

UN Environment Programme Strategy for Private Sector Engagement

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

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Evaluation, Review and feedback 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.

A Steering Committee (including focal points from UN Environment Programmes' Divisions, Regional Offices and Multilateral Environmental Agreements) was assigned to assist with the development of the Strategy. The Strategy's development process included a regionally-balanced representation from Member States.

Consultations
73 internal staff
22 external stakeholders

The process concluded with the final Steering Committee meeting on 3 September 2019.

Cross - Cutting Issues: One Common Approach

- Based on the UN Secretary General's reforms, a "Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships" was approved in August 2019.
- UN Environment Programme has contributed to the development of this document and is currently using it as a framework to harmonize our own due diligence processes and operational standards through the development of the Implementation Plan of the Strategy for Private Sector Engagement, and the revision of existing corporate partnership policies.

Definitions

- **Private sector:** as defined in the UNSDG Common Approach to Due Diligence for Business Partnerships, is the part of the economy that is run by individuals and companies and is not state controlled. Therefore, private sector encompasses all for-profit businesses that are not owned or operated by a government. And in some definitions, it may also include privately-owned organizations (e.g. family foundations or associations) or influential persons, such as high net worth individuals.
- **Partnership:** is defined as a voluntary and collaborative agreement or arrangement between the UN Environment Programme and the private sector, in which all participants agree to: work together to achieve a common purpose; invest their respective resources (e.g. time, knowledge and expertise, research and technological development, funding, core assets, etc.); acknowledge mutual benefits as an integral aspect to the engagement; and share risks.

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 with the aim to strengthen partnerships, leverage and utilize respective technical capacities and expertise to maximize business action on the issues.
- It is necessary to develop a systematic, transparent approach based on desired outcomes and impacts, where 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 Sustainable Development Goals and environmental goals. By 2025, the UN Environment Programme's engagement with the private sector has created positive measurable and quantifiable impacts on the UN Sustainable Development Goals, with a focus on the environmental dimension.

Pillar 2: Transformative changes of industries and sectors. By 2025, the UN Environment Programme's engagement with the private sector has contributed to increased action, awareness, promoted cultural and mindset changes amongst consumers, and inspired the private sector in developing sustainable business models and best practices that contribute to a holistic and sustainable transformation across industries and sectors.

Pillar 3: Innovations leading to solutions on sustainability. By 2025, the UN Environment Programme's engagement with the private sector has promoted and supported the private sector in developing independent and joint innovations that create solutions to global and regional environmental challenges.

Pillar 4: Resources and income to scale up and accelerate momentum. By 2025, the UN Environment Programme's engagement with the private sector has successfully mobilized the private sector's human, managerial and financial resources to mainstream and scale up technologies and innovations, and accelerate momentum towards a sustainable future.

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 urgency to sustainably manage our environment, contributes significantly and measurably to achieving the Sustainable Development Goals and to the UN Environment Programme's objectives. Partnerships with the private sector inspire, inform and enable partners, as well as nations and peoples 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

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.

Labour



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



the elimination of all forms of forced and compulsory labour;



the effective abolition of child labour; and



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



encourage the development and diffusion of environmentally-friendly technologies.

