

Agenda Item 3: Programme Performance Review January 2018 to June 2019



UN Environment Programme Strategy for Private Sector Engagement

(6th Annual Subcommittee – 7-11 October 2019)



Purpose



Feedback from member States on the Strategy for Private Sector Engagement



Background



A five-year **Strategy for Private Sector Engagement** was developed and endorsed by the Senior Management Team on 18 September 2019.

Developing the Strategy included a Steering Committee (including focal points from UN Environment Programmes' Divisions, Regional Offices and Multilateral Environmental Agreements).

As well as a regionally-balanced representation from member States.

Consultations
73 internal staff
22 external stakeholders



Cross - Cutting Issues: One Common Approach



- The Strategy absorbed the UN Secretary General's reforms on private sector engagement entitled a Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships and which was approved in August 2019.
- UN Environment Programme has contributed to the development of the Common Approach and uses it as a framework to harmonize due diligence processes, operational standards and the rollout of the Implementation Plan of UNEP's Private Sector Engagement.
- UNEP is currently updating the 2011 UNEP Partnership Policy and Procedures that will guide corporate partnerships.



Definitions



According to the **UN Common Approach**, the private and business sectors are defined as follows:

- Private sector: is the part of the economy that is run by individuals and companies and is not state controlled. It may also include privately-owned organizations (e.g. family foundations or associations) or influential persons, such as high net worth individuals.
- Business sector: includes (i) for-profit and commercial enterprises of any size, whether privately owned, public, or fully governed by governments; (ii) corporate foundations that are directly funded and/or governed by business; and (iii) business associations, cooperatives, industry and cross-industry initiatives where the participants are for-profit enterprises.
- Partnership: is defined as a voluntary and collaborative agreement or arrangement between the UN Environment Programme and the private sector.



Taking a Strategic Approach



- To accelerate the implementation of the 2030 Agenda and meet the ambitious targets of the SDGs, the UN Environment Programme will have to embark on a more strategic path of collaboration with the private sector.
- The UN Environment Programme aims to strengthen partnerships, leverage and utilize respective technical capacities and expertise to maximize business action.
- A systematic and transparent based approach is needed so that the UN Environment Programme works more extensively and effectively with the private sector for transformational change at every level, ranging from regionally balanced multinationals to micro-, small- and medium-sized enterprises.



The Four Pillars of the Strategy

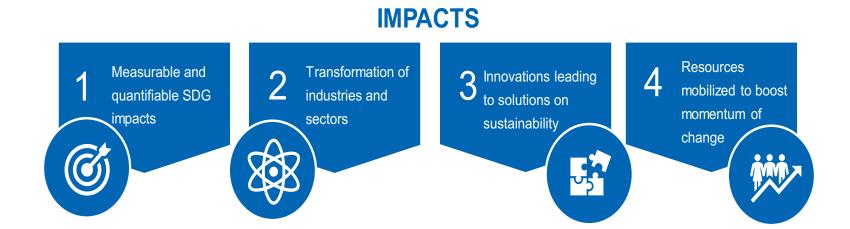


Pillar 1: Impacts on the Sustainable Development Goals as they relate to the environment

Pillar 2: Transformative changes of industries and sectors

Pillar 3: Innovations leading to solutions on sustainability

Pillar 4: Resources and income to scale up and accelerate momentum



DESIRED



Vision



By 2025, the UN Environment Programme's engagement with the private sector will have created transformative changes and innovations, measurable positive impacts and economic and social benefits; reduced existing and emerging environmental risks; increased the resilience of societies and our planet; and helped partners to contribute to the achievement of the Sustainable Development Goals.



Mission



- Transparent and impact-orientated engagement with the private sector, driven by the urgency to sustainably manage our environmental resources and protecting our environment.
- Contributing to achieving the Sustainable Development Goals and to the UN Environment Programme's mandate.
- Partnerships with the private sector inspire, inform and enable partners, as well as nations and people, to improve their quality of life without compromising that of future generations.



Principles for Private Sector Partnerships





These principles are aligned with established guidelines and principles that regulate the cooperation between the United Nations and the private sector, including the 10 Principles of the UN Global Compact. The 10 Principles will also be a component of the updated UN Environment Programme's Partnerships Policy and Procedures.



The UN Global Compact Principles



Labour

Human Rights



Businesses should support and respect the protection of internationally proclaimed human rights; and



make sure that they are not complicit in human rights abuses.



