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**REVIEW OF THE PROGRAMME OF WORK: ENVIRONMENTAL MONITORING, BUILDING
CAPACITY AND PARTNERSHIPS, AND CROSS-SECTORAL ACTIVITIES**

**OBJECTIVE, ORGANIZATION AND FORMAT OF THE ROUNDTABLE DISCUSSION ON
ENHANCING THE INVOLVEMENT OF THE PRIVATE SECTOR IN UNECE
ENVIRONMENTAL ACTIVITIES**

Note by the secretariat

Summary

Paragraphs 31 and 36 of the Belgrade Ministerial Declaration, which underlined the importance of multi-stakeholder partnerships, including with the private sector, requested the Committee on Environmental Policy (CEP) to seek the private sector's "experience and expertise in effecting change to improve environmental conditions in the region". In response, the Committee discussed ways to strengthen member States' awareness of, capacity for and use of partnerships with the private sector.

The Committee decided to add an item to its programme of work and to initiate and sustain discussions among member States on ways to engage the interest of the private sector in the work of CEP and the "Environment for Europe" (EfE) process and on how partnerships could address environmental and sustainable development objectives.

The Bureau met with selected representatives of the private sector at a working lunch (Geneva, 24 June 2008). The aim of the working lunch was to strengthen the involvement of the private sector in the work of CEP and in the EfE reform process.

Following that meeting, the Bureau agreed to arrange a roundtable meeting with representatives of the private sector in October 2008 during the Committee's special session. The roundtable should be well-focused and will include representatives of both umbrella associations and individual companies. Two sessions are envisaged: a general session on the nature and modalities of participation and a more focused session examining a specific area, e.g. water and water services (including water supply), where CEP could offer expertise and demonstrate its comparative advantage (Annex II).

I. RATIONALE BEHIND THE ROUNDTABLE DISCUSSION

1. At a critical time for the global environment, when the challenges of climate change and sustainable development have become top priorities on international policy, business and investment agendas, the Committee's work is as timely and topical as ever.
2. The core areas of CEP work focus on the Environmental Performance Reviews, its environmental monitoring and assessment programmes, the five UNECE environmental conventions (Water, Industrial Accidents, Environmental Impact Assessment, Long-range Air Pollution and the Aarhus Convention on Public Participation) and its contributions to the EfE ministerial process.
3. The competitive strength and relevance of CEP vis-à-vis the international and regional political and economic agendas are inextricably linked to the Committee's geographical focus, namely countries with economies in transition, which often face numerous environmental and developmental challenges. By providing a forum bringing together national environmental authorities in the wider UNECE region, CEP offers a unique platform to help countries with economies in transition tackle these challenges by: (a) stimulating domestic political support for environmental goals; (b) building the capacity of national administrations and environmental institutions; and (c) strengthening the ability of Governments to mobilize financing for clearly established environmental priorities. Through its unique cooperation with UNECE member States, CEP offers an entry point for the private sector to become more involved.

II. OBJECTIVE

4. The objective of the roundtable discussion is to allow for constructive discussion between member States and the private sector, and thus help to identify the nature, modalities and possible key areas for an active private-sector engagement in CEP activities and in the EfE process. This information note is accompanied by an annex reflecting existing UNECE-wide practices of engaging the private sector (Annex I).

III. BENEFITS FOR THE PRIVATE SECTOR

5. Engagement with CEP activities and the EfE process could offer significant benefits to, and create numerous opportunities for, the private sector, by:
 - (a) Increasing visibility;
 - (b) Allowing for more networking with policymakers and other businesses;
 - (c) Promoting private-sector activities at high-level political forums such as regional meetings on sustainable development, the EfE Conferences and the meetings of the Parties to various conventions;
 - (d) Opening up opportunities for novel approaches to work with governmental authorities;
 - (e) Ensuring delivery of timely information concerning new projects as well as legal and policy developments at the national and international levels.

IV. ORGANIZATION AND FORMAT OF THE ROUNDTABLE DISCUSSION

6. The discussion will comprise two sessions. The first session will take a broader look at practical ways the private sector could be engaged successfully in the work of CEP and the EfE

process to achieve environmental and sustainable development objectives. The second session will focus on the role and potential positive impacts the private sector could have with respect to water and water-related services, including water supply.

7. Each session will include four keynote addresses. An interactive discussion will be arranged thereafter. The Chairperson of the session will summarize the discussion. There will not be a formal list of speakers.