Anti-Corruption



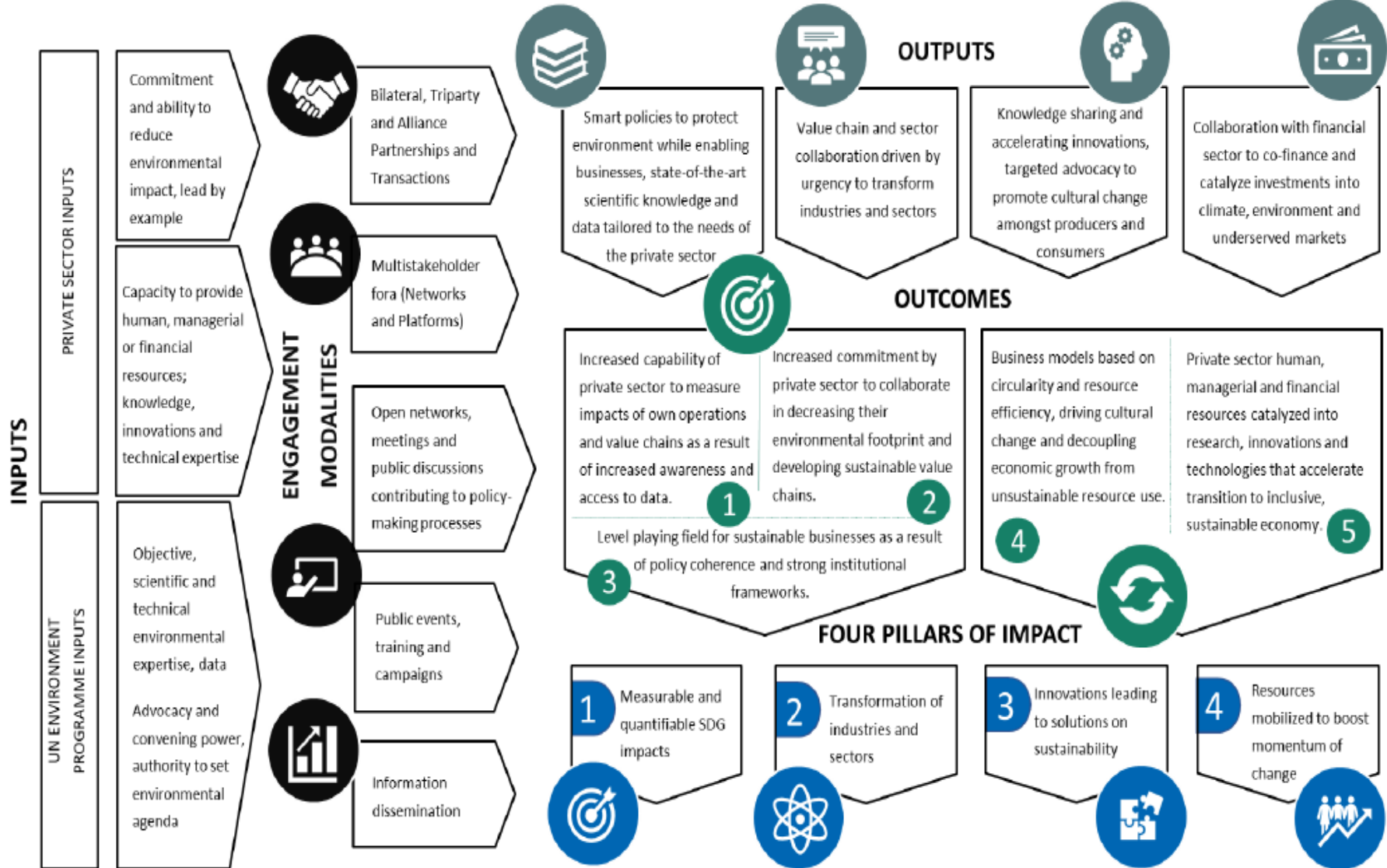
Businesses should work against corruption in all its forms, including extortion and bribery.

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 been drafted taking into account the adherence of potential private sector partners to the 10 UN Global Compact Principles and we continue to encourage these partners to become members of this important initiative.



Theory of Change





Desired Impacts



- **Impacts on SDGs and environmental goals:** By 2025, partnerships will have created positive measurable and quantifiable impacts on the UN Sustainable Development Goals, with a focus on the environmental dimension of the SDGs.
- **Transformative changes of industries and sectors:** By 2025, partnerships will have increased awareness, promoted cultural change amongst consumers, and inspired the private sector in developing sustainable business models and best practices that contribute to a holistic and robust transformation across industries and sectors.
- **Innovations leading to solutions on sustainability:** By 2025, partnerships will have promoted and supported the private sector in developing independent and joint innovations that create solutions to global environmental challenges.
- **Resources and income to scale up and accelerate momentum:** By 2025, partnerships will have successfully mobilized private sector human, managerial and financial resources to mainstream and scale up technologies and innovations and accelerate momentum towards a sustainable future.

