies, provides practical guidance in compiling sustainability reports and surveys the largest 250 companies globally every 3 years to identify their sustainability reporting practices.

- Dow Jones Sustainability Index (assessed 1393 companies in 2010) commissions an annual review of company sustainability performance and identifies the top 20 per cent. Sustainable Asset Management (Zurich) undertakes the assessments on behalf of Dow Jones using its own methodology.

- Office of the Extractive Sector Corporate Social Responsibility Counsellor, was established by the Government of Canada in 2009. It reviews the corporate social responsibility practices of Canadian companies operating outside Canada, in the context of international standards, and advises stakeholders on the implementation of these standards.

A number of the organisations that sponsor reporting frameworks also provide an annual report on how their members perform. For example, the International Council on Mining and Metals compiles an annual summary on members’ reporting performance in terms of coverage of required areas and whether reporting is independently assured. The London Benchmarking Group’s annual report provides information on the total value of community contributions from all members.

### 2.3 MDG-specific models, initiatives and case studies

The *MDG Scan* developed by DSR (Dutch Sustainability Research) and NCDO (Dutch national committee for international cooperation and sustainable development) is currently the only methodology that assesses a company’s contributions to the MDGs. It estimates the number of people for each MDG that benefit from a company’s commercial activities and community investments. Twenty (20) companies participated by completing an on-line self-assessment tool in 2010, compared with six in 2006, and company data was converted to MDG results by DSR. For example, to calculate the
number of poor people benefiting from the company's local employment generation, the MDG Scan applies national poverty incidence and dependency ratios to company employment data.

Beyond participating in the MDG Scan, companies that want to extend their sustainability and responsibility activities and reporting to include the MDGs can draw on a substantial body of advice and case studies, including:

- **UN Millennium Project** provides a menu of practical actions for companies to contribute to the MDGs through investment, creating local jobs, paying taxes, embedding international standards in supply chains, promoting transparency and corporate philanthropy. The Project proposes ways for companies to assess their MDG performance, building on reporting under GRI.

- Centre for Global Development, *Joining the Fight Against Global Poverty A Menu for Corporate Engagement*, by Staci Warden (December 2007), provides a menu for practical action including: standards compliance, charitable giving, using core resources (goods, services, expertise) to support poverty reduction activities, and adapting products or services to the needs of the poor.

- Oxfam Great Britain, Novib, Unilever and Unilever Indonesia, *Exploring the Links between International Business and Poverty Reduction: A Case Study of Unilever in Indonesia*. This research project assessed Unilever Indonesia’s operations, value chain and community investments. It demonstrated that the company's greatest contribution to poverty reduction was through its production and investment activities, specifically: profits retained and invested in Indonesia; employment and livelihoods generated (including contractors, suppliers, distributors and retailers); productivity improvements through support for technical and quality management among suppliers; providing market security and credit to suppliers.

3. **What does reporting based on the models and standards reveal about business contributions to development?**

With this extensive architecture around corporate responsibility and sustainability activities and reporting, one would expect to be able to access comprehensive information about the private sector's contribution to development. After all, the responsibility and sustainability policies of most companies with operations in
developing countries include a commitment to contribute to the development of their host countries.

Unfortunately, corporate reporting has a number of weaknesses which undermine its value from a development perspective. Several studies of company reports conclude that while they generate a lot of information, examples and anecdotes, they tend to present more qualitative than quantitative information and provide little information about the success of the company’s efforts, such as progress from year to year or achievements against company objectives and targets. Some reporting includes data on numbers of beneficiaries or outcomes for selected activities, but most focuses on the company’s inputs such as expenditure on programs or numbers of employees participating in them. Reporting also tends to have poor geographic attribution and does not link activities to national development objectives and plans.

In his exploration of this issue, Michael Blowfield (2007) noted that companies often use case studies as a way of providing an in-depth look at company social responsibility programs. This helps to address some of the weaknesses noted above, but the problem remains that each case study tends to have its own methodology, so it remains difficult to aggregate results or track them over time.

In the following section we consider corporate reporting using the Global Reporting Initiative, London Benchmarking Group and MDG Scan.

3.1 Global Reporting Initiative

GRI initiated three research projects in 2008 and 2009 to assess how companies were reporting. In the first (GRI 2009), researchers surveyed reporting on the performance and impact of community programs for 72 randomly selected companies. They found that ‘there was a good deal of individuality’ in the presentation of reports. Only one-half of the companies surveyed indicated the policies or goals behind their activities, and most focused on reporting their own performance as opposed to the changes or benefits to people or environment as a result of their programs.

