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**UN Environment Programme Strategy for Private Sector Engagement**

**For ease of reference, the Secretariat has included feedback from member States and Civil Society Representatives to the Strategy for Private Sector Engagement in track changes.**

**10 October 2019**

## Table of Contents

Executive Summary.....	iii
I. Setting the Scene.....	1
II. The Strategic Vision for Private Sector Engagement.....	1
III. Private Sector Engagement Principles .....	2
IV. What are the Impacts and Changes We Aim at?.....	6
V. The Framework for Private Sector Engagement .....	10
VI. Identifying Mutual Benefits .....	12
VII. Resource Mobilisation.....	15
VIII. Managing Risks and Opportunities .....	16
IX. Definitions .....	20
Acknowledgements .....	21
Annex 1: Institutional Setup.....	22
Annex 2: Modalities for Engagement.....	23
Annex 3: Links between Subprogramme Objectives and Desired Outcomes from Private Sector Engagement.....	26
Annex 4: UN Environment Programme’s Strategic and Prioritised Outputs.....	28

## Executive Summary

1. The 2030 Agenda for Sustainable Development and the Sustainable Development Goals, the Paris Agreement building upon the United Nations Framework Convention on Climate Change (UNFCCC) and the Addis Ababa Action Agenda (AAAA) of the Third International Conference on Financing for Development, as well as relevant multilateral frameworks under environmental agreements on Biodiversity, Chemicals and Waste and Ozone-depleting substances<sup>1</sup>, all recognize and call for a strengthened relationship with the private sector, including the adoption of more innovative approaches to promote private sector sustainability, transformation and the leveraging of private sector technical expertise and financial resources.
2. The Strategy was created as a result of the UN Environment Assembly Resolution UNEP/EA.4/RES.4 “Addressing environmental challenges through sustainable business practices”, which was adopted in March 2019. It also builds on paragraphs 25-26 of the UNEA decision 2 of 2019 on the Programme of Work and Budget for the Biennium 2020–2021, which calls on the Executive Director to mobilize increased voluntary funding from a broadened contributor base and with strengthened due diligence procedures prior to accepting funds other than from member States.
3. Against this backdrop, and cognizant of the role of a diverse private sector with geographic balance, ranging from micro-enterprises to cooperatives to multinationals, all of which can contribute to the implementation of the 2030 Agenda, the UN Environment Programme recognizes that the private sector engagement is of strategic importance in order to:
4. **Meet the objectives set out in the UN Environment Programme’s Medium Term Strategy and its Programme of Work and Budget, as approved by its member States;** and, where relevant by the decisions of the Multilateral Environmental Agreements administered by the UN Environment Programme; through transparently working with the private sector, encouraging the exchange of knowledge, supporting sustainable innovation, and increasing private sector strategic awareness of environmental issues, goals and means to address these;
5. **Accelerate the private sector’s embracement of sustainable business models and its contributions** to meeting the ambitions of the 17 Sustainable Development Goals (SDGs); and
6. **Contribute** to the discussion on, and implementation of, the relevant resolutions decided upon by the member States of the UN Environment Assembly and by the parties of the Multilateral Environmental Agreements administered by the UN Environment Programme, through leveraging private sector actions.
7. The strategy is aligned to all other UNEP strategies and policies, including South-South and Triangular Cooperation and Resource Mobilization Strategy, among others.
8. The ambitious vision is that by 2025, the UN Environment Programme’s engagement with the private sector has created **transformative changes, measurable positive impacts** and economic and social **benefits; including creation of green jobs and capacity building in developing countries; 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.
9. The UN Environment Programme’s Strategy for Private Sector Engagement towards 2025 is built on four pillars:
  - Creating positive, measurable and quantifiable **impacts** on environment and society;
  - Enabling **transformation** and facilitating changes towards a sustainable society;

<sup>1</sup> The Multilateral Environmental Agreements administered by the UN Environment Programme include Convention on Biological Diversity (CBD); Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); Convention on the Conservation of Migratory Species of Wild Animals (CMS), its regional and species related agreements; Basel, Rotterdam and Stockholm Conventions (BRS); Convention for the Protection of the Ozone Layer and for the Montreal Protocol on Substances that Deplete the Ozone Layer (Ozone Secretariat); Minamata Convention on Mercury; Bamako Convention on the ban on the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa; Barcelona Convention Coordinating Unit for the Mediterranean Action Plan; Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Western Indian Ocean (Nairobi Convention) and its protocols; and Convention on the Protection and Sustainable Development of the Carpathians (Carpathian Convention).

- Sharing knowledge and scaling up **innovation** of solutions for sustainability; and
  - Mobilizing **resources** to accelerate momentum towards a sustainable future.
10. For the UN Environment Programme’s management, staff and private sector partners, member States, sister UN organizations, policymakers, and science and civil society groups, the Strategy provides the reasons and framework for engagement with the private sector. This includes the desired impacts and transformations, and the paths available to get there.
  11. This Private Sector Engagement Strategy puts forward the UN Environment Programme’s aim to be at the forefront of private sector collaboration through constructive, transparent and results-oriented engagement approaches. Additional information on relevant intergovernmental mandates supporting this strategy is provided in Annex 12. The Private Sector Engagement Strategy builds on the UN Environment Programme’s Medium-Term Strategy and Programme of Work, on the lessons learned from current private sector engagement and on the aspirations and insights of the key internal and external stakeholders consulted during the Strategy’s development process. In total, more than 70 internal consultations with the UN Environment Programme’s staff members and more than 20 external consultations, including with representatives from the member States were conducted. Steering Committee was established to guide the development of the Strategy. The Steering Committee consisted of the UN Environment Programme Senior Management and representatives from the Secretariats of Multilateral Environmental Agreements.
  12. The Strategy is presented in six Sections, starting with a brief setting of the scene (Section I), followed by the vision, mission and objectives for private sector engagement (Section II). Section III presents the principles for private sector engagement, and Section IV outlines the impacts and changes aimed at, using the Theory of Change framework. Section V focuses on the framework for engagement and discusses the benefits to the different stakeholders, whereas in Section VI briefly presents resource mobilisation. Section VII introduces approaches to resource mobilisation. The final Section VIII focuses on management of the risks and opportunities that private sector engagement brings.

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<sup>2</sup> The UN Environment Programme’s engagement with the private sector is grounded in Governing Council Decision 22/7 “Engaging business and industry”, which was approved during the 22nd Session of the Governing Council in February 2003. Such engagement was reinforced by the UN Environment Assembly Resolution UNEP/EA.4/RES.4 “Addressing environmental challenges through sustainable business practices”, which was adopted in March 2019.

## I. Setting the Scene

1. Despite progress on some environmental issues, environmental degradation is rising and posing ever-growing risks to societies. In our increasingly interconnected world, environmental challenges are both too complex and far-reaching to be addressed by any single entity. A healthy planet depends on all of us and requires an unprecedented effort from all sectors of society. We will never succeed in tackling the challenges on time without wide-spread cultural and behavioural change amongst consumers and the private sector.
2. The private sector drives the most frequently cited environmental realities, such as climate change, loss of biodiversity, and generation of plastic waste. As such, the private sector has the power to reverse negative megatrends and enforce positive trends. Examples of this power include voluntarily adapting operating practices by exploiting opportunities related to sustainable innovations, such as utilizing greener and more efficient technologies and practices.
3. The UN Environment Programme recognizes that in addition to partnerships with governments and civil society, partnerships between the public and private sectors can help bring about lasting solutions as well as facilitate movement away from slow incremental changes towards transformational changes on key environmental issues. The UN Environment Programme's strategic target as set out in the vision, mission and principles of engagement, is to work with private sector entities who:
  - have **proven their commitment and ability** to take action and reduce their environmental impact;
  - **provide resources or solutions** to solve existing and emerging environmental challenges.
4. In this context, the UN Environment Programme seeks to actively engage with a regionally balanced set of private sector entities that are committed and able to reduce their environmental impacts. By collaborating with these private sector entities, the UN Environment Programme can create larger positive impacts and contribute to the transformation of industries and sectors. **This includes: the creation of green and decent jobs and supporting small and medium sized enterprises as well as developing countries to industrialize.** This strategic target group includes both the forerunners -- those private sector entities that lead by example, follow the best practices and inspire others -- and the challengers--those private sector entities that still have room to improve but are committed to reducing their environmental impacts by changing their operations or business models.
5. The UN Environment Programme seeks to actively engage with a wide range of private sector entities that provide resources or practical solutions for solving the most pressing environmental challenges. This includes engagement with entities working in research and innovation, as well as entities who engage in or encourage investments that promote inclusive and sustainable economies. This strategic target group includes private sector entities of different size and level of maturity; ranging from micro-, small- and medium-sized enterprises to large multinationals; and from incubators and start-ups to established enterprises. Leveraging private sector resources for catalysing change that contributes towards improving the wellbeing of our planet and environment is a key means for the UN Environment Programme to achieve positive impact from private sector engagement. Through this leverage, the benefits and value created becomes more than what could be achieved without active engagement.

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## II. The Strategic Vision for Private Sector Engagement

### A. Meeting the UN Environment Programme's mandate by working together

6. This Strategy outlines the vision, mission and principles for reaching the desired outcomes and impacts of a more strategic path of collaboration with the private sector, whilst safeguarding the integrity, neutrality, objectivity and transparency of the UN Environment Programme, its Programme of Work, and its staff.
7. The overall goal of the Strategy is to build in consideration of private sector cooperation at all levels of the UN Environment Programme.