DESIRED IMPACTS

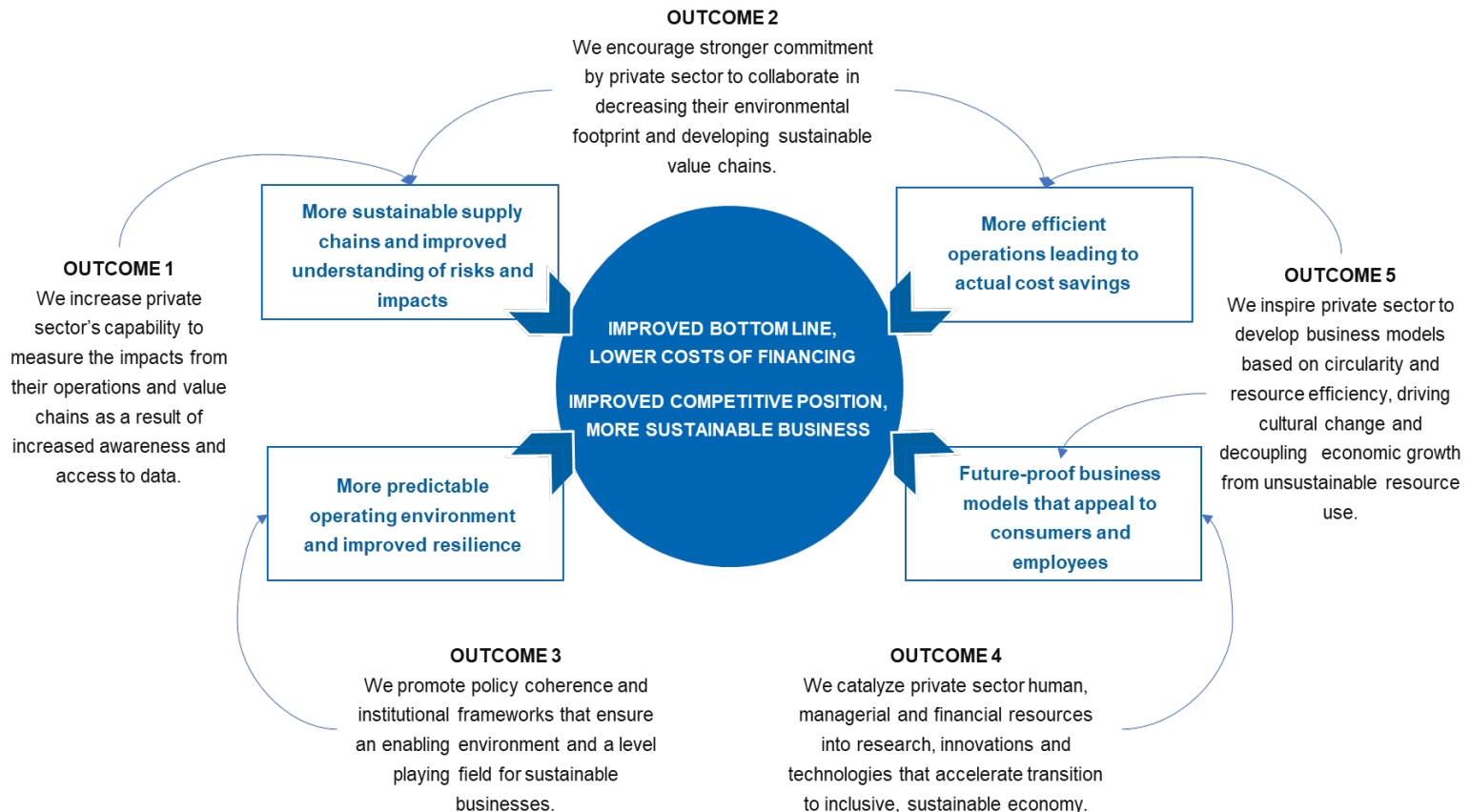




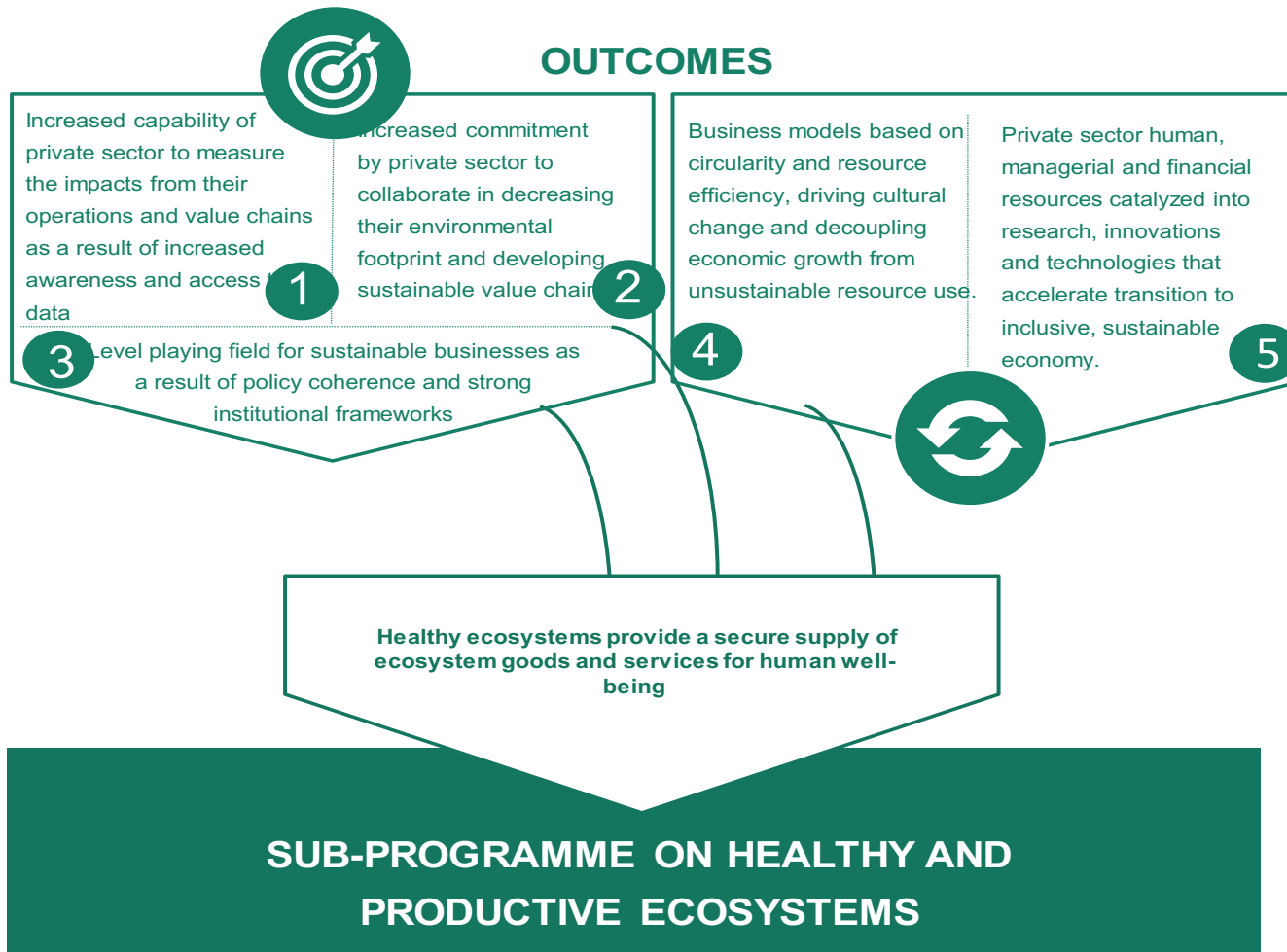
Strategy Value Proposition



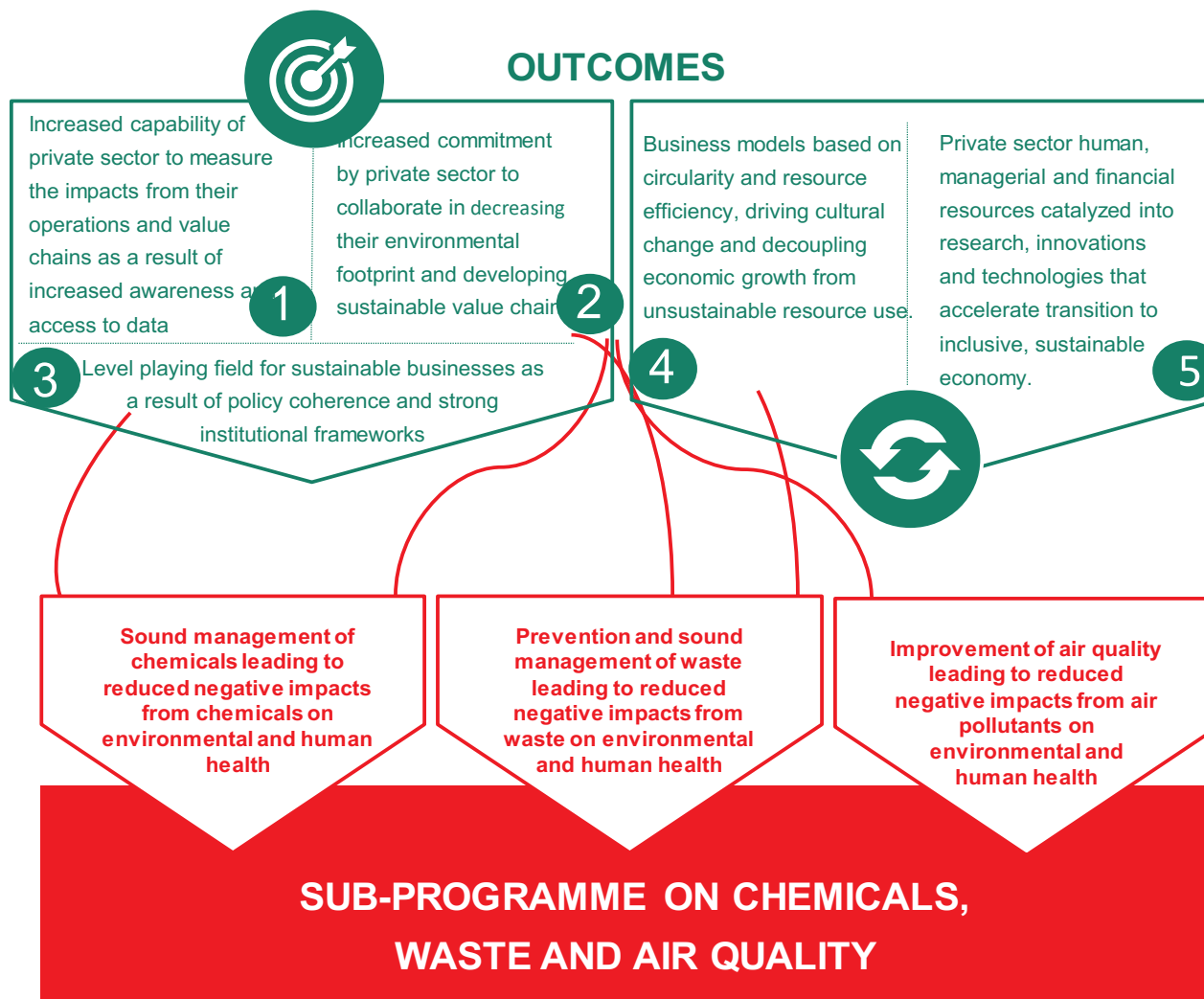
“Successful engagement ultimately protects the environment and enables profitable, competitive businesses to create decent jobs and contribute to inclusive, sustainable economies of today and the future”.