The second and third research projects (Burton 2010) highlighted inadequacies in company reporting on human rights. Both found that adherence to GRI guidelines was very low (one study found it to be only 7 per cent for companies using GRI guidelines),
reports tended to discuss programs that had been put in place rather than their performance, and generally included examples of activities that reflected well on the company rather than a complete or balanced picture of the company’s experience.

In a GRI report issued in 2010, *GRI and ISO 26000: How to use the GRI Guidelines in conjunction with ISO 26000*, the authors saw fit to draw attention to these reporting weaknesses in the Introduction (p.4). They note that company reports should include objectives and performance indicators and present a fair and complete picture including shortfalls.

Closer to home, we examined recent reports for two mining companies and two financial institutions with major operations in the Asia Pacific region – Freeport-McMoRan Copper and Gold (*2010 Working Towards Sustainable Development Report*), Newcrest Mining (*Sustainability Report 2010*), Westpac Group (*Annual Review and Sustainability Report 2010*), and Australia and New Zealand Banking Group (*Your ANZ Your World ANZ Shareholder and Corporate Responsibility Review 2010* and *ANZ Global Reporting Initiative Index 2010*).

These companies were selected for the following reasons: all use the GRI framework for annual reporting; have company-endorsed statements of commitment to economic, environmental and social development in their countries of operations; have significant operations in developing countries in the Asia-Pacific region; and represent contrasting sectors (mining and banking), one with heavy and direct environmental and social impacts and one with a relatively light environmental footprint and diffuse social and economic impacts.

### 3.1.1. What did we find?

All of the companies provided data on *economic value* generated and distributed, although only one provided data for all of GRI’s standard performance indicators and included a statement of all payments to government in all countries of operation in line with the accountability standards of EITI. One company provided 5 years of data to enable key indicators to be tracked over time.

7 ISO Guidance on Social Responsibility, see [http://www.iso.org/iso/social_responsibility](http://www.iso.org/iso/social_responsibility)
The reports all provided data on local employment (numbers and benefits paid) and local suppliers (number and value of contracts), though multi-year data and targets were not provided (except the broad target of ‘maximise to the extent possible’).

The banks described their products and services to improve access to financial services for under-served communities including data on numbers accessing these products and services, though without targets.

For **environmental** data, reporting tended to be consistent and comparable across the four companies for similar activities, reflecting international agreements and national requirements regarding environmental management, as well as commercial incentives to monitor environmental performance in order to reduce costs, meet the expectations of investors, and avoid negative public scrutiny.

For **community programs**, reporting varied between the companies, but overall it tended to be more anecdotal and to include fewer statistics. The contrast with environmental reporting was striking but not unexpected: environment programs are largely technical and subject to measurement, whereas community programs usually involve social, political and institutional variables not as easy to describe or measure. Companies provided targets for some aspects of their community programs, for example, expenditure as a share of revenue, volunteer hours paid by the company and numbers of beneficiaries. They also provided information on the number of beneficiaries for some of their programs. Two companies provided multi-year data on the components of community investment (direct funding and donations, in-kind support and administration) and its sectoral breakdown (infrastructure, services, economic development), though without geographic attribution.

Overall, the reports document the range of activities undertaken by these companies to support development in their countries of operation. However, the information presented was not sufficiently detailed to enable conclusions to be drawn about a company’s overall or sectoral contributions to development in a particular country of operation. Nor did companies seek to draw conclusions in their reports about their contributions to the development goals of their host countries and communities.
3.2 London Benchmarking Group

Corporate reporting that uses the London Benchmarking Group approach covers corporate community investments only. Because the methodology uses a common set of terms, definitions and valuation methods, it is possible to draw some conclusions about performance by the whole membership and by all members in each of the nine economic sectors identified by LBG.

What did the 2010 report include?

The 2010 Annual Benchmarking Report of the 51 Australian and New Zealand members of LBG contains data on the combined value of members’ community investments, total community investment as a share of total revenue and pre-tax profits, average contribution per employee, and total numbers volunteering in company time. Total community investments by value are disaggregated for area of focus (arts and culture, economic development, education, emergency relief, environment, health, social welfare), motivation (charitable, community investment, commercial initiative), and type of contribution (cash, in-kind, management costs).

All data is provided for the current and two previous years. The report does not include information on targets, so it is not possible to know how well members are performing against corporate goals. Nor is the data attributed geographically, although members collect this data and therefore it would be possible to obtain it.

LBG's report focuses entirely on company inputs. However, it notes work underway to develop tools and approaches to assist members in measuring the impact of their community investments on the business and on target communities.