Businesses should uphold the

freedom of association and the effective recognition of the right to collective bargaining;



the effective abolition of child labour; and



the elimination of all forms of forced and compulsory labour:



the elimination of discrimination in respect of employment and occupation.

Environment



Businesses should support a precautionary approach to environmental challenges;



undertake initiatives to promote greater environmental responsibility; and



Anti-Corruption

Businesses should work against corruption in all its forms, including extortion and bribery.



encourage the development and diffusion of environmentally-friendly technologies.



The United Nations Environment Programme is a proud partner of the United Nations Global Compact, having signed a Letter of Intent in September 2018.

Our due diligence processes have taken into account the adherence of potential private sector partners to the 10 UN Global Compact Principles and we encourage all partners to become members of UN Global Compact.





Theory of Change



United Nations Environment Programme

PRIVATE SECTOR INPUTS

PROGRAMME INPUTS

UN ENVIRONMENT

INPUTS

Commitment and ability to reduce environmental impact, lead by example

Capacity to provide human, managerial or financial resources; knowledge, innovations and technical expertise

Objective, scientific and technical environmental expertise, data

Advocacy and convening power, authority to set environmental agenda



Bilateral, Triparty and Alliance Partnerships and Transactions



Multistakeholder fora (Networks and Platforms)

ENGAGEMENT
MODALITIES

Open networks, meetings and public discussions contributing to policymaking processes



Public events, training and campaigns



Information dissemination



Smart policies to protect environment while enabling businesses, state-of-the-art scientific knowledge and data tailored to the needs of the private sector



OUTPUTS

Value chain and sector collaboration driven by urgency to transform industries and sectors Knowledge sharing and accelerating innovations, targeted advocacy to promote cultural change amongst producers and consumers

Business models based on

efficiency, driving cultural

circularity and resource

change and decoupling



Collaboration with financial sector to co-finance and catalyze investments into climate, environment and underserved markets



OUTCOMES

Increased capability of private sector to measure impacts of own operations and value chains as a result of increased awareness and access to data.

private sector to collaborate in decreasing their environmental footprint and developing sustainable value chains.

Increased commitment by

Level playing field for sustainable businesses as a result of policy coherence and strong institutional frameworks.

economic growth from unsustainable resource use.

Private sector human, managerial and financial resources catalyzed into research, innovations and technologies that accelerate transition to inclusive, sustainable economy.





FOUR PILLARS OF IMPACT

Measurable and quantifiable SDG impacts



Transformation of industries and sectors



Innovations leading to solutions on sustainability



Resources mobilized to boost momentum of change





Desired Impacts of the Strategy



- Measurable and Quantifiable results: that relate to the Sustainable Development Goals and UNEP's Programme of Work.
- Transformation of Industries and sectors: the private sector must transform its business models and operational structures to adhere to the Sustainable Development Goals.
- Innovations leading to solutions on sustainability: more than ever, innovations to tackle issues ranging from plastic pollution, CO2 emissions, energy conservations and optimizations are required to achieve the 2030 Sustainable Agenda.
- Resources mobilized to boost momentum of change: Private sector human, managerial and financial resources are catalyzed into research, innovations and technologies which will accelerate transition to an inclusive and sustainable economy.

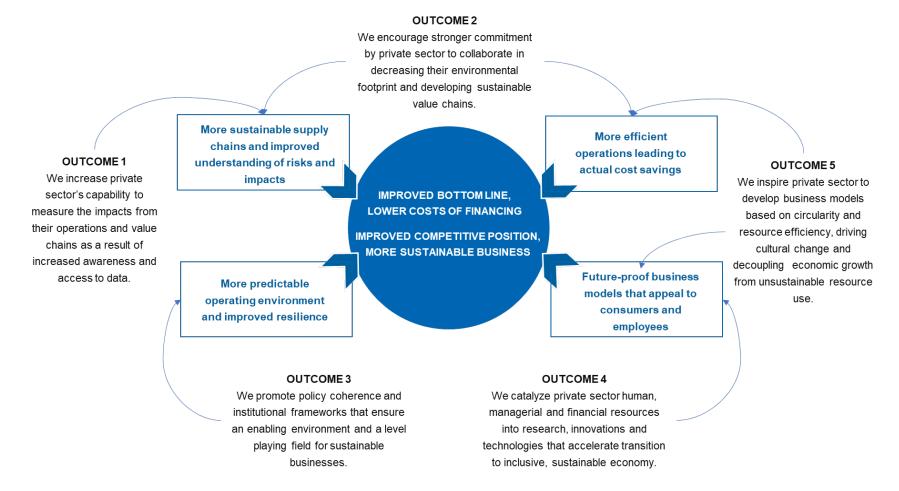


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Strategy Value Proposition



"Successful engagement ultimately protects the environment and enables profitable, competitive businesses to create decent jobs and contribute to inclusive, sustainable economies of today and the future".