8. Governments may nevertheless inform the UNECE secretariat of their wish to take the floor and intervene in a specific session. This information will be given to the Chairperson of the session, who will then decide on a sequence of speakers. The length of each intervention should not exceed 3 minutes.

V. EXPECTED OUTCOMES

9. The expected outcome will take the form of a Chair's Summary that will focus on the discussions held and on concluding remarks. Steps to engage the private sector in the work of CEP and the EfE reform process will be highlighted.

Annex I

A REVIEW OF IN-HOUSE PRACTICES IN ENGAGING THE PRIVATE SECTOR

Introduction

1. The April 2008 CEP meeting invited the secretariat to compile a paper reflecting experiences in engaging the private sector within the Environment Housing and Land Management (EHLM) Division and other ECE Divisions. This paper has been compiled in direct response to that invitation and aims to identify existing and potential ways in which the private sector can be engaged in the work of the CEP, making use of 'lessons learned' from the existing cases of cooperation. To address this issue, this paper seeks to understand the forms and modalities of engaging the private sector in EHLM and other ECE Divisions that participated in the study.

2. This paper is based on a total of eleven substantive notes, five of which were received from within the EHLM division¹ and six from other ECE divisions². Some notes covered more than one thematic area. In total, reports from five ECE divisions were submitted, thus covering a wide range of work areas in ECE and offering a more representative view of current intra-ECE trends and practices.

3. To systematise the treatment of the empirical materials, levels/types of engaging the private sector are categorised as: *joint* (the private sector with the secretariat and/or member states jointly organise activities and events), *technical* (participation at a technical/expert level in standard-setting etc), *basic* (participation in meetings of subsidiary bodies and their Task Forces etc), *advisory* (performing advisory functions vis-à-vis principal and subsidiary bodies) and *enhanced* (participates in decision-making and steering). Cases of *limited* engagement have been rare and are therefore not examined extensively here³.

4. The paper is organised in eight sections, each of which looks at a key aspect of engaging the private sector across ECE divisions, namely: type of participation and activities (I), who participates (II) and why (III), financial implications (IV), direction of soliciting (V), benefits and drawbacks (VI), and potentials for further action (VII). An eighth section concludes with a short summary of key trends and patterns.

1/ Committee on Housing and Land Management, Industrial Accidents, Water, PRTR protocol and Environmental Monitoring.

2/ Three from the Economic Cooperation and Integration (ECI) Division (covering Public-Private Partnerships, Intellectual Property, Financing for Innovative Development, and Innovation and Competitiveness Policies), and one from each of the Transport, Trade and Timber (covering UNECE Timber committee UN Centre for Trade Facilitation and electronic business-UNCEFACT, Working party on Agricultural Quality Standards, and Working party on Regulatory Cooperation and Standardization Policies), and Sustainable Energy Divisions.

3/ For example Industrial Accidents reported limited and ad hoc cooperation with the private sector, mostly in the form of representatives of the private sector participating in workshops or giving limited input to guidelines.

A. What types of participation and activities

5. The following categories of engaging the private sector have developed ECE-wide:

Type of participation: basic level (meetings, workshops, seminars and training courses)

6. This is the most common form of engaging the private sector, as it involves participation of its representatives in regular or ad hoc meetings of principal and subsidiary bodies and it could also include participation in workshops, seminars and training courses. Participation could be either as audience or speakers. In terms of modalities, often contacts are established by national authorities (e.g. Industrial Accidents, and Timber).

7. This type of participation is observed in virtually all units and divisions that reported for the purposes of this paper. One example can be seen in the Transport division, where private actors (industry associations, sector-specific associations and sometimes private companies) participate in a wide range of regular (including meetings of the Transport Committee and the Working Party on Construction of Vehicles) and ad hoc activities, to which they provide input and/or participate in the decision-making process. Examples of ad hoc meetings include workshop on railway transport and intelligent transport systems. In the Economic Cooperation and Integration Division, and in particular in the thematic areas *Financing for Innovative Development, Innovation and Competitiveness Policies*, and *Public-Private Partnerships* the private sector participates actively in regular and ad hoc meetings. Similar terms of participation, providing in kind contributions have been reported by the majority of divisions.

Type of participation: technical level

8. Another type of participation which has been reported widely, and reflects to a large extent the core of much of the work done within ECE, is participation of the representatives at a technical/expert level. This level includes technical/scientific input to the formulation of standards. It also includes substantive contributions in publications, guides, training materials etc.

