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COMMITTEE ON ENVIRONMENTAL POLICY

Special session
Geneva, 13–15 October 2008

**REPORT OF THE COMMITTEE ON ENVIRONMENTAL POLICY
ON ITS SPECIAL SESSION**

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
Introduction.....	1-4	2
I. Adoption of the agenda.....	5	2
II. Round table on partnerships with the private sector.....	6-11	2-3
III. Reform of the “Environment for Europe” process.....	12-14	3
IV. Review of the programme of work: environmental monitoring, building capacity and partnerships, and cross-sectoral activities.....	15-29	3
A. Environmental monitoring.....	15-22	3-5
B. Building capacity and partnerships.....	23-27	5
C. Cross-sectoral activities.....	28-29	6
V. Reporting on programme performance.....	30	6
VI. Other business	31-32	6
VII. Close of the special session.....	33	7

Annexes

I. Summary of discussions and programme of the round table on partnerships with the private sector	8-9
II. Programme: round-table discussion on enhancing the involvement of the private sector in the environmental activities of the United Nations Economic Commission for Europe.....	10-11

INTRODUCTION

1. A special session of the Committee on Environmental Policy was held in Geneva from 13 to 15 October 2008. Mr. Zaal Lomtadze (Georgia) chaired the session. He introduced and welcomed the new Director of the Environment, Housing and Land Management Division, Mr. Marco Keiner.
2. The session was attended by delegates from 40 member countries of the United Nations Economic Commission for Europe (UNECE): Armenia, Austria, Azerbaijan, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Italy, Kazakhstan, Kyrgyzstan, Lithuania, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Turkey, Turkmenistan, Ukraine, United States of America and Uzbekistan.
3. Representatives of the United Nations Environment Programme (UNEP), the United Nations University (UNU), the Organisation for Co-operation and Development (OECD), the European Commission (DG Environment) and the European Environment Agency (EEA) also participated.
4. The following regional environmental centres and non-governmental organizations were also represented: European ECO-Forum, Eco-Forum of Kazakhstan and the Regional Environmental Centres for Central Asia (CAREC), for Republic of Moldova (REC Moldova) and for the Russian Federation (REC Russia).

I. ADOPTION OF THE AGENDA

5. The Committee adopted the agenda for its special session.

II. ROUND TABLE ON PARTNERSHIPS WITH THE PRIVATE SECTOR

6. The aims of the round table were (a) to strengthen the private-sector involvement of the in the Committee's work of Committee and in the "Environment for Europe" (EfE) process, and (b) to find ways to promote environmental and sustainable development objectives with the participation of leading private sector companies and umbrella associations.
7. The debate was a direct result of the Belgrade Ministerial Declaration, which underlined the importance of multi-stakeholder partnerships, including with the private sector, and requested the Committee to seek private-sector experience and expertise in effecting change to improve environmental conditions in the region (ECE/BELGRADE.CONF/2007/8).
8. The discussion focused on identifying ways to forge successful partnerships between the public and the private sector in member States, as well as to improve these partnerships' quality, so that they better serve the interests of the broader community. Practical experience and lessons learned from existing partnerships were also touched upon. A summary of the discussions can be found in annex I.

9. The round table included representatives of both umbrella associations and individual companies. It was organized in two sessions: (a) a general session on the nature and modalities of participation; and (b) a session focused on water and water-related areas.
10. The list of panellists represented leading associations and companies. Individual presentations were made by representatives from the World Economic Forum, the World Business Council for Sustainable Development, the International Chamber of Commerce, Nestlé, GDF Suez, Rio Tinto Alcan and Coca-Cola.
11. Following the presentations and discussions, the Committee invited its Bureau, in cooperation with the secretariat, to prepare in time for consideration at the Committee's next regular session a set of proposals on how to (a) establish a long-term communication mechanism and a platform for cooperation with the private sector, and (b) involve the private sector in its work-programme. In this regard, the Committee suggested an initial step would be to elicit, where relevant, private sector involvement in the work of certain areas of UNECE environmental work, e.g. THE PEP, the Environmental Performance Reviews (as EPR experts) and monitoring activities.

III. REFORM OF THE "ENVIRONMENT FOR EUROPE" PROCESS

12. The Chairman informed the Committee that, following discussions at its fifteenth session (Geneva, 21–23 April 2008) and the meeting of its Extended Bureau (Geneva, 23–24 June 2008), the secretariat, in consultation with the Bureau, had prepared the draft of the EfE reform plan (ECE/Committee/2008/8). He noted that the document contained a number of bracketed issues that would require discussion and agreement during the session.
13. The Committee discussed chapters I to IV of the draft reform plan in detail and exchanged views on chapter V. More in-depth discussion took place in an open-ended contact group.
14. The Committee agreed that it would continue to discuss and negotiate the reform plan at its next special session (27–29 January 2009), with the aim of finalizing it for endorsement by the Economic Commission for Europe at its sixty-third session in March 2009. The Committee requested the secretariat to transmit to the delegates the amended version of the draft reform plan for further consideration and consultation by Governments.