8. A vision statement is like a roadmap, setting a future direction and indicating the aims of the UN Environment Programme in the runup to 2025 in terms of its private sector engagement. A mission statement provides the *raison d'être* for the UN Environment Programme's engagement with the private sector, summarizing the overall rationale of the engagement.

### **B. Private Sector Engagement Strategy's Vision**

9. By 2025, the UN Environment Programme's engagement with the private sector has 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.

### **C. Private Sector Engagement Strategy's Mission**

10. 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.

### **D. Private Sector Engagement Strategy's Objectives – The Four Pillars**

11. The Strategy is built on four pillars that support the vision and mission, under which specific objectives have been set for the five-year period as follows:

**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 private sector's human, managerial and financial resources to mainstream and scale up technologies and innovations and accelerate momentum towards a sustainable future<sup>3</sup>.

## **III. Private Sector Engagement Principles**

12. The following principles embody the values that will guide the UN Environment Programme's engagement with the private sector. These principles are aligned with established guidelines and principles that regulate

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<sup>3</sup> In line with the objectives outlined in the UN Environment Programme's Resource Mobilisation Strategy.

cooperation between the United Nations and the private sector and embody the 10 Principles of the United Nations Global Compact<sup>4</sup>, see also Figure 1.

**Principle I: Alignment with the UN Environment Programme’s Objectives, Mandate and Mission**

13. All engagement with the private sector shall be aligned with the UN Environment Programme’s intergovernmental mandate, objectives and Programme of Work. Each active engagement with the private sector shall have objectives, desired impacts and outcomes defined. These objectives, desired impacts and outcomes shall, explicitly and concretely:
- Bring about environmental, economic and social benefits, with a focus on meeting the broader 2030 Agenda through leveraging private sector contribution to the achievement of the Sustainable Development Goals and the Multilateral Environmental Agreements’ goals<sup>5</sup>.
  - Support and provide additionality to achieving the desired outcomes and strategic objectives of UN Environment’s Programme of Work; be consistent with established guidelines and principles that regulate the cooperation between the United Nations and the private sector.
  - Promote adherence to UN system-wide framework and to the UN Global Compact. The UN Environment Programme is a proud partner of the UN Global Compact, having signed a Letter of Intent in September 2018. The 10 Principles of the UN Global Compact (see Figure 1 below) are fundamental criteria to our due diligence process in engaging the private sector. The UN Environment Programme continues to encourage its partners to become members of this important initiative. Furthermore, the UN Environment Programme follows the UN Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships which was approved in August 2019.

*Figure 1. UN Global Compact Principles*

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<sup>4</sup> The United Nations Global Compact principles on human rights, labour, environment and anti-corruption are expected to be a key component of the UN Environment Programme’s Partnership Policy and the accompanying Procedures that are in the process of being updated.

<sup>5</sup> To enable the ongoing work of the Multilateral Environmental Agreements, active engagements with the private sector shall be aligned with their respective mandates.



14. Engagement with the private sector is fundamental to the successful implementation of the Programme of Work. Active engagement is guided by transparent, impact-orientated criteria, embodied in the applicable due diligence processes, which include, but are not limited to, a screening of the partner’s capability and commitment to raising standards, capacity **building** and ambition to support the Programme of Work’s objectives, at both subprogramme and specific project level.

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**Principle II: Impact-Oriented and Results-Based Engagement**

- 15. The intention of all engagement between the UN Environment Programme and its private sector partners is to accelerate the creation of positive societal and environmental action and impacts and to articulate those impacts through the Sustainable Development Goals. This applies to the full spectrum of modalities (see also Section V)<sup>6</sup>.
- 16. All private sector engagement involving mutual dialogue and active participation shall be based on transparent, defined mutual benefits to both parties, and start with a definition of the expected and desired outcomes and impacts, a selection of concrete and causal indicators with clear links to the Programme of Work and the Sustainable Development Goals, the means of measuring performance in terms of desired outputs, outcomes and impacts, as well as how the engagement outputs and outcomes will be evaluated. An indication of the timescale and milestones shall be included.
- 17. This is ensured through a systematic framework for identifying and describing the expected benefits, including positive impacts on the environment. This framework shall include a post-engagement evaluation of the actual benefits achieved through private sector engagement in each subprogramme.

**Principle III: Transparency and Disclosure**

<sup>6</sup> The continuum of engagement is described in Figure 4, moving from information dissemination, where private sector acts as the more passive receiver (see paragraph 40) to in-depth and active partnerships and coalitions (See paragraphs 53-55).



18. In all engagements with the private sector, the UN Environment Programme is obliged to ensure transparency. The format of engagement, that is how the UN Environment Programme works with private sector entities, is always public information. Publication of details of the cooperation is public to the extent possible without violating disclosure of mutual confidentiality. Information on private sector engagements are available both on the UN Environment Programme's website, and on request, in line with the UN Environment Programme's Access to Information Policy.
19. Transparency is fostered in all engagement in order to provide all stakeholders, including the public, adequate information on the overall volumes of private sector engagement, on the names of entities engaged with, on the nature of the activities as well as their alignment and contributions to the UN Environment Programme's mandate, operations and objectives. Transparency is a means to ensure that the neutrality and integrity of the UN Environment Programme is maintained and safeguarded.
20. The UN Environment Programme is itself obliged to disclose information regarding the value of any engagement, regardless of the nature of the activity. For activities including any in-kind contributions, the exact amount of the corresponding financial value will be disclosed, subject to confidentiality agreements.

#### **Principle IV: Adding Value by Working Together**

21. All private sector engagements should aim to create additional value through inspiring positive action. As a leading global environmental actor, the UN Environment Programme has a unique capability to convene multi-stakeholder fora, where policymakers, regulators, government officials, [research and academic institutions](#), civil society and business leaders can engage, according to the terms of the specific forum. This provides additional value to each sector through facilitating access to audiences they may not otherwise reach.
22. Convening multi-stakeholder fora to address a common topic facilitates exchange of information and knowledge between different stakeholders and different sectors, thereby contributing to the spreading of innovations, good governance and best practices. The objective is to promote better environmental governance whilst ensuring an enabling environment for private sector entities, thus accelerating the momentum towards positive impact.
23. Through private sector engagement, the UN Environment Programme can gain access to data, innovations, practices and technologies that contribute to its normative and scientific work and dialogue with the national governments. Correspondingly, working with the UN Environment Programme provides benefits to the private sector, including access to science-policy interface. By transmitting information, knowledge, data as well as the aspiration, advances, knowledge and success stories of the private sector to others, the UN Environment Programme can inspire other private sector entities as well as policymakers to increase positive actions, and thereby accelerate transformational changes.

#### **Principle V: Standard-Raising Collaboration**

24. All collaboration the UN Environment Programme enters into shall aim at raising the relevant environmental standards and practices, thereby contributing to practical work on sustainable environmental management.
25. The UN Environment Programme aims to strengthen a universal commitment to the urgency to protect our planet in all private sector engagements. The urgency to achieve action requires the UN Environment Programme to engage with a wide range of private sector entities; with those who lead by example; with those who provide resources or solutions, with those that are committed to action and change, and with those who still need to be encouraged to take action and change.

#### **Principle 6: Integrity, Impartiality and Independence**

26. The principles of integrity, impartiality and independence fall under the UN Ethical Framework and apply to all staff, in private sector engagement as in all work. Under the UN Charter, UN staff are appointed on the basis of securing the highest standards of efficiency, competence and integrity.

27. The concept of integrity embraces all aspects of the behaviour of an international civil servant, including qualities such as honesty, truthfulness, impartiality, and incorruptibility. UN staff are expected to exhibit and adhere to the highest standards of ethical conduct<sup>7</sup>, and UN staff shall maintain the highest standards of integrity, including honesty, truthfulness, fairness and incorruptibility, in all matters affecting their official duties and the interests of the United Nations<sup>8</sup>.
28. UN Environment Programme staff, in the performance of their duties, shall always act with impartiality, objectivity and professionalism in all private sector engagement. In order to ensure private sector engagement is not undertaken in a manner that could unjustifiably lead to actual or perceived preferential treatment for or against particular private sector entities, it is necessary to provide transparent, and openly reported decision making.

## **IV. What are the Impacts and Changes We Aim at?**

### **A. The Framework for Change**

29. The framework adopted for outlining how the strategic vision will be reached is based on a Theory of Change approach<sup>9</sup>. The envisaged process of change and transformation in the organization's engagement with the private sector incorporates the strategic vision and mission as well as the six principles (see Section III). The process takes place in a manner consistent with the Four Pillars of the Strategy (see Section II), its vision, mission and the six principles. This process of change is presented in Figure 2.

