



EUROPEAN UNION

Annual Subcommittee meeting of the Committee of Permanent Representatives to the UNEP

(Nairobi, 7-11 October 2019)

Agenda item 3. Programme performance review 2018-2019, including relevant UN Environment Assembly Resolutions

UNEP Strategy for Private Sector Engagement

Comments by the European Union and its Member States

Oral statement

General comments

- EU/MS fully recognize the importance of Private Sector involvement and collaboration to effectively address environmental challenge and see that private sector engagement should be integrated with the expected accomplishments, activities and indicators of the UNEP's Programme of Work (PoW).
- EU/MS welcome the UNEP Strategy for Private Sector Engagement, in support of the implementation of PoW and UNEA resolutions. We are willing to contribute to the successful implementation of the Strategy.
- EU/MS consider the Strategy to be timely in view of the various Private Sector engagement initiatives and activities of UNEP and the active involvement of over 500 participants from the Private Sector in UNEA4.
- EU/MS considers that UNEP should engage with a diverse Private Sector, geographically balanced, ranging from micro-enterprises to cooperatives to multinationals. We therefore welcome that the Strategy addresses the engagement with Private Sector entities of different size and level of maturity and thus, covers the Private Sector “as a whole”.

- EU/MS agree that for meeting the objectives set out UNEP's PoW and the Medium Term Strategy (MTS) as well as relevant MEAs administered by UNEP, it is of strategic importance to work through a transparent engagement with the Private Sector, encouraging the exchange of knowledge, supporting sustainable innovation, and increasing Private Sector's strategic awareness of environmental issues, goals and means to address them.
- EU/MS believe that the Private Sector Engagement Strategy should be coherent with other relevant policy- and strategy documents of UNEP, notably MTS as well as the Partnership Policy, Stakeholder Engagement Policy and the Resource Mobilization Strategy.
- EU/MS see merit in aligning the Strategy with the South-South and Triangular Cooperation (SSTC) Strategy. For example, with regard to the guiding principles and requirements for the development of strategic and innovative partnerships mentioned in SSTC Strategy¹, where relevant. We suggest to state it clearly in the Strategy and request UNEP to provide information on the relationship between the various policies and strategies.
- EU/MS also believes that the Strategy should resolve how the UNEP Private Sector Unit contributes to PoW/B and, in particular, on the source of funding of its activities.
- EU/MS welcome that the Strategy addresses risks and benefits related to different types of engagement as indeed they require different criteria for cooperation. We would be interested to hear what is the envisaged emphasis on each of the five levels of engagement, e.g. will one of them be the main / core way of engagement?

Comments related to the process

- EU/MS would appreciate information from UNEP regarding the next steps with regards to this Strategy - a clear outline on the status of the Annual Sub Committee discussions, and the timelines towards endorsing the Strategy.
- EU/MS recommend to dedicate one subcommittee to all Private Sector and resource mobilisation related strategies, in order for the CPR to clearly see these in relation.
- EU/MS consider it would be useful to carry out, an evaluation (e.g. by UNEP Evaluation office) of the impact and cost-benefit analysis of the collaboration with Private Sector.
- EU/MS would like to know what is the timeline for developing the "framework for a more efficient resource mobilisation from diverse sources" that is referred to in Section VII (Resource Mobilization) and whether that framework will become part of the Private Sector Engagement Strategy.

¹ 1) partnership established shall be aligned to UNEP programme objectives and the SDGs, 2) partnerships should have a clear linkage to the Medium-Term Strategy and contribute to UNEP Programme of Work, 3) partnerships should have clearly identified benefits/outcomes, such as resource accesses, technology transfer and capacity building, 5) partnerships should be demand driven, 6) UNEP's engagement should respond to requests from Member States, 7) partnerships should be based on the availability of funds to support the planned activities and 8) partnerships should have a multi-stakeholder and inclusive approach.

Written comments supplement

Specific comments

- The Strategy should more clearly: 1) broaden the partnership base in the regions, and 2) scale up partnerships in support of the implementation of UNEA resolutions.
- The vision of the Strategy (to create transformative changes and measurable impacts, reduce environmental risks; increase the resilience of societies and our planet; and help partners to contribute to the achievement of the sustainable development goals) should be measured against current baselines.
- EU/MS welcome the four pillars that support the vision and mission as set out in the Chapter 2 on the Strategic Vision for Private Sector Engagement.
- For the principles of the Strategy, clear criteria on financial engagement with the private sector should be added, in addition to conducting Due Diligence that is mentioned as a part of the principles or requirements for engagement with the Private Sector entities.
- The first principle of the Strategy states that all engagement with the Private Sector shall be aligned with UNEP's intergovernmental mandate, and objectives of PoW. We think that relevant UNEA resolutions should be added to this list, such as the UNEA4 resolution UNEP/EA.4/RES.4 entitled “Addressing environmental challenges through sustainable business practices” which “requests UNEP to continue to support the development of skills, especially for micro, small and medium sized enterprises, to promote sustainable production patterns and “to develop and implement programmes that catalyse replication, upscale existing innovative solutions and technologies, and promote the uptake of sustainable business approaches”.
- Principle 6 states the requirements of UN staff for Integrity, Impartiality and Independence. We recommend to state the same requirements for the Private Sector partners.
- Financial sector has been omitted in the Strategy. In our view that sector is significantly relevant to address and engage with. UNEP is already engaging in several projects with the financial sector, e.g. through UNEP-FI , including with different financial private entities, such as banks, pension funds, as well as in several partnerships. We would therefore like to suggest to ensure that the financial sector is addressed within the Private Sector Engagement Strategy by making the following suggestions:
 - a. For the objectives, to add after innovation: "promoting investments in sustainable and environmentally sound technologies and services".
 - b. For the requirements, to add after the first bullet: "including through developing policies and criteria for investments in sustainable and environmentally sound technologies and services".
 - c. For the pillars: to add the words "leveraged and" before "mobilized": "to make sure in addition to mobilising funds for the programmes and activities by UNEP, the impact of UNEPs engagement is contributing to leveraging investments in sustainable solutions".
- EU/MS recommend to include in the Strategy the following additional benefits to UNEP from the Private Sector engagement: 1) Increased efficiency of implementation of field level environmental interventions, 2) North-South, South-South and Triangular

technology transfer, 3) capacity building through e.g. incubator programmes, and 4) contacts with local implementers.

- EU/MS recommend to include in the Strategy the following additional benefits to the Private Sector from the engagement with UNEP: 1) UNEP can provide contacts with national and local governments and thus create new markets for the Private Sector, and 2) UNEP can showcase the financial and environmental benefits and added value of green interventions and green supply chains in comparison with conventional ones.
- In the outputs of the Theory of Change, it would be beneficial to add technology transfer, RD&D and capacity building benefits that the Private Sector can provide.
- It would be beneficial to mention Sustainable Consumption and Production in the Outcome 3.
- Potential specific ways to get to the desired impacts could be clarified. For “Transformative changes of industries” these could include technology transfer, local capacity building and creation of sustainable supply chains.
- It would be beneficial to add to the section D, on monitoring, that in addition to ensuring that the partnerships continue to meet the objectives of UNEP or MEA activities, it should be monitored that the activities of the partner also outside the partnership do not conflict with the principles of UNEP. Also in addition to the UNEP evaluation office monitoring the partnerships at the sub-programme level, the different programmes and projects should regularly monitor their Private Sector engagement activities.
