



UNHQ, New York

CSD-15 Partnerships Fair

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Addressing Challenges and Lessons Learned from Partnering with the Private Sector



(Left to right) Ms. Jacqueline Coté, World Business Council on Sustainable Development, Ms. Patricia Chaves, Head of Partnerships team, UN-DESA/DSD, Mr. Chris Morris, International Petroleum Industry Environmental Conservation Association, Mr. Bryan Jacob, Refrigerants, Naturally!, The Coca-Cola Company.

Ms. Patricia Chaves, Head of the Partnerships Team at UN-DESA-DSD, opened this Monday session of the Partnerships Fair, calling the attention of the audience to the importance of addressing practical issues, challenges and lessons learned related to the private-sector participation, an increasingly active partner in sustainable development partnerships. She indicated that 44% of the partnerships registered with the CSD Secretariat include private sector partners in their initiatives. Ms. Chaves highlighted that the contributions of the private sector - not just through financial resources - but specifically through sharing of management expertise, appropriate technologies, building capacity and skills through training activities, have been stressed repeatedly at previous Partnerships Fair discussions and CSD sessions.

Ms. Jacqueline Coté of the World Business Council on Sustainable Development (WBCSD) began her remarks by describing the expansive reach of the Council, which now represents a coalition of 190 companies, from which a product or service reaches half of the world's population every day. She explained that it is necessary for the world's leading companies to provide products and services in a way that address the world's sustainability issues, including the CSD-15 thematic cluster, because these same issues also have significant impacts on their business.

In addressing the theme of partnering with the private sector, Ms. Coté explained that partnerships have always been an integral part of doing business in the private sector. She added that corporate partnerships are well defined in legal terms, namely an initiative as a type of business entity in which partners

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"Understanding the business case is critical to the future success of Sustainable Development partnerships, and their replicability, adaptation and scaling up"

Ms. Jacqueline Coté, WBCSD

share with each other the profits or losses of the business undertaking they have all invested. She added that the comparatively 'fluffy' definition of partnerships as defined by the CSD should be strengthened as a way to improve results.

Ms. Coté outlined several factors that improve the success of partnering with the private sector, including: avoiding client/consultant and donor/recipient relationships, having a genuine mutually overlapping agenda, starting small with achievable concrete targets for the first few years, having internal support for the partnership at the working level, understanding cultural differences, building trust and evaluating activities together over time in a transparent manner, having the capacity to deliver in a business-like or efficient manner, and having a secure source of funds in place to manage the partnership.

She went on to discuss the business case for the private sector to get involved in partnerships with Governments, NGOs and the United Nations. She explained that the added credibility of having the UN or a partnership logo attached to the work, can help to open doors for business and help them to retain the licenses they need to operate. Other benefits Ms. Coté mentioned include: a strengthened supply chain, improved stakeholder relationships,

strengthened brand and reputation, improved employee motivation, fidelity and retention, increased operational efficiencies, a decrease in the risk profile of projects, a protected resource base of raw materials and improved market development. She emphasized that the benefits of partnering are very practical for business which should be much more open about the reasons they engage in partnerships, because it would help their partners to understand their real objectives.

Ms. Coté highlighted an example of ABB, a global power company, which has improved its reputation and stakeholder relationships as well as gained a license to operate a rural electrification project in Tanzania, with the help of its partnership with the WWF.

Ms. Coté concluded her presentation by saying that businesses do not engage in partnerships for philanthropic reasons. It is important that Governments and other stakeholders understand this, so that their sustainable development partnerships will have much better opportunities for success.

Mr. Bryan Jacob, of The Coca-Cola Company, also representing the Refrigerants, Naturally! partnership, opened his presentation with an

introduction to the partnership, a global coalition of companies committed to natural refrigerants in point of sale equipment for the food and beverage industry, such as in supermarkets. He explained that the overall goal of the partnership is to combat climate change and ozone layer depletion by substituting harmful F-gases (CFCs, HCFCs and HFCs) with natural refrigerants. He added that an improvement in energy efficiency in refrigeration is a complementary goal.