9. These types of activities have been reported extensively by the Trade and Timber Division, in particular the Timber committee, the UN centre for Trade Facilitation and electronic business (UNCEFACT), the Working Party on Agricultural Quality Standards, and the Working Party on Regulatory Cooperation and Standardization policies. The Transport Division is also very active at this level of engaging the private sector.

10. In EHLM, this type of participation has been reported by the Working Group on Environmental Monitoring and Assessment, and the PRTR protocol (although CEFIC participated in the negotiation of the protocol as well and served in the working Group and its drafting Group). Participation at a technical level also appears strong under the Protocol on Water and Health, as well as under the Committee on Housing and Land Management.

Type of participation: joint activities

11. Joint activities with the private sector, including publications and events have been reported by many respondents. In the case of ECI, there is active participation of law, consultancy firms and financial institutions but no financial contributions (in TFs) have been reported, although joint activities have taken and will take place, for example in creating training materials. In the Timber division, the private sector contributes and participates actively in

meetings, and organises joint events. This accounts also for the Housing and Land Management Programme, as experts from the private sector contribute to capacity building activities on specific topics and in the preparation of studies (including their financing).

Type of participation: Advisory

12. This type of participation may take the form of advisory groups and has been reported by various units. Within EHLM, one example is the case of the Housing and Land Management Unit, where two advisory groups mainly composed by representatives of the private sector – the Housing and Urban Management Advisory Network (HUMAN) and the Real Estate Market advisory group (REM) – offer advice respectively to the Committee on Housing and Land Management and its subsidiary body, the Working Party on Land Administration. Members in these bodies act on their personal capacity. Through this work a network of experts and practitioners is established allowing the unit to benefit from a wider pool of expertise. Another EHLM example includes the Working Group on Environmental Monitoring and Assessment (WGEMA), where an Enterprise Consultative Board has been established to help promote enterprise initiatives.

Type of participation: Enhanced

13. The case of the Energy Division forms a special category because companies *fully* fund a Trust Fund (apparently no member state contributions are made to this TF) and also participate in decision-making and steering functions of the principal and subsidiary bodies. At the same time, the private sector participates actively in meetings and in specific initiatives as member and donor.

B. Who participates

14. Various types of private sector representatives have been reported. These include very often umbrella associations but also individual companies. Business and industry associations feature particularly prominently, followed by finance, law, and consultancy sectors. It was often noted that engaging these types of association was a productive strategy, because the associations offer an effective entry point through which to raise awareness and engage individual companies. The level of participation may vary from technical/expert levels (in most cases) to managerial, usually under an advisory capacity in the context of an advisory body (e.g. Transport and EHLM).

C. Motivations for participation

15. A number of reasons have been proposed in the reports on why various companies would be interested to participate. Among them:

- (a) Interest of private sector companies in being associated with the UN logo and neutral platform provided by the UN;
- (b) Standard-setting: Interest in shaping and/or adopting technical standards, especially when they are related to access to international markets;
- (c) To have a platform to express their views and provide inputs for policy recommendations;
- (d) To increase visibility;
- (e) Enforcement (e.g. of Intellectual Property rights);
- (f) To network with policy-makers;

- (g) To network with similar businesses and associations engaged in the UN work at the international level, and exchange experiences;
- (h) Interest in activities that may provide more efficient ways to achieve maximum benefit for their shareholders;
- (i) Awareness raising/capacity building;
- (j) Market surveillance;
- (k) Advancing regulatory cooperation;
- (l) Being informed in a timely way about important legally binding regulations and their implementation.

D. Financial implications

16. The range of experiences on this issue is wide. The most enhanced case among those reported was that of the Gas Centre (Energy) which is fully-funded by its twenty-five member companies. Other cases of enhanced funding from the private sector from the Energy Division include the regional arm of the EE21.

17. More often however private sector financial contributions to trust funds are more moderate, as in the cases of the Transport Division, where representatives of the private sector contribute in-kind, technically/substantively and also monetarily in Trust Funds. The Trade and Timber Division has a long standing relationship with the private sector and there are positive financial contributions, sometimes only in-kind (UN Centre for Trade Facilitation and Electronic Business-UNCEFACT), and sometimes also monetary (Timber and Forestry Subprogramme; Working Party on Agricultural Quality Standards). By contrast, the ECI division only receives in-kind contributions, in the form of in-kind participations in meetings. In the case of ECI's Public Private Partnerships additional in-kind contributions were reported in the form of drafting, reviewing and granting permission to copyrighted materials for a recent publication on PPPs.