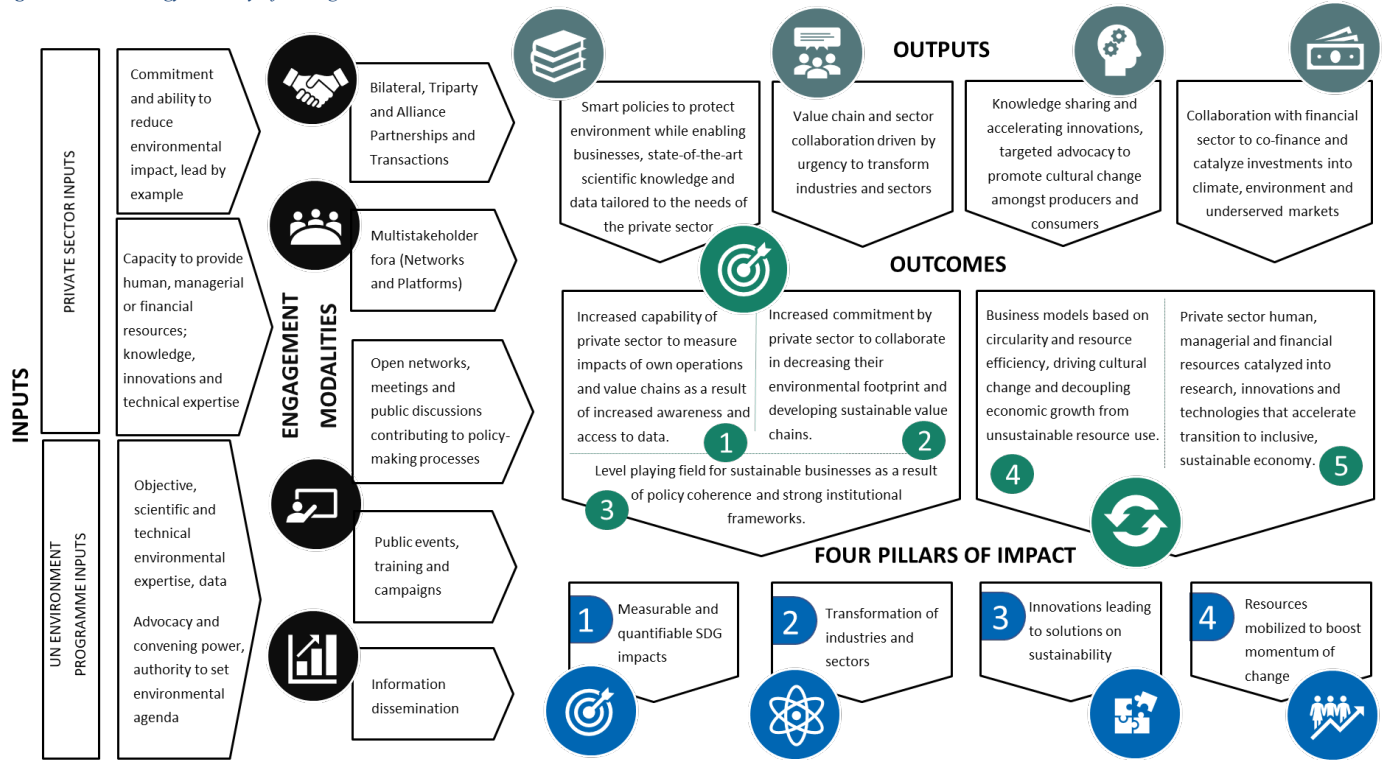
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<sup>7</sup> Putting Ethics to Work - A Guide for UN Staff

<sup>8</sup> Charter of the UN, Article 101; UN staff regulations

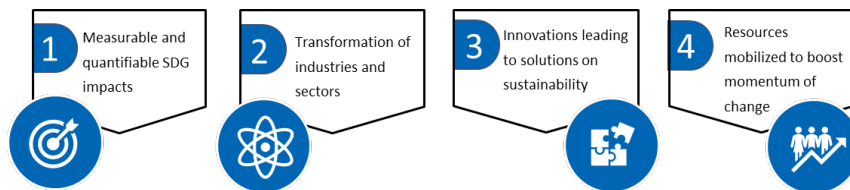
<sup>9</sup>A Theory of Change is a structured way of exploring the connection between the desired impact and the different paths to get there, i.e. through processes of change. This methodology is a means of mapping/tracing back the causal and chronological linkages of a sequence of interventions, and the preconditions envisaged to lead to the desired impacts. (Theory of Change, UNDAF Companion Guidance, United Nations Development Group.)

Figure 2. The Strategy's Theory of Change Framework



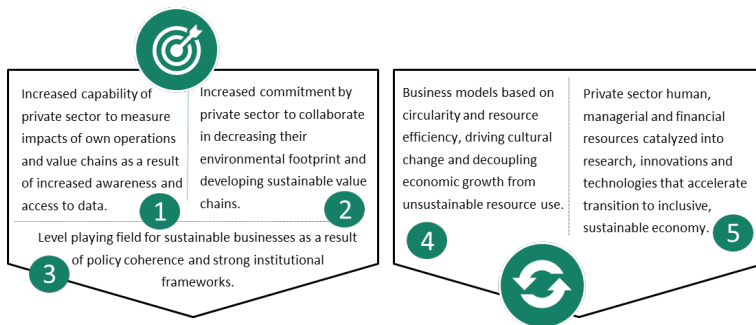
30. The Theory of Change presented in Figure 2 has been used as the framework for identifying and defining actions in the following areas: in the UN Environment Programme at global and regional levels; and within the environmental treaties that the UN Environment Programme administers in a manner consistent with UN Environment's Programme of Work and Budget.

### B. Desired Impacts



31. The UN Environment Programme's Private Sector Engagement Strategy's mission is to provide leadership and encourage partnering in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.
32. The process of engaging with the private sector in the UN Environment Programme's activities should ultimately lead to positive environmental and societal impacts, through reducing pollution, halting biodiversity losses, tackling climate change root causes and increasing the resilience of societies.
33. The impacts from private sector engagement shall be measured by how the engagements contribute, either directly or by catalysing private sector contributions to positive impacts, as defined under one or several of the Private Sector Engagement Strategy's objectives that provide the focus for the four impact pillars (See paragraph 11).

### C. Outcomes



34. To achieve the desired impacts described in paragraph 11, the UN Environment Programme's engagement with the private sector needs to generate the following outcomes:

**Outcome 1: Increased capability of private sector actors to plan and develop, measure and communicate, on the impacts** of their business operations, as well as the value chain they are part of, in terms of the Sustainable Development Goals, as a result of increased awareness and access to knowledge and data.

**Outcome 2: Increased commitment by the private sector to collaborate** in decreasing their own environmental footprint and jointly developing sustainable value chains.

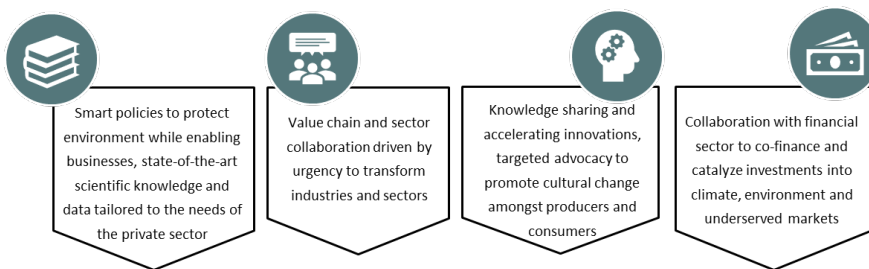
**Outcome 3: Business models based on circularity, resource efficiency and sustainability that drive cultural change** amongst consumers and contribute to the decoupling of economic growth from the unsustainable use of natural resources.

**Outcome 4: Supporting policies and legislation implemented to ensure an enabling environment and level playing field**, which enables private sector actors to build their business models on sustainability without compromising economic performance.

**Outcome 5: Private sector human, managerial and financial resources** catalysed into research, innovations and technologies that accelerate transition to an inclusive and sustainable economy.

35. These outcomes are aligned with the desired results of the objectives of the subprogrammes of the UN Environment Programme as outlined in its Programme of Work. Annex 3 provides additional information on the links between subprogrammes and Private Sector Engagement's desired outcomes.

#### D. Outputs



36. Outputs are the immediate results from the UN Environment Programme's engagement activities with the private sector. Outputs in turn lead to the desired outcomes. The categories of outputs from the UN Environment Programme's activities with the private sector are:

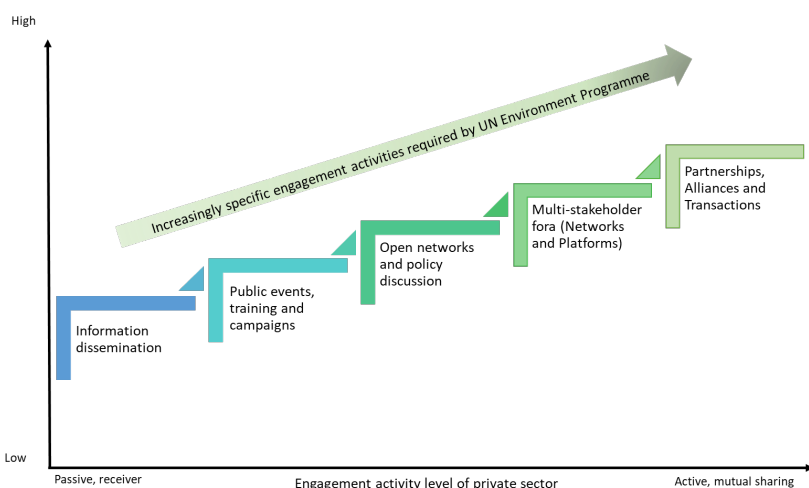
- I. **Output 1:** Smart policies to protect environment while enabling businesses, state-of-the-art scientific knowledge and data tailored to meet the needs of the private sector and targeted advocacy to promote cultural change amongst consumers.
- II. **Output 2:** Value chain and sector collaboration and joint ventures that are driven by the urgency to transform entire industries and sectors, helping private sector entities redesign their operations and business models.
- III. **Output 3:** Knowledge sharing, spreading of best practices, accelerating innovations and targeted advocacy to promote wide cultural change amongst producers and consumers.
- IV. **Output 4:** Collaboration with the financial sector to co-finance, re-direct financial flows and catalyse investments into climate, environment and underserved markets.