Desired Outcomes of Private Sector Engagement related to the Sub-programmes



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OUTCOMES

Increased capability of private sector to measure the impacts from their operations and value chains as a result of increased awareness and access data

by private sector to collaborate in decreasing their environmental footprint and developing sustainable value chair

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Business models based on circularity and resource efficiency, driving cultural change and decoupling economic growth from unsustainable resource use.

Private sector human, managerial and financial resources catalyzed into research, innovations and technologies that accelerate transition to inclusive, sustainable economy.

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Healthy ecosystems provide a secure supply of ecosystem goods and services for human well-being

SUB-PROGRAMME ON HEALTHY AND PRODUCTIVE ECOSYSTEMS



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Desired Outcomes of Private Sector Engagement related to the Sub-programmes





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Level playing field for sustainable businesses as a result of policy coherence and strong institutional frameworks

(5)

Sound management of chemicals leading to reduced negative impacts from chemicals on environmental and human health

Prevention and sound management of waste leading to reduced negative impacts from waste on environmental and human health

Improvement of air quality leading to reduced negative impacts from air pollutants on environmental and human health

SUB-PROGRAMME ON CHEMICALS, WASTE AND AIR QUALITY



Environment Programme

Desired Outcomes of Private Sector Engagement related to the Sub-programmes



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Sustainable development pathways, including inclusive green economy and trade, and sustainable consumption and production policies, are adopted and implemented

Enhanced institutional capacity of public and private sectors to invest in sustainable management practices, including sustainable consumption & production and inclusive green economies

Sustainable lifestyles and consumptions patterns are increasingly adopted

SUB-PROGRAMME ON RESOURCE EFFICIENCY



Modalities for Engagement



All private sector engagement is based on a common purpose and mutual benefits.

UN Environment Programme seeks to drive transformation through five Levels of Engagement:

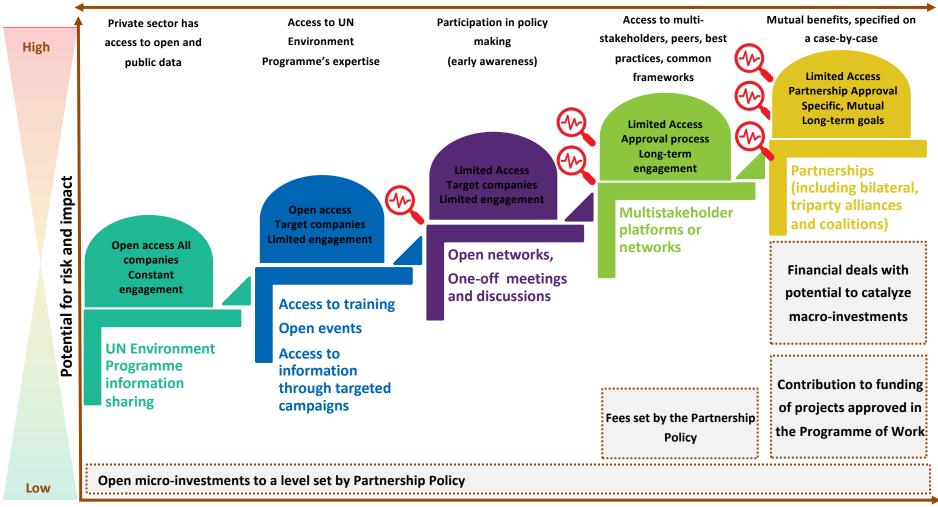
- 1. Knowledge sharing
- 2. Training events or targeted campaigns
- 3. Discussions contributing to policy-making processes
- 4. Convening of networks and platforms
- 5. All Partnerships (including bilateral, alliances and coalitions)



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Approaches to Private Sector Engagement







Oversight and Monitoring of Partnerships



- Private sector partnerships will be monitored on a continuous basis and evaluated at regular intervals in order to ensure that the partnership continues to meet the objectives of the UN Environment Programme.
- The updated Partnership Policy and Procedures, which compliment the Strategy, will provide oversight and monitoring processes for staff engaging the private sector.