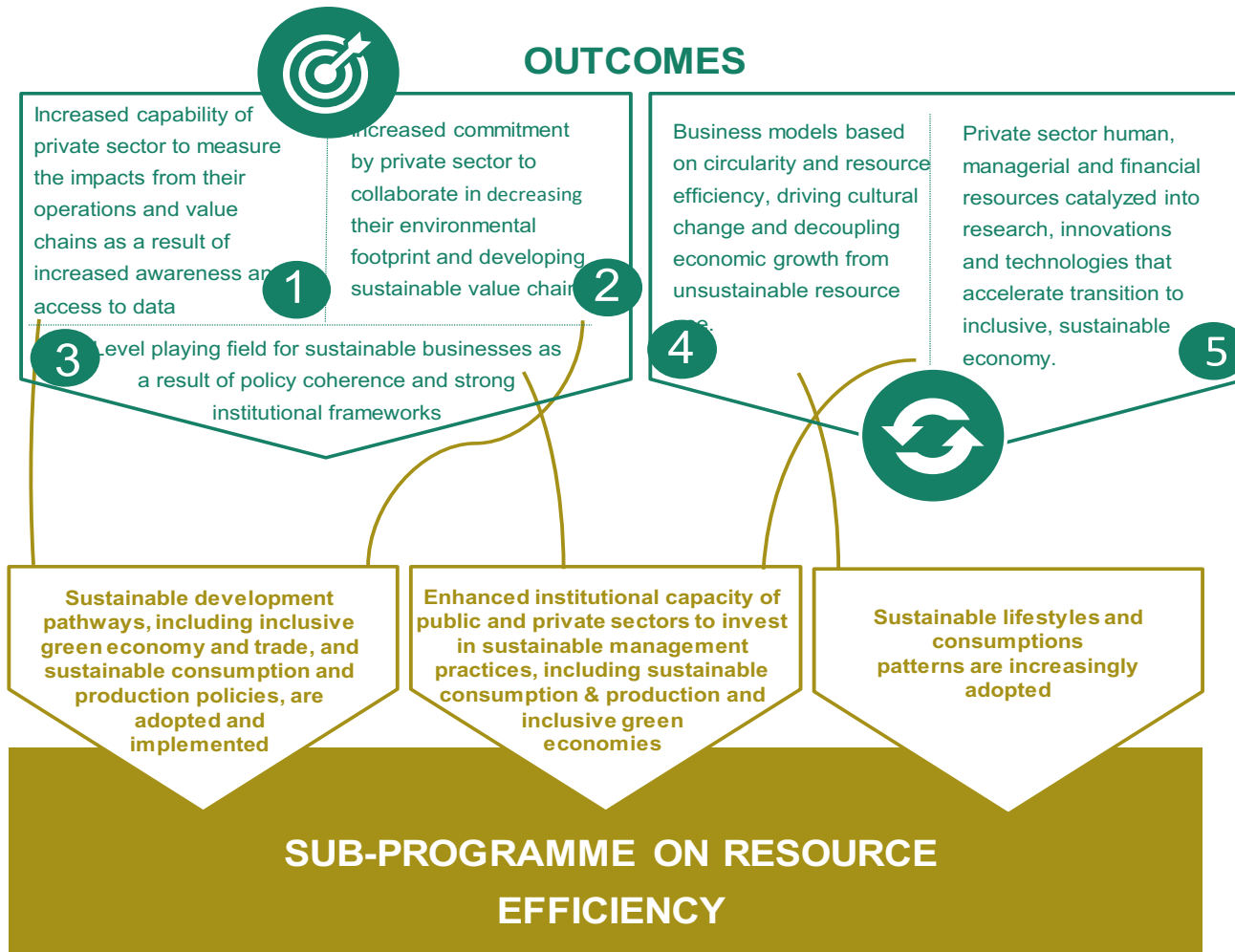
Desired Outcomes of Private Sector Engagement related to the Sub-Programmes



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