From a development perspective, reports based on the LBG approach share some of the weaknesses of GRI, especially inputs-focus and lack of a link to the development objectives or plans of host communities. However, they also offer the following strengths: geographic attribution for individual companies and consistent definitions and methodology for valuing and classifying community investments (by area of focus and type of contribution). This means it would be possible to generate data on the total value and sectoral breakdown of business community investments across a particular
developing country. Such data would be useful for facilitating better integration of the private sector in national development efforts.

3.3 MDG Scan

The 2010 MDG Scan assessed the contribution of 20 multinationals (Dutch-listed, except for one Belgian and one Singapore-listed) to the Millennium Development Goals (NCDO and Sustainalytics 2010). The methodology calculates for each MDG the number of people that benefit from a company’s commercial activities and community investments. It aims to inspire companies to increase their MDG-focused activities and achieve better impact.

3.3.1. What did the 2010 assessment find?

The 2010 Scan estimated that the sample group impacted 8.2 million beneficiaries, with roughly equal numbers of beneficiaries from commercial and community activities. The greatest numbers of beneficiaries were 3.1 million for MDG1 (ending poverty and hunger), and 1.4 million for MDG7 (environmental sustainability). MDG5 (improve maternal health) and MDG3 (promote gender equality and empower women) had fewer than 80,000 and 310,000 beneficiaries respectively. MDG2 (achieve universal primary education) and MDG4 (reduce child mortality) each had about 500,000 beneficiaries.

The conclusion that the private sector's most significant contribution to development is the economic opportunities it creates through its investment and production activities confirms the conventional wisdom. The Scan's estimates for MDG7 also reinforce the comments above on GRI reporting that environmental activities are a priority for all businesses. Estimates for MDG2, 3, 4 and 5 confirm that social and community activities are less of a focus, being generally less central to business operations.

From a development perspective, the MDG Scan provides useful insights into the private sector's contributions to global development, highlighting areas of most and least impact. It has the potential to identify areas for greater corporate focus and for collaboration between the private sector and governments, aid donors and NGOs.

However, because the methodology lacks geographic attribution it cannot provide estimates for a particular developing country. It also shares the weaknesses of GRI and
LBG reports in not specifying targets or expectations for participating companies — the 2010 Scan’s conclusion: ‘the private sector plays a larger than expected role in contributing to the MDGs’ (p.8), begs the question of what its ‘expected’ role was.

The authors of the 2010 Scan report provide detailed notes on the methodology and its limitations, including: that the response rate to the questionnaire was 55 per cent; data was estimated using public sources or assumptions when it was not provided by companies; and the elasticities and employment multipliers used were generic and not country- or region-specific, with error margins of 25 per cent observed for the employment multipliers used.

4. Proposals for improving the international development value of reporting by the private sector

The analysis thus far has found that corporate responsibility and sustainability reporting generates a substantial amount of information about private sector contributions to development. But it tends not to be comprehensive, or to consistently provide detailed information from year to year with geographic and sectoral disaggregation. Moreover, company activities are rarely linked to corporate or national plans or targets. So there is some way to go before corporate reporting meets the quality standards set by international reporting frameworks like GRI and LBG.

Continuing improvements in line with these standards, together with some additional development-related indicators, would provide valuable information to underpin a stronger partnership between the private sector, developing country governments, international aid agencies and other development partners such as NGOs and community organisations.

4.1 What is reasonable and useful for private enterprises to report?

In suggesting improvements to private sector reporting so that it is more useful from a development perspective, it is important to reinforce the fundamental point that national development is not the core business or responsibility of the private sector. It is the responsibility of national governments.
The private sector is a key stakeholder in development and is increasingly recognised for its capacity to contribute positively as well as negatively. However, according to recent studies, businesses are becoming concerned about the growth of expectations about their societal roles and ever-increasing demands for more detailed and frequent reports (Daub 2007; Margolis & Walsh 2003). It would be unreasonable for national or international development agencies to expect private enterprises to give comparable attention or resources to their development investments as they devote to their investment and production activities.

The principal value to business of responsibility and sustainability activities and reporting is commercial – enhanced long-term profitability and viability, strengthened trust and relationship with stakeholders, enhanced reputation with investors, and improved morale among staff (IFC & GRI 2010; Aras & Crowther 2009). For developing country governments and development agencies, the value of private sector responsibility and sustainability activities is the additional resources they bring to help achieve development goals. Corporate reporting can provide valuable information on how and where businesses are deploying their resources and help identify potential opportunities for cooperation and collaboration.

In recent years, companies have been encouraged to track the numbers of beneficiaries, outcomes and impact of their activities and several initiatives aim to assist business to do this (Braybooks 2011). These initiatives are welcome given the evidence about how little performance data currently makes its way into company reporting. They also respond to the need for businesses to have performance data in order to make informed decisions about the allocation of corporate resources. This is especially relevant in the context of increasing expectations about the social and development role of business.