Oversight and Monitoring of Partnerships



Bearing in mind the normative nature of the UN Environment Programme and the roles of the Committee of Permanent Representatives, the following reporting mechanisms are recommended:

- The Annual Report on Private Sector Engagement will now be enhanced to report on the implementation of the Private Sector Engagement Strategy.
- 2. The Strategy will be reviewed annually alongside the Medium-Term Strategy.



Risk Management



The key risks related to private sector engagement include the following:

- Failure to engage: meaning that the Strategy and the organization have failed in encouraging and guiding efficient and systematic engagement with the private sector.
- Engaging with the Private Sector: carries its own potential risks that can ultimately impact the reputation of UNEP.
- Failure in ability to address the key risks related to engagement: the risk management process failed in correctly identifying, assessing and managing the risks associated with existing private sector partnerships.

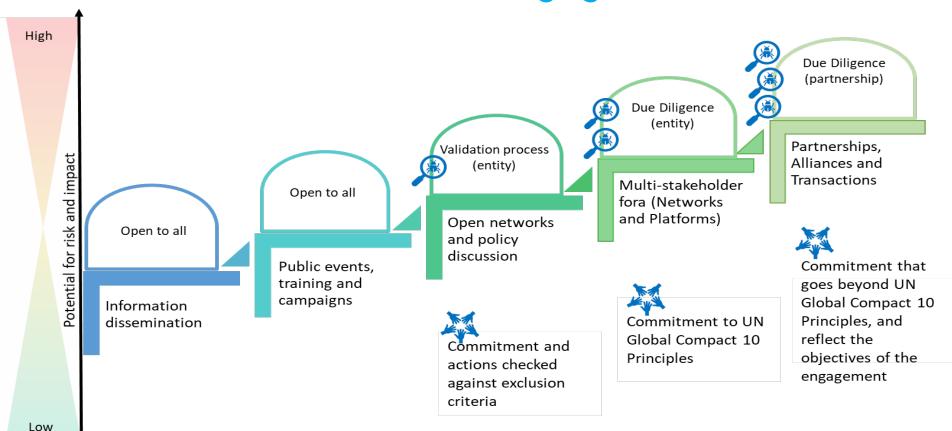
The **Private Sector Unit and focal points responsible for each partnership** have the oversight and monitoring of risks related to all private sector partnerships. Risk categories include, but are not limited to, contractual/non-compliance risks, financial risks and reputational risks.



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The Level of Risk Management Required for each Level of Engagement





Passive, receiver

Engagement activity level of private sector

Active, mutual sharing



Commitment to shared values



Risk Assessments



Measuring Results



All partnerships are regularly assessed and measured against the impacts of the Strategy.

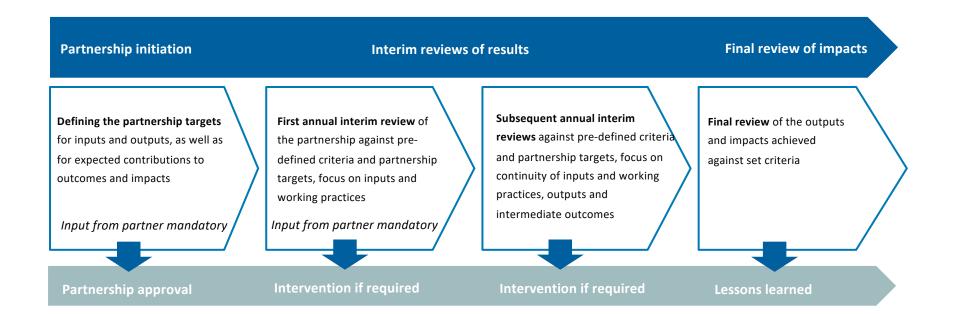
UN Environment Programme will:

- Inspire, inform, and enable people to improve their quality of life without compromising that of future generations;
- Ensure that the engagement with the private sector will lead to positive environmental and societal impacts, through the reduction of pollution, halting biodiversity losses, tackling climate change root causes and increasing the resilience of societies; and
- The engagement shall contribute to positive impacts, as defined under the four pillars of the Strategy.



Results-based framework for monitoring partnerships







Next Steps