## V. The Framework for Private Sector Engagement

### A. Different Ways of Engaging with the Private Sector

37. This Chapter presents the UN Environment Programme's activities with the private sector by outlining the framework for engagement modalities and discussing the benefits from the engagement for the UN Environment Programme, for the private sector and for policymakers and other stakeholders.
38. Annex 2 contains a summary of existing activities organized based on the modalities of engagement. Annex 4 presents UN Environment Programme's strategic and prioritised outputs.
39. All private sector engagement is built on recognizing and building on mutual benefits and generating a common purpose through realizing the Principles of Engagement, as outlined in section III. The activities required by the UN Environment Programme to drive the transformation in accordance with the Theory of Change (see Section IV) requires actively engaging with the private sector over a spectrum of different modalities. Based on the level of risk and required levels of active dialogue and joint efforts, this spectrum has been used to define five distinct levels of engagement, as shown in Figure 3.

Figure 3. Levels of Engagement



### B. Level 1: Information Dissemination

40. Level 1 Engagement with the private sector is based on the UN Environment Programme sharing information with the private sector through channels where no active dialogue is required. Beyond the effort required to access this public information, the private sector participant takes a passive role as information recipient. The exchange of information is unidirectional. There is no direct interaction and no risk to the UN Environment Programme at this level of engagement. The benefits to the private sector entity are limited to access to public information.

### **C. Level 2: Public Events, Training and Campaigns**

41. Level 2 Engagements are based on the private sector entity taking a moderately more active role. Examples include participation in an event, receiving training or being the target of an advocacy campaign organized or co-hosted by the UN Environment Programme. The private sector entity receives information and while there are some possibilities for dual information flow, the exchange of information is mostly unidirectional.
42. This level of engagement does not pose direct risks to the UN Environment Programme from engagement with any one entity. The benefits for the private sector include access to the UN Environment Programme's technical and scientific expertise and advocacy power.

### **D. Level 3: Open Networks and Policy Discussion**

43. Level 3 Engagements requires the private sector to take a more active role. This level of engagement includes engaging with the private sector in open networks (no membership restrictions), one-off meetings and public processes hosted or convened by the UN Environment Programme. Level 3 Engagements are temporally restricted, often one-off meetings, characterized by multiple stakeholders coming together in one forum. This would include private sector, policymakers, governments, academia, science and civil society.
44. Level 3 Engagements require the private sector to take a more active and contributing role, participating in the process by sharing inputs, knowledge and expertise. The common objective of Level 3 Engagements is to establish an enabling environment for sustainable businesses. Entrance to these discussions is limited and space allocated based on the specific objectives of each meeting/discussion.
45. The risk of Level 3 Engagements to the UN Environment Programme is the possibility of giving private sector entities undue influence on policies aimed at ensuring threats to environment, society, people and climate are urgently addressed. This risk is mitigated by the established processes of accreditation to UN Environment Programme's policymaking meetings and fora, and the Multilateral Environmental Agreements of non-governmental stakeholders and through the use of the Major Groups and stakeholders structure, where applicable, which from the start promote a balanced stakeholder dialogue and equal contributions from the private sector and other stakeholders, including the civil society. Through enabling private sector's active contributions, the benefit to the private sector from Level 3 Engagements is potentially significantly larger than from Level 1 and 2 Engagements.

### **E. Level 4: Multi-stakeholder Fora (Networks and Platforms)**

46. Level 4 Engagements represent such networks and platforms<sup>10</sup> that the UN Environment Programme convenes. These often focus on a specific topic or aim to develop a specific industry through multi-stakeholder interaction. These networks and platforms are more convened for a longer-term and aim to provide private sector entities with a long-term access to multi-stakeholders and peers. The aim is, amongst others, to share best practices amongst participants, and often provide participants with active opportunities to contribute in developing a common framework, principles or guidelines that for example can set the future direction for a specific industry.
47. To participate in a Level 4 Engagement network or a platform requires the private sector entity to effectively become a member of the forum, and entering into an agreement, specifically developed for that forum. The agreement will include terms and conditions specific for the forum. Any new member will be subject to a vetting process through a Due Diligence procedure and may be required to sign the network (or platform) principles or otherwise commit to the network's (platform's) strategic aspirations.
48. The ultimate aim of any of the Level 4 Networks and Platforms is that they graduate to an independent format, where the UN Environment Programme's role and input is reduced. The Level 4 Engagement networks and platforms should aim for financial independence. The UN Environment Programme will set fees aimed to ensure the forum can gain such independence and thrive.
49. The UN Environment Programme strives to harmonize its approach and requirements for Level 4 Engagements in terms of harmonizing the fee structures, the due diligence approach and requirements for commitments to

<sup>10</sup> Platforms are often a technical means of providing a network with a channel for a communication and sharing of information.

sustainable performance.

50. From a risk perspective, the risks to the UN Environment Programme from Level 4 Engagement networks and platforms are limited. There is no direct exchange of resources between a private sector entity and the UN Environment Programme, and fees go directly towards financing the network or platform activities. Level 4 Engagement network or platform members are also not in a contractual relationship with the UN Environment Programme.
51. Membership in one of the UN Environment Programme convened Level 4 Engagement networks or platforms could be a requirement for entering into Level 5 Engagement negotiations with the UN Environment Programme.

#### **F. Level 5: Partnerships, Alliances and Transactions**

52. The Level 5 Engagements are based on close, active approaches to working together with a private sector entity or coalition of entities to reach specific targets. They can also be specific financial transactions, deals between public and private sector where the UN Environment Programme plays a broker role. Level 5 Engagements are few in number and always target specific objectives.
53. Level 5 engagements represents large potentials for impact, but also entail higher risks to the UN Environment Programme than Level 1-4 Engagements, as presented above. In line with the UN Sustainable Development Group Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships, Level 5 Engagements are arrangements between the UN Environment Programme and the private sector, in which both or all parties agree to:
  - Work together to achieve a common purpose;
  - Invest their respective resources (e.g. time, knowledge and expertise, research and technological development, funding, and core assets.);
  - Acknowledge mutual benefits as an integral aspect to the engagement; and
  - Share the jointly recognized risks in line with the partnership agreement
54. Forging partnerships, alliances or transactions are subject to the processes, which will be laid out in the UN Environment Programme's Partnership Policy<sup>11</sup>. This Policy will include a separate Due Diligence process for all Level 5 engagements, where the aim is specifically to identify and assess the risks related to that specific partnership, alliance or transaction. See also Section VIII on Management of Risk and Opportunities.

### **VI. Identifying Mutual Benefits**

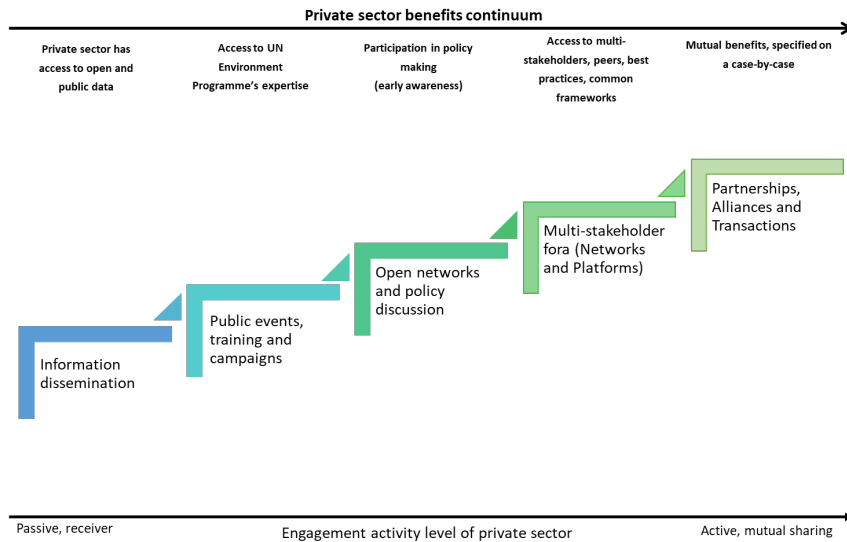
55. All private sector engagements are undertaken based on an assessment of additionality and identification of pre-defined mutual benefits. There is a continuum of benefits over the five different Levels of Engagement, as depicted in Figure 4.

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<sup>11</sup> The UN Environment Programme is in the process of updating its Partnership Policy and aligning it with the Strategy.



Figure 4. Levels of Engagement with Private Sector Benefits Continuum



56. For Level 4 and 5 Engagements, the relevant documentation needs to explicitly state the benefits for the UN Environment Programme, for the private sector entity, and if applicable, to other stakeholders and to the network or platform itself. Furthermore, the documentation needs to explain how the platform, network partnership or coalition contributes to achieving desired outcomes. In the following Sub-sections, the potential benefits for the UN Environment Programme, for the private sector and for policymakers and other stakeholders are presented.