In the following section we propose a set of development indicators for business, some of which are included in current reporting frameworks and selected supplementary indicators. These would provide better information for companies to assess the performance of their development contribution and a stronger basis for private sector engagement with the development community.
4.2 Proposed indicators for enhanced corporate reporting

The proposed indicators for corporate reporting seek to satisfy a number of criteria. First, they are consistent with existing reporting frameworks. Second, they provide information that enterprises can use to assess their own performance in contributing to development. Third, they provide stakeholders such as investors, host governments, communities and development agencies with data on a business’ overall development contribution. Finally, they provide information for interested development institutions which would highlight potential opportunities for cooperation and collaboration. In particular, aid agencies such as AusAID and partner country national development or planning departments could use this information in engaging the private sector at a national level as a development partner.

In the following list of proposed indicators, we identify indicators that are already included in an existing framework (GRI, LBG, EITI) and those that are additional (additional indicators are italicized). At the same time, it should be noted that according to GRI principles, company reports should cover all topics or indicators that reflect an organisation’s significant economic, environmental and social impacts, and coverage should be sufficient to enable stakeholders to assess a company’s performance in the reporting period. So including in reports additional indicators that highlight a company’s development contribution would be entirely consistent with GRI principles.

4.2.1. Core business contributions:

i. Tax, royalties and other payments to government, by recipient, by country or region

Additional: Company efforts to improve the utilisation of government revenues sourced from the private sector to optimise their development benefits.

ii. Payments to landowners, communities or development authorities, by recipient, by country or region

iii. Wages and other remuneration paid to locally-hired labour by location of operations

iv. Local procurement, by value, by location of operations

v. Number of locally-hired employees by gender, skill level and location of operations
vi. Labour practices including value and number of beneficiaries of training and education programs by location of operations

4.2.2. Community contributions:

vii. Community programs funded by government or aid donors, disaggregated by source, value, type of investment, geographic location, number of beneficiaries or other measure of benefit provided (e.g. kilometres of roads or bridges built and maintained)

*If applicable, companies should also estimate the value of their corporately-funded contribution to programs funded by government or aid donors*

viii. Programs funded by the business, by geographic location – total expenditure, expenditure by program disaggregated by cash, in-kind, and management contribution; expenditure and estimated number of beneficiaries by sector and program (e.g. people on ARTs, children immunised, birthing or malaria kits distributed)

4.2.3. Other contributions:

ix. Transparency practices and support for combating corruption

tax. Human rights practices, training, and incidents

xi. Other policies and programs to support economic and social development in countries of operations. For example, programs to assist employees, their families, communities, suppliers and customers with serious diseases such as HIV/AIDS; products developed to target low-income consumers; supply-chain development to benefit those on low incomes or with limited access to market opportunities, with numbers benefiting from these programs

4.2.4. For all indicators:

xii. Corporate objectives and targets

xiii. Data for current and at least two previous reporting periods

xiv. All data disaggregated by geographic location and gender wherever possible
4.3. Papua New Guinea Case Study

In recent years, the Papua New Guinea government has paid increasing attention to the development role of the private sector. At the same time, the Australian aid program in Papua New Guinea has sought opportunities to collaborate with the private sector in education and health, for example, in the distribution of books to schools and drugs to health centres in remote areas. Private sector representatives have also signalled a strong interest in being formally recognised as partners in national development. Most recently, the Australia-Papua New Guinea Business Council lodged a submission (2011) to Ministers at the Australia-Papua New Guinea Ministerial Forum meeting on 12 October 2011, which *inter alia* proposed the formation of a high-level council of business and government to work together to deliver improved development outcomes.

We propose to undertake a Papua New Guinea case study which would examine available information on the private sector's development contributions and analyse it in line with the indicators proposed. Information would be drawn from PNG government sources, corporate reporting, direct contact with businesses known to have significant community programs (including rural industries), membership surveys undertaken by business organisations (Chambers of Commerce and Chamber of Mines and Petroleum), and published research.

From the case study, we expect to have an initial estimate of the scope of the private sector's development contributions and an indication of its size and impact in terms of geographic and sectoral distribution and estimated numbers of beneficiaries. We also anticipate identifying geographic areas and sectors in Papua New Guinea where increased collaboration between the private sector, government and aid agencies has greatest potential to improve development outcomes.

The case study would test the framework proposed above and propose a practical approach to reorienting corporate responsibility and sustainability reporting to better match national development objectives.
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