Mr. Jacob explained that the strength of a partnership with this goal is in the sharing of non-proprietary information within the partnership, to provide outreach to consumers, Governments and civil society. He added that the partnership does not engage in lobbying Governments, and instead it provides research and outreach to inform governmental policy on the technical elements of F-gases, as it has done with the EU.

Mr. Jacob indicated that Refrigerants, Naturally!, began in 2004 as an agreement between The Coca-Cola Company, McDonald's and Unilever, with the backing of UNEP and Greenpeace. The partnership was registered as a CSD partnership in 2005 and gained three new members in 2006, namely, PepsiCo, Ikea and Carlsberg. He explained that it is a voluntary agreement for the sharing of information, without prescriptive activities, and that each company has taken a slightly different approach to implement the goals of the partnership. McDonald's, he added, opened an HFC-free restaurant in Denmark, while Unilever focused on hydrocarbon solution for ice-cream freezers and Coca-Cola chose reduction of CO₂ as the refrigerant best suited to their needs.

Mr. Jacob went on to highlight some of the major challenges faced by the partnership, in particular the slow rate of technical progress and adoption of new technologies, lack of involvement of other companies in the industry, low

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visibility, technical subject matter is difficult for public/media to understand, and reconciling individual interests. He indicated that the latter has been addressed to a great extent by the creation of a secretariat to oversee the partnership.

Mr. Jacob discussed the key lessons learned by Refrigerants, Naturally!, such as the necessity to include other companies to have the critical mass to make an impact, the need for a secretariat, and the importance of UNEP and Greenpeace to raise the credibility of the initiative. He also described the core competencies that the private sector can bring to a partnership, placing an emphasis of the important role private sector plays in market and technology development. He added that Refrigerants, Naturally! has contributed a peer-reviewed paper on refrigeration research, adding to the academic and scientific expertise available on the subject, and transforming the relationship of the companies with the academic community.

Mr. Jacob also indicated that the partnership can provide a role model for other companies looking to improve their performance, such as WalMart's interest for energy efficiency and Tesco's to be HFC-free. He added that they may also be having an impact on international policy-making, such as the IPCC ozone and climate report, which mentioned F-free refrigeration as a contribution to climate change mitigation.

Mr. Chris Morris, General Secretary of the International Petroleum Industry Environmental Conservation Association (IPIECA) began his presentation describing his organization, which combines 30 members companies and 6 associations as well as the important role IPIECA plays as a channel of communication between the petroleum industries and the United Nations.

Mr. Morris outlined the mandate of

IPIECA, which concentrates on the key environmental and social issues related to the oil and gas industry. To deliver on



"Efforts by single companies to address environmental and social issues can be transformed through partnerships into programs that bring benefits to entire geographic regions."

Mr. Chris Morris, IPIECA

this mandate, Mr. Morris explained, IPIECA offers a range of workshops, publications, forums and presentations. He distributed and presented the work of a new IPIECA publication "Partnerships in the Oil and Gas Industry", published 5 months ago, which is a compilation of case studies and lessons learned, exploring the benefits and challenges for

the oil and gas industry to engage in partnerships. Mr. Morris added that the partnership case studies presented in the report, focus on a wide range of topics including health care, transport needs, sustainable jobs and livelihoods, and community development, and that they are also available online in a new IPIECA partnerships portal. He indicated that the report reflects the benefits that can be better achieved by the oil and gas companies in implementing sustainable development goals by working with others public or private entities.

Mr. Morris discussed a few examples of partnerships working in the 4 thematic clusters of CSD-15, including: a project developing and demonstrating the efficacy of carbon capture technologies; a global campaign against flaring and venting, as well as research and development of alternative road fuels and vehicles, under the Partnership for Clean Fuels and Vehicles.

Mr. Morris then offered some of the lessons learned by the partnerships in the case studies, such as the importance of selecting partners with the necessary skills, the need to build a strong foundation from early successes to support future challenges, and above all to respect the three core principles of equity, transparency and mutual benefit.

An additional challenge Mr. Morris identified was that many partnerships do not have an exit strategy to guide them in the closure of a partnership or the withdrawal of a member. He explained that an unplanned exit can create the impression of failure, missing the opportunity to instead celebrating the success of achievements.