#### A. Benefits for the UN Environment Programme

57. Contributions by the private sector are crucial to achieving the Sustainable Development Goals. Therefore, the active engagement of the private sector into building up the scale of impact is the main benefit that engagement with the private sector will bring for the UN Environment Programme. Greater impacts can be achieved by engaging with the private sector, than would be possible without.
58. Early engagement with the private sector on finding and implementing solutions to environmental problems can drive market forces, leading to early adoption of solutions and greater profitability in the long term. The UN Environment Programme can play a catalytic role in changing how businesses operate and invest. Furthermore, creating impacts together with the private sector adds to the robustness and continuum potential of the results as environmental aspects become more integrated into operative business planning.
59. The UN Environment Programme's normative work can greatly benefit from the private sector's knowledge and innovations. Partnering with the private sector can generate real-time knowledge, market intelligence, enable sharing of best practices and facilitate effective information dissemination at the global level. The private sector is a key contributor to the UN Environment Programme's Programme of Work objectives. This includes providing input to developing the Programme of Work towards more inclusive and innovative approaches to leverage more in the future.
60. By facilitating dialogues and involving a range of different stakeholders – policymakers, scientists and academia, the civil society and the private sector – the UN Environment Programme can accelerate the transition to an inclusive, sustainable economy, encouraging sustainable production, consumption and investments, and incentivizing financial flows into geographical areas, industries and sectors that are currently under-financed but key to the achievement of the UN Environment's mandate and objectives.

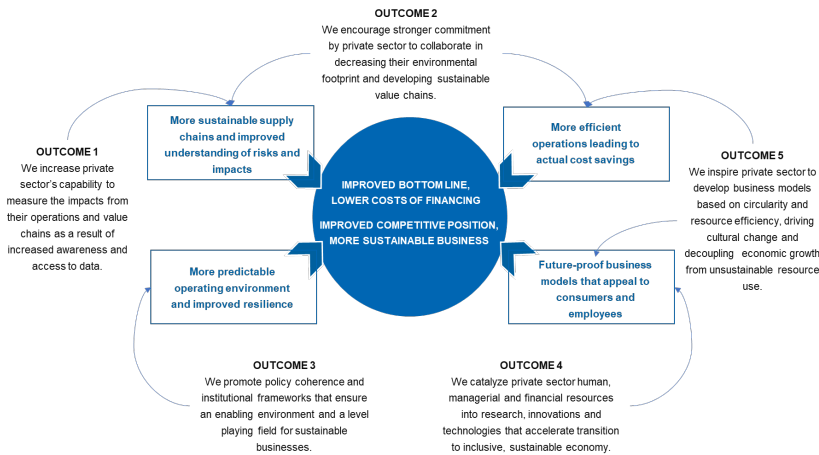
## **B. Benefits for the Private Sector Entities**

61. The primary function and interest of the private sector is to sell products and services and generate profits. Thus, it is in the interest of the private sector to take measures to reduce risks to their business performance, as well as seek opportunities to improve it. This is where UN Environment Programme can help the private sector to be more knowledgeable about, and include consideration of, the risks and opportunities related to environment, climate, and sustainable societies, in line with the outcomes of the engagement identified in the Theory of Change<sup>12</sup>.
62. By engaging with the UN Environment Programme, the private sector will be better positioned to understand, assess, measure and predict the impacts of their operations and their value chains. Improved capacity enables stronger commitments by private sector entities to decrease their environmental footprint and develop sustainable value chains, eventually leading to decreased risks and more robust supply chains.
63. Furthermore, business models based on circularity and more resource-efficient operations are based on their potentials to bring actual cost savings simultaneously as bringing environmental and social benefits. Ultimately, changing to such business models will improve a private sector entity's bottom line and lower the costs of financing, as the value of the business improves while risks are mitigated.
64. The UN Environment Programme, through the five Levels of Engagement, provides the private sector with increasing levels of access to audiences, including such audiences the private sector could not otherwise engage with. Private sector entities navigate in a network of regulations and constraints and have a negative premium for uncertainty in terms of forecasting the future business environment. The UN Environment Programme, via leveraging its multi-stakeholder relations, can help the private sector entities to forecast what the future looks like, and anticipate changes in rules and regulations. This will bring clarity and predictability to business environments and alleviate uncertainty in markets that are underserved.
65. Investments on research and innovations that improve the sustainability of operations will make businesses future-proof and help them in responding to emerging client demand that emphasizes sustainability. Together with an improved ability to prepare and plan operations resulting from increased predictability, businesses' competitive position will be improved. Figure 5 demonstrates how engagement outcomes provide benefits to both the UN Environment Programme and the private sector. (See also Section IV, Theory of Change, Figure 2)

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<sup>12</sup> Benefits to private sector have been identified in consultations with the UN Environment Programme's external and internal stakeholders.

Figure 5. The UN Environment Programme Private Sector Engagement Strategy's Value Proposition



66. In summary, engagement with the UN Environment Programme will enable the private sector to be better positioned to anticipate, plan and prepare for the future operating environment; to develop future-proof business models that respond to emerging client demand; to lower the costs of operations by improving the efficiency and to build more sustainable operations and value chains. In addition, the benefits of the engagement to the private sector are summarized in the following value proposition of the Private Sector Engagement Strategy:

*“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”*

### C. Benefits for Policymakers and Other Stakeholders

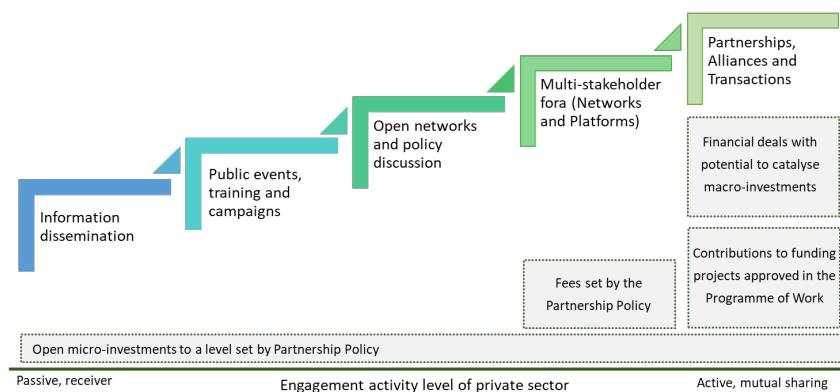
67. The UN Environment Programme and the Multilateral Environmental Agreements it administers have a key role in providing a science-policy interface that aims to ensure science and other forms of knowledge are effectively used in policymaking.
68. Furthermore, engagement between the UN Environment Programme, the private sector and other stakeholders enables proactive and efficient interaction and facilitates the flow of information. A feedback loop between the policymakers and the private sector enables policymakers to fill in the gaps in understanding the status of current private sector operations and their impacts on the environment. By better understanding the needs of the private sector as well as the current gaps between existing business models and operations and the desired change, the policymakers are in a better position to respond with smart policies that ensure a level playing field while promoting more sound environmental management practices.

## VII. Resource Mobilisation

69. The UN Environment Programme will develop a framework for a more efficient resource mobilisation from diverse sources. Micro-investments by corporates and individuals, especially the high-net-worth-individuals who are keen to do their part on protecting the environment and tackling climate change, are an important target group for more systematic fundraising efforts. The UN Environment Programme will look into the different options of harnessing the potential of this resource base by also benchmarking against the activities and functionalities of other United Nations organisations. The United Nations and the UN Environment Programme’s financial rules and regulations will be analysed further to ensure that the necessary fiduciary risk and safeguards are put in place.

70. The UN Environment Programme will develop a standardised approach for its member-based forums, initiatives, networks and platforms. While a standardised approach will improve transparency towards private sector partners, it will also help streamline internal procedures, enhancing efficiency and increasing benefits for all parties from the engagement. The member-based forums, initiatives, networks and platforms hosted by the UN Environment Programme will ultimately aim at covering the costs of their operations with the membership fees and, thus, becoming financially independent.
71. Importantly, the UN Environment Programme will continue to seek constructive engagement with the private sector, including potential opportunities for co-financing projects approved and implemented in its Programme of Work, as and where appropriate, and with the corresponding level of fiduciary and risk management screening outlined in this Strategy. Furthermore, the UN Environment Programme will continue to assess its ability to influence and catalyze large-scale investments by the private sector, by leveraging its convening power and building bridges between private financial institutions and beneficiaries in underserved markets that protect and enhance the environment. Again, any such engagement will be subject to rigorous screening to manage any possible downside reputational and fiduciary risk as well as potential for transformative impact.
72. The resource mobilisation opportunities for the UN Environment Programme link to the Levels of Engagement discussed in Section V. Figure 6 illustrates these opportunities.

*Figure 6. Resource Mobilisation Opportunities and Levels of Engagement*



## VIII. Managing Risks and Opportunities

### A. Roles and Responsibilities

73. The UN Environment Programme's organisational and the UN Environment Programme's staff's individual roles, responsibilities and accountability in relation to private sector engagements will be defined in the UN Environment Programme's Partnership Policy that is in the process of being updated.
74. The UN Environment Programme's **Executive Director** and the **Senior Management Team** retain the responsibility for oversight of the implementation of the Medium-Term Strategy, and, linked to this, oversight of the implementation of the Private Sector Engagement Strategy. It is their responsibility to require annually updated plans for how private sector engagement will contribute to the UN Environment Programme's targets

through the targets set for each of its subprogrammes and for the Private Sector Unit.