18. In EHLM, in the case of the Housing and Land Management Unit, there are financial implications in a number of areas, including financing of studies and experts, supporting attendance in meetings and financing prizes and awards. Another example in EHLM, the Working Group on Environmental Monitoring and Assessment (WGEMA), had cases of direct contributions to its Trust Fund (e.g. Nikichem LLC to prepare a feasibility study and to organise a consultation on the development of guidelines for the chemical industry).

E. Who invites – direction of solicitation

19. There are cases where companies are attracted to the work of units or conventions due to their proximity to the subject matter or the relevance of results obtained. In these cases the private sector on its own initiative wishes to participate in deliberations, meetings etc.

20. In another set of cases soliciting the private sector is necessary because there is no existing 'path' of cooperation or no established procedure of engagement. Often in such cases the secretariat and/or the host countries solicit the private sector's participation and contacts are usually established through the national authorities (as in Industrial Accidents). For example, Financing for Innovative Development (ECI) reported soliciting the participation of private sector representatives in its meetings.

21. In yet another category of cases, soliciting works both ways, i.e. from the secretariat and member states to the private sector and vice versa. Reports from the energy and transport divisions belong to this category. Also certain thematic areas from the ECI division (e.g. Public Private Partnerships) could be included in this category.

F. Benefits, drawbacks and notes of caution

22. The reports have been positive about the participation of the private sector in their activities. While caution has been expressed in identifying and engaging the private sector for appropriate roles, in general examples are positive about the existing engagements.

23. From one report it is clear that caution is exercised to make sure that the role of member States is in no way jeopardized by the presence of the private sector but, on the contrary, the relationship and interchanges lead to fruitful results.

24. In the same spirit, another report stressed the need to apply tact and appropriate strategies when dealing with the private sector, in order to find a proper language, approach and entry point to the world of private businesses, while avoiding misunderstandings on their roles and contributions. It was also pointed out that it is not always easy to demonstrate the advantages of cooperation to the private sector, especially when certain activities are not designed with attracting the interest of the private sector in mind.

25. Sometimes there is a need for the secretariat and member States to ensure that the private sector participants follow the rules and regulations of the United Nations and that the United Nations (both the organization itself and its logo and emblem) are not used for commercial purposes. In this spirit and at a more general level, one note suggested that a company's acceptance of the United Nations Global Compact principles should be a prerequisite for their involvement.

G. Potentials for action

26. From the different reports on activities and engagements with the private sector, it has emerged that many initiatives have a potential to develop into more comprehensive and effective partnerships, of benefit to the United Nations.

27. In many instances, it is through the continuous interaction with the private sector on specific projects, networking and exchange of information, that new ideas for new activities emerge, and new forms of engagement are identified.

28. Overall, the private sector remains an ideal partner in terms of its flexibility of approach and variety of engagement potentials. In many instances, the issues discussed at UNECE directly affect the private sector's functions and interests, and thus cannot avoid involving it when looking for solutions.

29. For instance, issues dealt extensively by the UNECE such as timber, transport, energy, economic cooperation, housing and real estate, are strictly related to the operations of the private sector, whose engagement is essential to the results expected. While governments are the decision makers, the private sector would be the ultimate subject affected by these decisions. Its early engagement in the processes is also a guarantee of final and successful implementation.

30. Thus, the United Nations certainly provides a platform for better engaging the private sector in its dialogue with governments. This role would be appreciated by both stakeholders, and would result in a more direct understanding of reciprocal needs and potential contributions.

31. Other areas for such cooperation and partnerships to be explored include outreach and communication campaigns and events, which could use existing private sector networks and channels to forward UN related messages (see for instance Environment Day, or role of specific Conventions), including sectoral newsletters and press. This would allow the United Nations to benefit from a much wider network of contacts, and send messages also outside of the UN-limited audience.

H. Conclusions

32. Overall, the experience of engaging the private sector in activities in the UNECE shows that all types of participation are present with some variation in terms of their frequency and intensity, except for those identified in this paper as 'enhanced'.

33. Intra-ECE experience shows that umbrella associations, such as Business associations and Banking associations are useful vehicles to engage the interest of individual companies. This renders umbrella organisations an ideal gateway to attracting the interest of individual entities.

34. When the work of Divisions or Units has direct impact on the work of businesses and associations, soliciting their participation does not appear to be necessary. For example, standard-setting activities almost guarantee an active interest by the private sector. Seen from a different angle, this means that the subject matter (environment, energy, transport etc) and type of activities greatly influence the level of interest of the private sector and, by extension the need to solicit its engagement as well as its responsiveness to such soliciting.

