



Engaging the Private Sector in Environmental Initiatives

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Financial Instrument for Multilateral Environmental Conventions

- Climate Change
- BioDiversity
- Combating Desertification
- International Waters
- Persistent Organic Pollutants
- Ozone

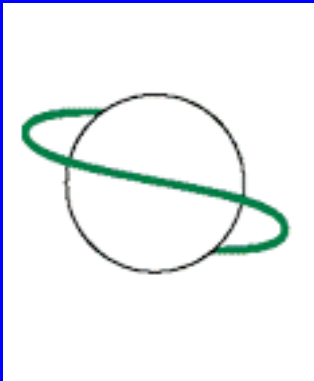
GEF Private Sector Strategy

GEF Secretariat

World Bank

UNDP

UNEP



Private Sector Strategies

- Several Strategies
 - Issues by sector or focal area very different
 - Objectives, indicators, targets, resources, issues

Focal Area Strategies

- Biodiversity
 - Ecotourism, agriculture, sector-wide approaches, sharing of benefits
- Climate Change
 - GEF vs. CDM, CF; venture capital
 - Policy-based markets for emissions trading
 - renewable energy technology markets

Sector Strategies

- Manufacturing
 - POPs, Energy, GHG emissions
- Forest products
 - Biodiversity, carbon storage, POPs, Renewable energy
- Cement
 - GHG emissions, Land use
- Waste Management
 - POPs leachate, methane GHG emissions

Private Sector Engagement in GEF Projects

- Procurement
 - equipment and services
- Project execution
 - management companies, financial intermediaries
- Direct beneficiaries
 - soft finance, guarantees, technical assistance
- Indirect beneficiaries
 - Barrier removal, improved policy environment
- Corporate governance
 - could form partnerships? Voluntary initiatives?

Indicators of Strategic Success

- ***Mobilization*** of private capital put at risk for Global Environmental Benefits; catalytic action with limited resources?
- ***Market Launching*** (identification, demonstration, replication, or mainstreaming) to sustainable business models for producing Global Environmental Benefits
- ***Innovation*** put to use, technology transferred?
- ***Influence*** on Public Sector strategies and governance?

Modalities (Tools)

- Partnership approaches
 - Mobilization through barrier removal, public-private partnership
- Dialogue
 - Partnership, influence corporate strategies, industry associations

Sustainable Alternatives Network

- NCPCs Brazil, Nicaragua, Tanzania, India, Peru
- Sectors: Textiles, Forestry, Energy
- Global database/ website with case studies, experts
- Local desk interface with industry

GEF Private Sector Strategy

- Comparative Advantages and Value-Added
 - UNDP – Capacity building for “private sector-friendly” national policy environments?
 - UNEP – Environment-Industry Forums?
 - IBRD/IFC and RDBs – Direct investments and funds?
- Mainstreaming GEF goals
 - Voluntary initiatives, GRI
 - Labelling programs, ISO 14000?
 - Joint promotion of clean technologies

Next Steps for GEF

- Further analysis
 - Need to show why Private Sector not more engaged?
- When to intervene in the innovation path ?
 - Situate GEF activity in mini-strategies for scale-up or replication of sustainable business models
 - E.g. identification, proof-of-concept, demonstration, commercialization, replication
 - Budget and accountability matched to that expected movement up the innovation path
- Exit strategy?

Priorities

- Sectoral selectivity
 - Engage by focal areas or by industry sectors?
 - Energy Utilities
 - Cement, Construction
 - Forest Products, Agriculture
 - Manufactured Goods, Textiles, Metals
 - Banking, Insurance
 - Tourism
 - Municipal services

UNEP and UNIDO established a network of national cleaner production centres

- Since their establishment in 1994, UNEP has worked with the centres to provide policy support and develop and enhance the skills they offer to the private sector.
- 24 centres operational: in Brazil, China, Costa Rica, Czech Republic, El Salvador, Ethiopia, Guatemala, Hungary, India, Kenya, Lebanon, Mexico, Morocco, Mozambique, Nicaragua, Republic of Korea, Slovak Republic, South Africa, Sri Lanka, Tanzania, Tunisia, Uganda, Vietnam and Zimbabwe

NCPC Advisory services to wider aspects of sustainable entrepreneurship

- strategic innovation and investment planning
- corporate social responsibility and reporting;
- environmental, life-cycle based, management and accounting practices;
- product and service development and design
- production process efficiency and pollution prevention and control
- business procurement and supply chain management
- stakeholder dialogue and communication.

More Information:

www.uneptie.org

[www.gefweb.org/Documents/Council_Documents/
GEF_C23/C.23.11_Principles_for_Engaging_the
Private_Sector_FINAL.doc](http://www.gefweb.org/Documents/Council_Documents/GEF_C23/C.23.11_Principles_for_Engaging_the_Private_Sector_FINAL.doc)

www.sustainablealternatives.net

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