75. The **Private Sector Unit** has the responsibility to oversee and support the implementation of the Strategy. Its role is, amongst others, to coordinate an effective rollout of the Strategy; coordinating training and guidance to staff and Multilateral Environmental Agreements administered by the UN Environment Programme, Regional Offices, Subprogrammes, projects and initiatives. The Unit has also the responsibility to conduct an annual strategic review of all partnerships with the private sector to ensure that they are results-based and forward-looking.
76. Anyone in the UN Environment Programme or outside it can identify the need or opportunity for a potential engagement.
77. The **Subprogramme Coordinator's** responsibility is to periodically and systematically review the priority for and need of engagement in order to meet the subprogramme targets. It is also their responsibility to create a clear annually updated plan for how private sector engagement will contribute to the subprogramme targets, and the desired impacts as defined in this strategy. The Subprogramme Coordinators are also responsible for ensuring the risks related to private sector engagement to their respective subprogrammes are recognized and addressed.
78. The **UN Environment Programme's Responsible Officer** refers to the person who manages each active engagement. The Responsible Officer defines the expected outputs and desired outcome of the engagement and does the day-to-day management and performance monitoring of engagements.

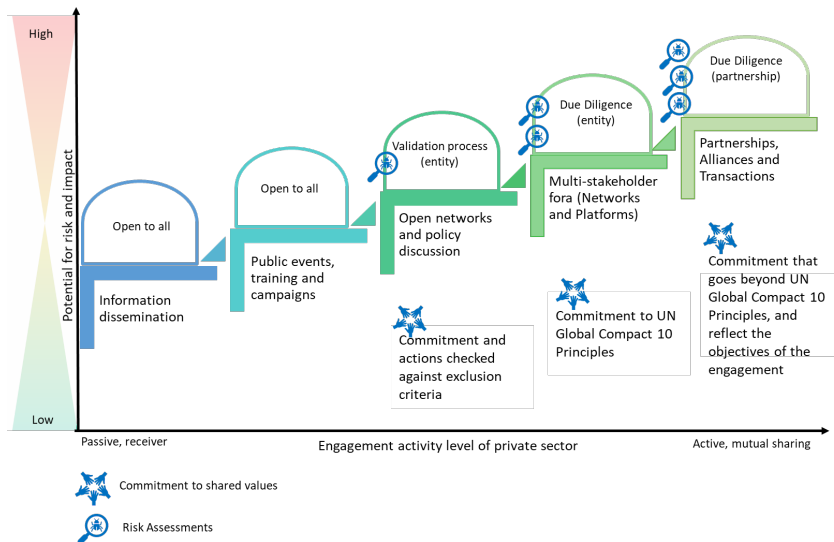
## **B. Risk Management**

79. The key risks related to private sector engagement are the following:
  - **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;
  - **Failure in ability to address the key risks related to engagement:** this represents situations where the risk management process fails in correctly identifying, assessing and managing the risks associated with private sector partnerships.
80. 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 related to engagements, as they will be defined in the Partnership Policy that is in the process of being updated, are used as the basis for the risk assessment. These risk categories include, but are not limited to, contractual/non-compliance risks, financial risks and reputational risks<sup>13</sup>. The level of risk assessment required is dependent on the Level of Engagement, as depicted in Figure 7 below.

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<sup>13</sup> A full list of different risk categories, such as reputation; green-washing; blue-washing; political and legal, will be part of the Partnership Policy and Procedures documentation.

Figure 7. The level of risk management required for each Level of Engagement.



81. The risk management process for each engagement starts with addressing the potential to fail. 'Failure' means a risk becomes true, and consequently leads to unwanted consequences. This type of questioning shall be used before as well as during active engagements, in order to ensure continued awareness of potential risks. These questions will be further deliberated in the Partnership Policy that is in the process of being updated, and summarised below:

- What engagement activities could fail and at what point?
  - Particular emphasis should be put on identifying events that could have unwanted consequences that directly or indirectly impact on the Programme of Work. This is complementary to Due Diligence process at Level 4 and 5 Engagements.
- How could the engagement fail?
  - What would be the causes and how can these be prevented through using tools such as agreements, risk assessments, or other actions taken by the UN Environment Programme's staff.
- What are the consequences of potential failures to the UN Environment Programme, and are there potential consequences to other parties?
  - The emphasis is on identifying qualitatively the type of impact (for example, direct costs, projects not completed etc.) and the scale of that impact, based on pre-set categories as per the Partnership Policy that is in the process of being updated.

### C. Reporting

82. Considering the intergovernmental nature of the UN Environment Programme, and the roles and responsibilities of the Committee of Permanent Representatives, the results of implementing the Private Sector Engagement Strategy will be reported by the Private Sector Unit through the following existing tools:

- The Annual Report on Private Sector Engagement
- By providing access to information to member States and accredited stakeholders on all individual partnerships with private sector entities
- By providing regular updates through the Quarterly Report of the Executive Director and through the regular reporting of the implementation of the Programme of Work.

83. Furthermore, reporting on private sector engagement should be integrated in existing reporting at Sub-programme and project levels.

#### **D. Monitoring**

84. Private sector engagement will be monitored on a continuous basis in terms of risks and reaching set targets. For oversight and monitoring, the roles and responsibilities between the staff members managing the daily activities required for successful private sector engagement (Responsible Officers) and the Private Sector Unit will be clearly defined in the Partnership Policy that is in the process of being updated. This will ensure transparent and objective monitoring of the performance of each partnership and enable early interventions by subprogramme Coordinators, if required.

85. Furthermore, each Level 4 and 5 Engagement will be reviewed at regular intervals in order to ensure that the partnership continues to meet the objectives of the UN Environment Programme or the objectives of the respective multilateral environmental agreement. The annual strategic review of all partnerships conducted by the Private Sector Unit will focus on reviewing achievements and needs, in particular in relation to support or practical tools to aid engagement and risk management. The review will include elements of Strategy's implementation success, where the focus will be on identifying gaps and/or weak points in how the Strategy has been implemented across the organisation.

86. The desired impacts, which the engagements shall contribute to, and thus assessed and measured against, are defined case by case for each engagement. This will be done by defining the desired immediate outputs and intermediate outcomes<sup>14</sup> for the specific engagement.

87. At a subprogramme level, the overall contribution from private sector engagements towards subprogramme outputs and intermediate outcomes is assessed against targets set at the planning stage. The key is to assess how private sector engagements have contributed towards overall subprogramme objectives, and assess the added benefits achieved through leverage. The need to perform similar assessments at individual project level is decided on a case by case assessment. The required processes and performance review criteria, based on the Level of Engagement, will be defined in the Partnership Policy that is in the process of being updated.

88. The UN Environment Programme will review its Private Sector Engagement Strategy on an annual basis and assess the need for an update. The Private Sector Engagement Strategy will be reviewed for the first time in 2021, after the approval of UN Environment Programme's next Medium-Term Strategy, in order to ensure continued alignment with the UN Environment Programme's mandate and objectives.

#### **E. Evaluation**

89. The impact of the partnerships at the subprogramme level needs to be evaluated regularly by the Evaluation Office. The evaluation will be included as an integral part of the existing evaluation procedures and requirements for programme and project evaluations carried out by the UN Environment Programme's independent Evaluation Office.

<sup>14</sup> See also Theory of Change, Figure 2.

## IX. Definitions

**Private sector**, as defined in the UN Sustainable Development Group's Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships, is the part of the economy that is run by individuals and companies and is not state controlled. Therefore, it encompasses all for-profit businesses that are not owned or operated by governments, and in some definitions, it may also include privately-owned organizations (e.g. family foundations or associations) or include influential individuals, such as high net worth individuals. Following the 2030 Agenda, the UN Environment Programme regards the private sector as ranging from micro-enterprises to cooperatives to multinationals. It includes for-profit enterprises; companies or businesses regardless of size, ownership or structure; as well as private financial institutions, businesses trade associations and organizations that represent private sector interests. It also includes corporate philanthropic foundations.

**Engagement** with the private sector refers to any type of interaction with business entities, with different objectives, ranging from informal talks and discussions, to knowledge-exchange platforms, to full-fledged partnerships entailing funding or brand asset exchanges. These engagements may be implemented through different modalities, including but not limited to partnering, and may entail different levels of public exposure.

**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, and core assets.);
- Acknowledge mutual benefits as an integral aspect to the engagement; and
- Share risks.

Usually partnerships would involve some level of public communication and recognition, and an exchange of assets (e.g. financial or brand-related) between parties involved. Partnerships are also based on mutually agreed commitments (e.g. letters of intent; exchange; or agreement; Memorandum of Understanding or other legal agreements) even though the formality level, or its specificity, may vary. There are several modalities of partnerships, which will be described in more detail in the Partnership Policy that is in the process of being updated.



## **Acknowledgements**

The UN Environment Programme has contracted Gaia Consulting Oy (<https://www.gaia.fi/>), led by Mr. Pasi Rinne; and including Ms. Ylva Gilbert; and Ms. Minna Kuusisto, to develop the Strategy for Private Sector Engagement.

Gaia Consulting Team developed the Strategy in collaboration with the Private Sector Unit of the Governance Affairs Office and the process involved substantive consultations with the UN Environment Programme's staff and senior management, Secretariats of Multilateral Environmental Agreements, member States and other key stakeholders.