35. From the point of view of the UN, there are two main ways of engaging the private sector:

- (a) Engaging directly with private sector companies. Although most notes of caution were brought up with regard to this type of engagement, because it has to ensure that the UN logo and neutral platform are properly handled, these areas should be further explored;
- (b) Acting as a platform bringing together businesses and governments. It appears that input from the various reports has been positive in this regard.

Annex II

CONTENT AND ISSUES FOR DISCUSSION

SESSION I: Content

1. The first session, “Enhancing the role of the private sector in the work of the Committee on Environmental Policy and the ‘Environment for Europe’ ministerial process”, will aim to identify ways to forge successful partnerships between the public and the private sector, as well as improve these partnerships’ quality, so that they can better serve the interests of the broader community. Lessons learned from the experience of existing partnerships between the private sector and national and/or local government will be discussed.

Questions and interactive discussion

2. Issues for consideration for representatives of the private sector:
 - (a) What are the key challenges, benefits and drawbacks your organization has experienced while working with Governments?
 - (b) How can the key challenges be addressed?
 - (c) How would engaging in CEP and EfE activities provide more efficient ways to achieve maximum benefit for your organization’s shareholders and constituencies?
 - (d) How can your organization’s resources and hands-on experience be used to identify and expand areas of mutual interest?
3. Issues for consideration for CEP representatives:
 - (a) How can private-sector involvement increase the relevance of CEP work vis-à-vis the broader global agenda on the environment?
 - (b) How can the EfE process better engage the interests of the private sector?
 - (c) How can private-sector involvement strengthen implementation and improve results of existing CEP activities, and what are the potential obstacles?

SESSION II: Content

4. The second session will have as its topic “Water supply and sanitation within the context of integrated water resources management”. In recent years, with affirmation of the principles of integrated water resources management and of water governance, there has been a progressive change in common notions of water-related policy. The notion of government as the single decision-making authority has been replaced one of multi-scale, polycentric governance. It is widely accepted that water governance means that a large number of stakeholders in different institutional settings contribute to water resources policy and management, and that governance includes increasingly non-hierarchical modes, wherein non-State actors such as NGOs, private companies, consumer associations, etc., participate in both water policy formulation and the implementation of these policies.

5. In this context, the private sector can play different roles: it can support the protection of water resources through economic incentives (e.g. payments for ecosystems services or voluntary pollution reduction policies); promote water saving technologies, and reduce its water footprint or partner with the public sector to improve access to water supply and sanitation.

6. Further to the last point, improving water supply and sanitation on a global scale features prominently as one of the targets of the United Nations Millennium Development Goals, and the private sector has the potential to significantly contribute towards its achievement.
7. The continually worsening situation regarding water quality in many countries in Eastern Europe, Caucasus and Central Asia has increased the urgent need to address this problem promptly and effectively.
8. Of particular interest are lessons learned about what works (and what doesn't), and what are the challenges that remain to be addressed, based on experience with existing water supply and/or related partnerships between the private sector and national and local government.
9. The issues of good governance and strong institutional capacity for policy and regulation are of particular relevance, as they are prerequisites for laying the groundwork both for a predictable business environment for private-sector engagement and for guaranteeing public safety and welfare.
10. The expected outcome of this discussion is to help identify specific ways to forge successful water supply-related partnerships between the public and the private sector that will work to benefit the broader community while taking into consideration local and national political and administrative characteristics.

Questions and interactive discussion

11. Issues for consideration for representatives of the private sector:
 - (a) What are the key challenges, benefits and drawbacks your organization has experienced while working with national or local government?
 - (b) How can the key challenges be addressed?
 - (c) What are the environmental and socio-economic impacts of your organization's work in various countries, especially those with economies in transition, and what are the lessons learned from these experiences?
 - (d) How would engaging in CEP and EfE activities provide more efficient ways to achieve maximum benefit to the organization's shareholders and constituencies?
 - (e) How can your organization's resources and hands-on experience be used to identify and expand areas of mutual interest?
12. Issues for consideration for CEP representatives:
 - (a) Are there areas of potential partnership with the private sector which have not been sufficiently explored?
 - (b) How can the EfE process better engage the interest of the private sector?
 - (c) How can private-sector involvement strengthen implementation and improve results of existing activities, and what are the potential obstacles?
 - (d) How can the involvement of the private sector increase the relevance of CEP work vis-à-vis the broader global agenda regarding water and water services?