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



Modalities for Engagement

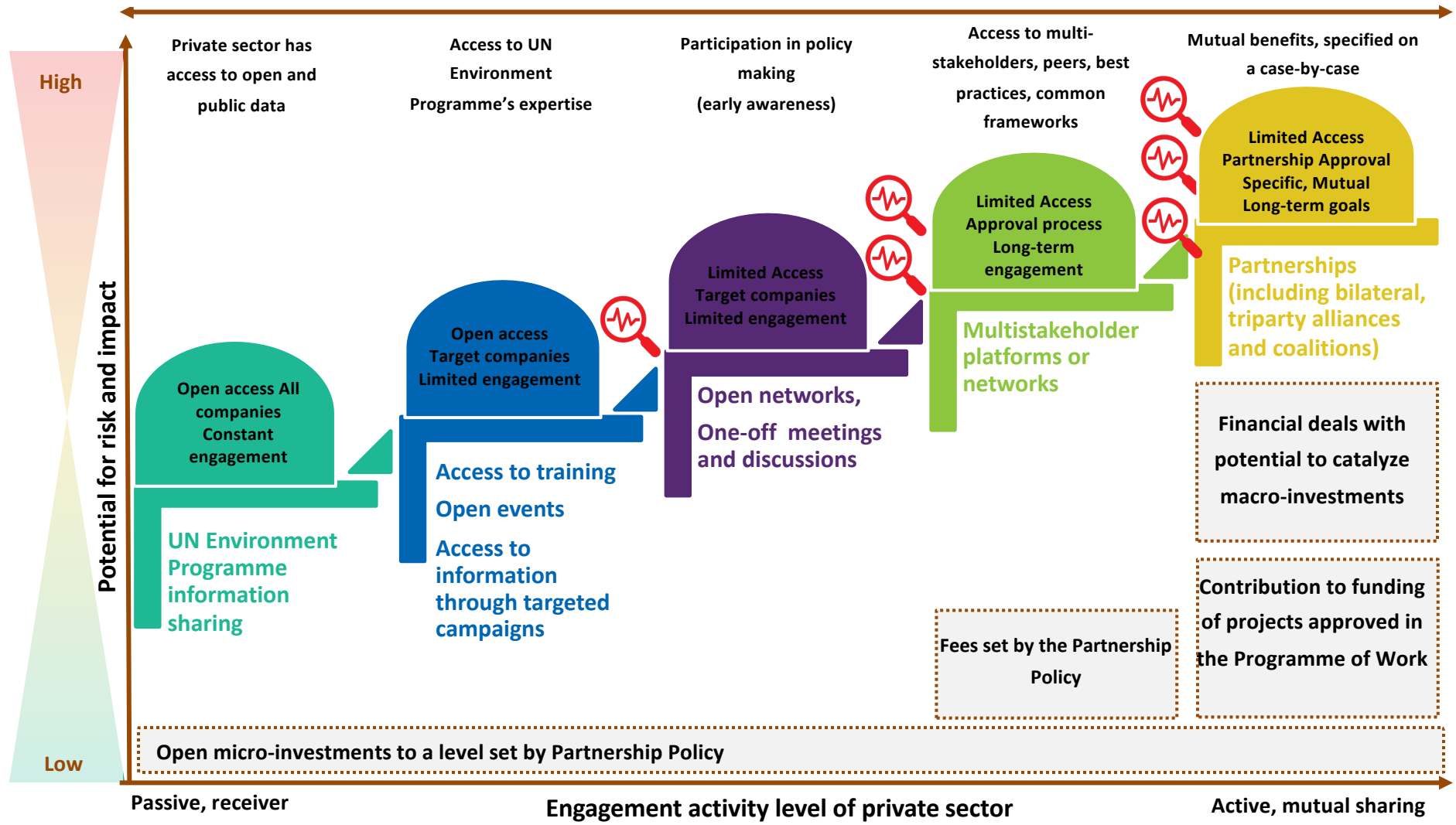
All private sector engagement is built on mutual benefits and a common purpose.