## Annex 1: Institutional Setup

1. The 2030 Agenda, adopted by the General Assembly in 2015, recognizes that the scale and ambition of the new Agenda requires a revitalized global partnership to ensure its implementation, bringing together governments and the private sector. member States acknowledge the important role of a diverse private sector, with geographic balance. Ranging from micro-enterprises to cooperatives, and from local businesses to multinationals, all can and should be challenged to contribute to the implementation of the 2030 Agenda.
2. The Ministerial Declaration of the 4th UN Environment Assembly calls for “promoting sustainable and innovative financing opportunities and mechanisms to unlock new capital for sustainable investment and upscaling of sustainable business models, with a special focus on small and medium-sized enterprises” and for “seeking out innovative solutions to environmental challenges by strengthening partnerships between the public and private sectors and academia for accelerating the uptake and upscaling of those solutions”.
3. The recently adopted Programme of Work and Budget for the UN Environment Programme for the biennium 2020-2021 calls upon the organisation “to promote, support and oversee partnerships to contribute to the implementation of the Environment Assembly resolutions and the Programme of Work”, while also emphasizing the need of complying with integrity measures.
4. Furthermore, the Assembly adopted an important resolution entitled “Addressing environmental challenges through sustainable business practices” which “requests the Executive Director of UN Environment Programme, in collaboration with other UN bodies and UN partners, to continue to support the development of skills, especially for micro, small and medium sized enterprises, to promote sustainable production patterns, including cleaner production and industrial symbiosis in order to enhance their profitability, resource efficiency and productivity”. The resolution calls for the UN Environment Programme “to develop and implement programmes that catalyse replication, upscale existing innovative solutions and technologies, and promote the uptake of sustainable business approaches”.
5. The UN Environment Programme, as well as the Multilateral Environmental Agreements that it hosts, have extensive experience from different modalities of private sector engagement. The UN Environment Programme has been working with the private sector through projects and initiatives, such as Finance Initiative which works with over 230 institutions from nearly 60 countries to bring systematic change in global finance for sustainability; the Global Fuel Economy Initiative; and the 10-Year Framework of Programmes on Sustainable Consumption and Production, just to name a few. These projects and initiatives are implemented in collaboration with governments and businesses designing policies, goods and services that guide and offer sustainable options<sup>15</sup>.

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<sup>15</sup> The UN Environment Programme also works with the private sector through Business and Industry Major Group

## Annex 2: Modalities for Engagement

### A. Introduction

1. The existing framework for Partner Engagement recognises five main modalities. These do not directly match with the proposed five Levels of Engagement, and to aid clarity, this Annex summarises the modalities as follows.
  - Training, Campaigns and awareness raising
  - Meetings, public events and cross-sector roundtables
  - Networks and platforms
  - Partnerships
  - Initiatives and multilateral agreements
2. Note that modalities for engagement have not included consideration of information dissemination, identified as Level 1 Engagement in this Strategy.

### B. Training, Campaigns and Awareness Raising

3. These modalities correspond more or less directly to Level 2 Engagements, as put forward in the Strategy. The UN Environment Programme will develop training programmes to leverage the expertise of its staff and match it with knowledge gaps in the private sector. In order to ensure an efficient use of scarce resources, the focus will be on developing training programmes that are scalable and could serve the needs of several private sector partners. Furthermore, in order to promote and facilitate the exchange of information, knowledge and expertise, the UN Environment Programme will look into the option of providing secondment opportunities for private sector experts as well as arranging professional exchanges for its own staff.
4. The use of training activities as a modality is relatively frequently required across a broad spectrum of work. The UN Environment Programme could be involved in joint media campaigns with the private sector where the objective is to advocate for the environment and raise awareness around specific issues. Community level communication for development programmes and projects is another important means for the UN Environment Programme to spread the environmental agenda and support its core programme activities. Examples include:
  - The UN Environment Programme recently developed the GoodLifeGoals – an awareness raising tool around the Sustainable Development Goals – in a collaboration with partners including Futerra, a sustainability marketing company, and the World Business Council for Sustainable Development.
  - In conjunction with the UN Environment Assembly, the Sustainable Innovation Expo engages both public and private sectors around the latest solutions in innovation and technology to meet our global environmental challenges
5. Depending on the case, campaigns could also target fundraising. The use of campaigns and public events as a modality is relatively agile, although it requires involvement of communication experts.

### C. Meetings, Public Events and Cross-Sector Roundtables

6. The UN Environment Programme regularly hosts and facilitates multi-stakeholder meetings and roundtable discussions e.g. around emerging environmental themes. There, the role of the UN Environment Programme is to encourage and facilitate the sharing of knowledge and best practices and the scaling up of innovations. For example, circular economy and solutions to reduce plastic waste represent current emerging themes, that are both key to the achievement of UN Environment Programme's objectives and, at the same time, are of interest to private sector participants across a wide range of industries and sectors.
7. The UN Environment Programme has, for example, co-hosted a roundtable discussion on the legal readiness for climate finance, bringing together private banks and private sector law firms with the objective of sharing views on what a regulatory landscape that facilitates investment into climate action might look like. UN Environment Programme has also organized Leaders' *Breakfast Roundtables* bringing together the members of the UN Global Compact Networks.

8. The use of meetings and cross sector roundtables as a modality that easily scales up and down to different Levels of Engagement, depending on the agenda and participants. This modality can be used to meet objectives of the UN Environment Programme that benefit from agility, relatively low resource requirements and clear focus.

#### **D. Networks and Platforms**

9. Networks are a modality through which the UN Environment Programme fosters stakeholder collaboration within and between industries and sectors to facilitate information and knowledge exchange and provide targeted assistance to private sector on how to integrate environmental aspects into business approaches. This modality can be used to meet objectives of the UN Environment Programme that require:
  - To bring together stakeholders from different regions and sectors to bridge gaps in expertise and resources, leverage innovations and enforce commitments towards a shift to more sustainable business models and operations.
  - Fostering multi-stakeholder collaboration and partnerships
10. Networks is a modality the UN Environment Programme can use to contribute to the replication and up-scaling of sustainable consumption and production policies and initiatives, and effectively disseminate relevant expertise, experience and knowledge.
11. Platforms are an important concrete modality for knowledge and data dissemination. The decision to create new platforms is a strategic decision with long term calls on resources Platforms provide multiple stakeholders a concrete channel for information dissemination and exchange. In practice, many networks host platforms as a practical means of engagement.
12. Current examples of how the UN Environment Programme has used platforms include:
  - UNEP FI has set up the Energy Efficiency Finance Platform, which offers information exchange on leading practices between financial institutions from all world regions.
  - The New Green Industry Platform has been set up to engage with business associations from around the world to deliver and share the latest green business knowledge, case studies, tools, and policy information.
  - To consolidate information on natural resources and environmental risks within a cloud computing platform, the UN Environment Programme teamed up with the World Bank and GRID/Geneva to develop MapX, a platform which consolidates key information about natural resources and environmental risks into an online system which permits real time analysis, visualization, and impact monitoring.

#### **E. Partnerships**

13. In line with the UN Sustainable Development Group Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships, partnerships are arrangements between the UN Environment Programme and the private sector, in which both or all parties agree to:
  - Work together to achieve a common purpose;
  - Invest their respective resources (e.g. time, knowledge and expertise, research and technological development, funding, and core assets.);
  - Acknowledge mutual benefits as an integral aspect to the engagement; and
  - Share the jointly recognized risks in line with the partnership agreement
14. Forging partnerships is subject to the processes, which will be laid out in the UN Environment Programme's Partnership Policy that is in the process of being updated. This Policy will include a separate Due Diligence process for all Level 5 engagements, where the aim is specifically to identify and assess the risks related to that specific partnership, alliance or transaction. See also Section VIII on Management of Risk and Opportunities.

#### **F. Initiatives and Multilateral Agreements**

15. Initiatives are a modality used to support the enabling environment for policymakers and businesses. They often aim at removing regulatory, economic and financial barriers that currently prevent effective action or at accelerating the momentum for positive change, e.g. by leveraging public finance to unlock private capital for green investments. Initiatives are driven by very specific and concrete objectives, in line with the strategic

aspirations of the UN Environment Programme. The use of initiatives as a modality is a high-level strategic decision.

- **Example:** Women's Entrepreneurship for Sustainable Energy, a joint initiative by the UN Environment Programme and UN Women, which aims at increasing women's productive use of sustainable energy through capacity-building and skills development, engendering of energy policies and increasing women's access to finance.
- **Example:** The UN Environment Programme has partnered with the Sustainable Trade Initiative and a new 'de-risking facility called &Green (through an innovative Global Environment Facility-funded project) that aims to work with private sector partners to use public finance for deforestation-free commodity production.










