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ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON HUMAN SETTLEMENTS

Item 5 (h) of the provisional agenda  
for the sixtieth session  
(Geneva, 13-15 September 1999)

RELATIONS WITH THE BUSINESS COMMUNITY

Note by the secretariat

Introduction

1. Over the past decade there have been many calls for the United Nations and other international organizations to cooperate more closely with the private business sector to forge partnerships. In discussing cooperation between the business sector and an international organization such as ECE, it is as important as in the national context to specify the functions of the public and private sectors. Financial pressures have also encouraged the United Nations Secretariat to seek extrabudgetary funds, including funds from the business community, although the implications of this, both for the authority of the governing bodies and for the independence of the Secretariat, do not always appear to have been subject to close analysis. There is always a danger that business will try to "capture" the public interest and exclude other groups or diminish their influence.

2. Pursuant to the decision taken at the Commission's fifty-third session on cooperation with the business community, an open-ended ad hoc working group was established with the aim of considering the Commission's relationships with the business community. Since its establishment, the Ad Hoc Working Group on Relations with the Business Community has met three times (in 1998).

3. The Ad Hoc Working Group considered that, at this stage, it was not advisable to set up ECE general guidelines for regulating relationships with the business community. It agreed on a pragmatic approach which would take into account and reflect the diversity of the Commission's relations with the business sector in accordance with its different areas of activity. It was felt that lessons could be drawn from the acquired experience of the Commission's Principal Subsidiary Bodies and their related bodies in order to identify obstacles and means of strengthening the Commission's relationships with the business community in those fields where there was mutual interest in such cooperation. The Ad Hoc Working Group proposed that the Commission's Principal Subsidiary Bodies should review cooperation with the business community in their respective areas of work. The present note has been prepared to assist the Committee in this exercise.

4. The main conclusions that the Committee will draw on how to overcome obstacles and strengthen cooperation with the business community will be submitted to the Ad Hoc Working Group, which will summarize them together with the conclusions of other Principal Subsidiary Bodies and submit a summary report to the Commission.

#### I. ECE EXPERIENCE IN COOPERATION WITH THE BUSINESS COMMUNITY

5. The ECE has maintained extensive and diverse relations with the business community since its inception. When a number of countries recently embarked on the transition to a market economy, the importance of the private sector increased, not only in the regular work of the Commission (discussions, norm setting and technical assistance) but also in the functioning of ECE. This is illustrated by its growing contribution in cash and in kind to the activities of the Commission. The relations between ECE and the business community are often mutually beneficial.

6. The value of indirect contacts should not be overlooked: making the results of ECE inter-governmental activities better known to the business sector can benefit the private sector and also increase the sensitivity of the public sector to private sector problems. Some publications are specifically designed for the private sector. Among those are technical guides for private companies in transition economies, for example, on financing private enterprises and trade, legal aspects of privatization in industry, a guide for investors in energy efficiency in the Russian Federation, etc. The preparation and implementation of legally binding international conventions and standards directly influence the business sector. Almost every unit of the secretariat organizes informal meetings (workshops) and in many cases the private sector participates and contributes. Occasionally, representatives from the private sector are on loan to the secretariat. These staff members deal with specific technical sectors and bring to the secretariat special skills and practical approaches.

## II. COMMITTEE'S COOPERATION WITH THE BUSINESS COMMUNITY

7. At its fifty-eighth session, in September 1997, the ECE Committee on Human Settlements established an advisory network with the participation of representatives of the business community (banking sector, consultants, housing associations). The terms of reference of the advisory network were approved by the Committee (ECE/HBP/104, annex II). To maintain its objectivity and strike a fair balance between the interests of the public sector and of business, the Committee and its Bureau work closely with the advisory network. Meetings of the advisory network are held in conjunction with meetings of the Committee and its Bureau. All proposals of the advisory network are subject to approval by the Committee and its Bureau. The advisory network regularly presents its position papers to the Committee (HBP/1998/5).

8. The Committee has already benefited from cooperation with the business community on such projects as the country profiles of the housing sector (private consultancy, Norway), case studies (new housing developers, Slovakia) and the organization of a workshop on housing privatization in Poland (Cooperative Housing Foundation (CHF), United States). CHF and the Estonian Housing Foundation sponsored the participation of some national experts at this workshop.

9. The advisory network, in cooperation with the delegation of the United Kingdom, is preparing the Development Conference on Public/Private Partnership to be held in Manchester (United Kingdom) on 6-7 November 1999. Its purpose is to examine current practice in the use of public and private partnership for housing development and urban regeneration, with particular reference to countries in transition. It is expected also that the Conference will draw up recommendations to the Committee on Human Settlements on strengthening its relations with the business community.

## III. ISSUES FOR DISCUSSION

10. The delegations are invited to:

- (a) Assess the Committee's cooperation with the business sector;
- (b) Identify needs for cooperation, obstacles and difficulties (bureaucratic rules, absence of common language, different interests, etc.);
- (c) Seek ways of overcoming these obstacles; define areas and methods of cooperation in the future;
- (d) Address the promotion of private sector involvement in human settlements development in economies in transition;
- (e) Draw conclusions for submission to the Commission and define immediate steps to strengthen cooperation with the business community.