The activities required by the UN Environment Programme to drive the transformation in accordance with the Theory of Change require active use of five Levels of Engagement:

1. UN Environment Programme's knowledge sharing
2. Training events or targeted campaigns
3. One-off meetings and discussions contributing to policy-making processes
4. Convening of networks and platforms
5. All Partnerships (including bilateral, alliances and coalitions)

Continuum of Approaches to Private Sector Engagement

Private sector benefits continuum



Oversight and monitoring of partnerships

- Private 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 or the MEA activities.
- For oversight and monitoring, the roles and responsibilities between Staff managing activities related to partnerships and Headquarters must be clearly defined in the Partnership Policy, which the Strategy will compliment.
- To do this systematically and transparently, a results-based framework will to be developed and implemented during the first half of the Strategy period. This will ensure transparent and objective monitoring of the performance of each partnership and enable early interventions if required.
- Bearing in mind the intergovernmental nature of the UN Environment Programme and the roles and responsibilities of the Committee of Permanent Representatives, the following reporting tools are recommended:
 1. Annual Report on Private Sector Engagement. This report is currently prepared by the Private Sector Unit. It should now be enhanced to report on the implementation of the Private Sector Engagement Strategy;
 2. Member States' continued access to information on all private sector partnerships
 3. Regular updates through the Quarterly Report of the Executive Director and though the regular reporting on the implementation of the Programme of Work.
 4. The Strategy will be reviewed annually alongside the Medium Term Strategy.