Mr. Morris outlined the benefits of partnerships, which enable the oil and gas companies to step more rationally and safely into the field of sustainable development. He added that multi-stakeholder partnerships can deliver

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higher quality project outcomes, by bringing new ideas and by taking innovations to a greater scale.

Mr. Morris pointed out that effective communication is the key to a successful partnership and to building trust, especially when working with stakeholders that have very different perspectives. As a final benefit of partnering, Mr. Morris emphasized that IPIECA case studies have demonstrated that efforts by single companies to address environmental and social issues can be transformed through partnerships into programs that bring benefits to entire geographic regions.

Mr. Morris concluded his presentation with the remarks that no partnership is easy, but that with good management, cross-sector partnerships can be very successful. His final advice was for partners to keep in mind 3 golden rules: build on shared values, be creative and be courageous!

When Ms. Chaves opened the floor for questions, Mr. Jacob was asked to explain how the upper management can be convinced of the business case for partnering for sustainable development. He explained that in the case of The Coca-Cola Company, research for improved, cleaner refrigeration technologies had already been underway, when the company became the target of a Greenpeace campaign depicting the company as a climate change villain and sending letters directly to upper management. He added that there was no need to try to convince management internally, because they were responding to the external pressure, which Unilever and McDonald's were also facing. Upper management decided to work together with Greenpeace to address the problem and a partnership was formed.

Another audience member asked the panelists whether they agreed with the reputation that environmentalists are never satisfied when they are dealing

with the private sector. Ms. Coté responded that the era of confrontation is over and an era of cooperation has been developed. It is much more likely that NGOs and the private sector will team up due to the mutual benefits. Mr. Morris added that confrontational NGOs still exist, but there is a greater desire to work together, despite a degree of

should be placed on whether there will be a sustainable legacy or the need for an exit strategy. Mr. Jacobs said that the creation of a secretariat was very important to the success of his partnership.

When asked how companies are trying to balance their negative environmental

*"Generally,
involvement in a CSD
partnership is a
crucial asset for
credible
environmental
communications."*

Mr. Bryan Jacob, Refrigerants,
Naturally!, The Coca-Cola
Company

frustration that can accompany collaboration. In particular, he noted that partnering with the UN can be especially frustrating, which can be very difficult for the private sector which needs to see more results than 'hot air'. Ms. Coté added that businesses have also changed; becoming less arrogant they now have a better understanding of how they can benefit from environmental NGOs. Mr. Jacob responded that there is a healthy tension between NGOs and the private sector which challenges the private sector to move more rapidly on its commitments.

A question from a new partnership sought panelists' advice on the governance of partnerships, from a fixed secretariat to a loose voluntary structure. Mr. Morris responded that all partnerships are unique, but that focus



impacts, all panelists said that their partnerships are making progress to reduce their environmental footprint. Ms. Coté added that no company can change overnight, especially where core business activities are the problem, but evidence can be found of some changing faster than others. Mr. Jacob added that while Greenpeace is willing to dance with them on refrigerants, Greenpeace has clearly indicated that they reserve the right to dance on them if the company steps out of line, thereby maintaining the pressure for good corporate behaviour.

An audience member noted positively that there was more discussion of the business case for partnering than in previous years. The panelists indicated that the scale of environmental issues has grown from local to global and there is a recognition that no one sector can address challenges alone. Mr. Morris added that the media have played an important role in raising the public's expectations for Government and industry to act.

Try the new CSD Touch Screen Terminals

As a new addition to the CSD this year, the Division for Sustainable Development, with the generous support of the European Foundation for E-Government, has installed five touch screen terminals in the Neck Area.

During negotiations, members of delegations as well as representatives of major groups and UN organizations would be able to access the entire UN DESA/DSD website, in particular download all CSD official documentation on USB keys, check the latest information on the CSD calendar of events, Partnerships Fair, Major Groups as well as send e-mails. We encourage CSD participants to take advantage of this new and innovative way to support and facilitate your work. Please send us your feedback on this new service.



CSD-15 Partnerships Fair Information Desks Monday, May 7



Recovery of the Circuit of Four Lakes



LP Gas Rural Energy Challenge



Online Access to Research in the Environment



Network of Regional Governments for Sustainable Development (nrg4SD)