16. The UN Environment Assembly provides an opportunity for Governments, private sector and civil society to sand build the policies, partnerships and a culture of innovation that will support the solutions and systemic change needed. This type of private sector engagement corresponds largely with Engagement Levels 3 and 4, as put forwards in this Strategy.
17. The UN Environment Programme administers the Secretariats of several Multilateral Environmental Agreements (MEAs). It is, however the MEAs and their governing bodies, through the adoption of decisions/resolutions, that determine the possible role of the private sector in the governance structure of the MEAs as well as in their implementation. Depending on the MEA, private sector organizations qualified in matters covered by the MEA may apply for admission as observers to meetings of the MEA governing bodies. Observers, including private sector representatives, are usually given specific opportunities by MEA governing bodies to contribute to the work of the conventions, e. g. provision of comments on policy documents under development, engagement in the technical assistance activities, such as training workshops and awareness raising, dissemination of information, sharing best practices and lessons learned and specialized technical knowledge.
18. With regards to the implementation of MEAs at the national level, the role of the private sector is determined by each Party. A Party may for instance decide to consult, among other stakeholders, the private sector when developing national implementation plans, in the definition of environmental priorities, disseminating information and specialized knowledge and monitoring. MEAs, similar to what the UN Environment Programme does, provide information to and foster environmental awareness among a wide variety of stakeholders including communities, nongovernmental organizations, the private sector and industrial and trade associations.
19. The spirit of the UN Environment Programme's Strategy for Private Sector Engagement is intended to be beneficial to MEAs without prejudice to the text of the MEAs, the decisions of their governing bodies and the authority delegated to the Head of their Secretariats.

### Annex 3: Links between Subprogramme Objectives and Desired Outcomes from Private Sector Engagement

	<b>Outcome 1:</b> Increased capability of private sector to measure impacts of own operations and value chains as a result of increased awareness and access to data.	<b>Outcome 2:</b> Increased commitment by private sector to collaborate in decreasing their environmental footprint and developing sustainable value chains.	<b>Outcome 3:</b> Level playing field for sustainable businesses as a result of policy coherence and strong institutional frameworks.	<b>Outcome 4:</b> Business models based on circularity and resource efficiency, driving cultural change and decoupling economic growth from unsustainable resource use.	<b>Outcome 5:</b> Private sector human, managerial and financial resources catalyzed into research, innovations and technologies that accelerate transition to inclusive, sustainable economy.
<b>1 Climate Change</b>					
Reduced vulnerability to adverse climate change impacts and maintained climate-resilient development trajectories	✓	✓			✓
Reduced forest emissions and enhanced forest carbon stocks contributing to national sustainable development		✓		✓	✓
Reduced emissions consistent with a 1.5/2.00 C stabilization pathway	✓	✓	✓	✓	✓
<b>2 Resilience to disasters and conflicts</b>					
Best practice environmental management approaches prevent and reduce the impacts of disasters and conflicts	✓	✓	✓		
Countries rapidly respond to and recover from the environmental impacts of disasters and conflicts	✓	✓	✓		✓
<b>3 Healthy and Productive Ecosystems</b>					
Healthy ecosystems produce a secure supply of ecosystem goods and services for human well-being	✓	✓	✓	✓	✓
<b>4 Environmental Governance</b>					
Environmental issues are handled in an inclusive, sustainable and coherent manner, based on integrated policy and effective norms and institutions at all levels of governance (including global, regional, sub-regional, transboundary and national)	✓		✓		
<b>5 Chemicals, waste and air quality</b>					



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	✓	✓	✓		
	<b>Outcome 1:</b> Increased capability of private sector to measure impacts of own operations and value chains as a result of increased awareness and access to data.	<b>Outcome 2:</b> Increased commitment by private sector to collaborate in decreasing their environmental footprint and developing sustainable value chains.	<b>Outcome 3:</b> Level playing field for sustainable businesses as a result of policy coherence and strong institutional frameworks.	<b>Outcome 4:</b> Business models based on circularity and resource efficiency, driving cultural change and decoupling economic growth from unsustainable resource use.	<b>Outcome 5:</b> Private sector human, managerial and financial resources catalyzed into research, innovations and technologies that accelerate transition to an inclusive, sustainable economy.
<b>6 Resource Efficiency</b>					
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 and production and inclusive green economies	✓		✓	✓	✓
Sustainable lifestyles and consumption patterns are increasingly adopted	✓	✓		✓	✓
<b>7 Environment under review</b>					
Evidence-based policymaking informed by robust data and assessments fully integrates the environmental dimension of sustainable development resulting in shared prosperity for all within the ecological limits of the planet	✓		✓		

Annex 4: UN Environment Programme’s Strategic and Prioritized Outputs

Outputs			
1. State-of the art scientific knowledge and data	2. Value chain collaboration and joint ventures	3. Industry and thematic collaboration and co-innovation	4. Collaborate with financial sector
<p><b>Global Environmental Outlook (GEO) for Business</b></p> <p>Scientific Report that outlines the current state of the environment, policies and future trends to encourage actions from decision makers.</p> <p><i>Science Division</i></p>  	<p><b>Sustainable Rice Platform</b></p> <p>A multi-stakeholder platform to promote resource efficiency and sustainable production, operations and supply chain. It also pursues policy development.</p> <p><i>Economy Division</i></p> 	<p><b>RECPnet (the Global Network for Resource Efficient and Cleaner Production)</b></p> <p>A network to promote effective and efficient development and collaboration in developing and transition economies.</p> <p><i>Economy Division</i></p> 	<p><b>UNEP Finance Initiative</b></p> <p>A partnership with the global financial sector to promote sustainable finance.</p> <p><i>Economy Division</i></p> 
			



<p><b>The Emissions Gap Report</b></p> <p>A report on current national mitigation efforts to keep global temperature rise below 2 degrees.</p> <p><i>Science Division</i></p>  <p>UN environment Emissions Gap Report 2018</p> <p>● ●</p>	<p><b>Life Cycle Initiative</b></p> <p>A public-private, multi-stakeholder partnership enabling the global use of credible life cycle knowledge by private and public stakeholders.</p> <p><i>Economy Division</i></p>  <p>Life Cycle Initiative</p> <p>● ● ● ● ●</p>	<p><b>District Energy in Cities Initiative</b></p> <p>An initiative that focuses on accelerating the transition towards sustainable climate societies by promoting innovative heating and cooling systems.</p> <p><i>Economy Division</i></p>  <p>DISTRICT ENERGY IN CITIES UNEP</p> <p>● ● ● ● ●</p>	<p><b>Seed Capital Assistance Facility</b></p> <p>A facility that provides financial support to low-carbon projects in developing countries.</p> <p><i>Economy Division</i></p>  <p>Seed Capital Assistance Facility</p> <p>● ● ●</p>
<p><b>Global Chemicals Outlook</b></p> <p>A document that presents the progress made and gaps in achieving the global goal to minimize adverse impacts.</p> <p><i>Economy Division</i></p>  <p>GCO Global Chemicals Outlook Towards Sound Management of Chemicals</p> <p>● ●</p>	<p><b>Climate Technology Centre and Network</b></p> <p>It focuses on accelerating the transfer of environmentally sustainable technologies at the request of developing countries. It provides capacity building and policy and legal advice.</p> <p><i>Economy Division</i></p>  <p>CTCN CLIMATE TECHNOLOGY CENTRE &amp; NETWORK</p> <p>● ● ● ● ●</p>	<p><b>Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA)</b></p> <p>The GPA is the global intergovernmental mechanism directly addressing the connectivity between terrestrial, freshwater, coastal and marine ecosystems.</p> <p><i>Ecosystems Division</i></p>  <p>GPA Global Programme of Action for the Protection of the Marine Environment from Land-based Activities</p> <p>● ● ● ● ●</p>	<p><b>Tropical Landscapes Finance Facility</b></p> <p>A facility that brings long-term finance to projects and companies that stimulate green growth.</p> <p><i>Ecosystems Division</i></p>  <p>TLFF TROPICAL LANDSCAPES FINANCE FACILITY</p> <p>● ● ● ● ●</p>

<p><b>International Resource Panel</b></p> <p>A panel of international scientific experts that provides nations with information on how to sustainably and efficiently use natural resources.</p> <p><b>Economy Division</b></p>  <p>Three colored circles: purple, orange, cyan</p>	<p><b>The Partnership for Clean Fuels and Vehicles</b></p> <p>A public-private initiative that promotes cleaner fuels and vehicles in developing and transitioning countries.</p> <p><b>Economy Division</b></p>  <p>Four colored circles: purple, green, orange, cyan</p>	<p><b>Global wastewater initiative</b></p> <p>An initiative that promotes good waste water management practices. It seeks to have waste water viewed as a resource instead of as a waste product.</p> <p><b>Ecosystems Division</b></p>  <p>Four colored circles: purple, green, orange, pink</p>	<p><b>Microfinance for Ecosystem-based Adaptation (MEBA) project</b></p> <p>A project aiming to increase the resilience of vulnerable rural populations in the northern Andes through microfinance products and services.</p> <p><b>Latin America and the Caribbean Office</b></p>  <p>Three colored circles: purple, orange, pink</p>
<p><b>The Intergovernmental Panel on Climate Change</b></p> <p>The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.</p> <p><b>Science Division</b></p>  <p>Two colored circles: purple, pink</p>	<p><b>SWITCH Africa Green</b></p> <p>A project that supports 6 African countries to achieve sustainable development through sustainable consumption and production patterns.</p> <p><b>Africa Office</b></p>  <p>Four colored circles: purple, green, orange, pink</p>	<p><b>United for Efficiency</b></p> <p>It aims to encourage countries to have an integrated policy that incorporates energy-efficient products in order to bring cost-effective transformation.</p> <p><b>Economy Division</b></p>  <p>Five colored circles: purple, green, orange, cyan, pink</p>	<p><b>The Mediterranean Investment Facility</b></p> <p>It establishes innovative financing mechanisms to support renewable energy and energy efficiency systems in the Mediterranean region.</p> <p><b>Economy Division</b></p>  <p>Two colored circles: orange, pink</p>