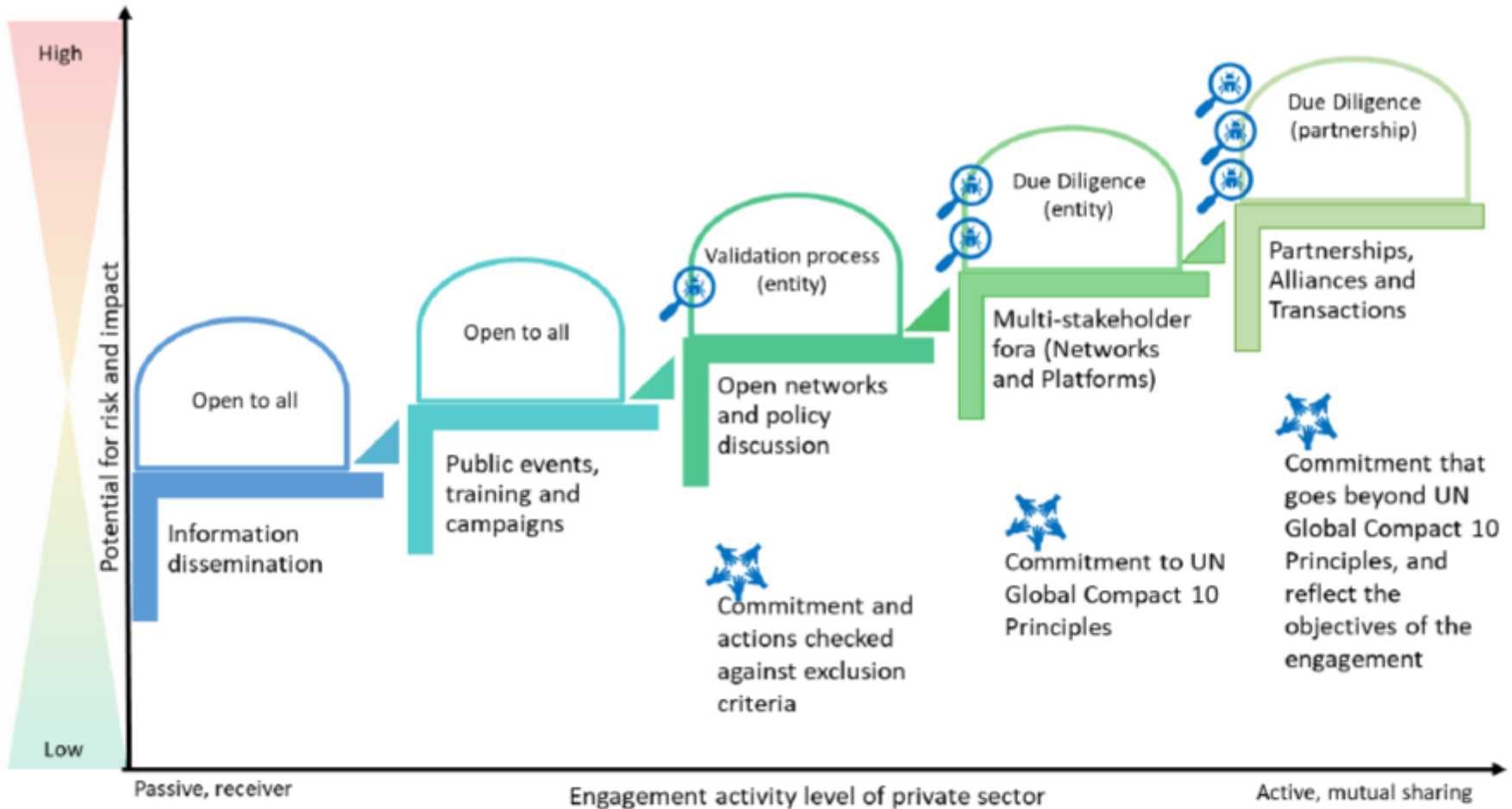
The key risks related to private sector engagement include:


- **Failure to engage:** one of the key risks is that private sector engagement simply does not happen, 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 the Organization.
- **Failure in ability to address the key risks related to engagement:** another key risk is that the risk management process fails in correctly identifying, assessing and managing the risks associated with private sector partnerships.

The **Private Sector Unit and Responsible Officers** have the overall responsibility for the oversight and monitoring of risks related to private sector partnerships. The UN Environment Programme's categories of risks relate to engagements, as they will be defined in the Partnership Policy and will be used as the basis for the risk assessment. These risk categories include, but are not limited to, contractual/noncompliance risks, financial risks and reputational risks.



The Level of Risk Management Required for each Level of Engagement



 Commitment to shared values

 Risk Assessments

Measuring Results

The intention of all engagements between the UN Environment Programme and its private sector partners is to accelerate the creation of positive societal, environmental action and impacts and to articulate those impacts through the Sustainable Development Goals. This applies to the full spectrum of modalities. To this end, all partnerships are regularly assessed and measured against the impacts of the Strategy. More specifically, UN Environment Programme will aim to:

- Provide leadership and encourage partnering to protect the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations;
- Ensure that the process of engaging with the private sector will ultimately 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 impacts from private sector engagement shall be measured by how the engagements contribute, either directly or by catalyzing private sector contributions to positive impacts, as defined under one or several of the of the four pillars of the Strategy.

Results-based framework for monitoring partnerships