IV. REVIEW OF THE PROGRAMME OF WORK: ENVIRONMENTAL MONITORING, BUILDING CAPACITY AND PARTNERSHIPS, AND CROSS-SECTORAL ACTIVITIES

A. Environmental monitoring

15. The Chairman of the Working Group on Environmental Monitoring and Assessment reported on the outcome of the Working Group on its ninth session, held in (Geneva, 4–5 September 2008; ECE/Committee/AC.10/2008/2). He noted the session had included: (a) a round table on environmental monitoring at national and subnational levels, including industry representatives; (b) a review of the implementation of EPR recommendations on monitoring in

Belarus, Kazakhstan and Serbia; and (c) the preparation of the work programme for 2009–2010. He expressed concern over uncertainties regarding the scope and modalities of the preparation, by EEA, of a Pan-European Assessment Report for the next “Environment for Europe” Conference.

16. The secretary of the Working Group presented the work programme mentioned by the Chairman (ECE/Committee/AC.10/2008/2, annex I), which was based on its revised terms of reference agreed by the Committee at its last session. He recalled the Committee’s previous decision of the to invite the Conference of European Statisticians (CES) to consider cooperating with Working Group on methodological issues of environmental indicators and drew the Committee’s attention to a proposal supported by the Working Group to establish a joint intersectoral task force on environmental indicators (ECE/CEP/AC.10/2008/2, annex 2) as an institutional mechanism to implement this decision.

17. Delegations also discussed the rules of procedure for the election of officers to the Working Group and commented on the proposed establishment of the intersectoral task force and on the work programme.

18. The Chairman noted that the Committee was not questioning the performance of the standing chair, but it needed to clarify the rules and procedures for the election of officers and the rotation of chairmanship.

19. The Special Adviser to the UNECE Executive Secretary informed the Committee that consultations had been held with the legal adviser of the United Nations Office at Geneva to clarify the issue of the election of the Working Group’s officers. According to the legal advice received and the existing procedures and practices in UNECE, intergovernmental expert groups (teams of specialists) normally were expected to hold elections on a periodic basis in order to allow different countries to carry out the chairmanship. While some intergovernmental bodies retained the same chair for several terms, the usual practice was only up to about two to three years.

20. The Deputy Director of the UNECE Statistical Division and Secretary to the CES noted that the CES Bureau had recently emphasized that much work was needed regarding harmonization of environment statistics, especially in countries in Eastern Europe, Caucasus and Central Asia (EECCA). For this reason, the CES Bureau might consider it opportune to respond positively to the Committee’s invitation to work closely with the Working Group on environmental indicators in EECCA, and to give some practical recommendations to national statistical offices if necessary. She noted that the CES Bureau would discuss this issue of the proposed joint intersectoral task force on environmental indicators at its upcoming meeting in Washington, D.C., at the end of October 2008 and the results would be to provided to the Committee at its January 2009 special session.

21. The Committee took note of the report of the Working Group on Environmental Monitoring and Assessment on its ninth session and approved the work programme on environmental monitoring and assessment for 2009–2010 as prepared by the Working Group. It also approved the results of the election of officers that had taken place at the Working Group’s

ninth session and decided that the Working Group would elect its officers (chairperson and vice-chairperson(s)) every two years, starting with 2009, with the possibility of re-election.

22. The Committee decided to return to its discussion of a possible establishment, jointly with CES, of an intersectoral task force on environmental indicators as an institutional framework for the requested cooperation between the Working Group on Environmental Monitoring and Assessment and CES on methodological issues. The secretariat would inform the Committee at its next special session of the position on the subject taken by the CES Bureau.

B. Building capacity and partnerships

23. The UNECE Regional Adviser on Environment informed the Committee about the participation of UNECE in the Environment and Security (ENVSEC). Initiative, which aims to reduce environmental and security risks and strengthen cooperation between and within countries with regard to management of natural resources. For UNECE, support for implementation of the five UNECE multilateral environmental conventions was seen as important.

24. He highlighted the increased involvement of the UNECE in water issues in Central Asia and noted the organization of an international conference on water-related issues. The conference, organized in cooperation with Germany, the United Nations Development Programme and the International Fund for the Saving of the Aral Sea, will be held in Almaty, Kazakhstan, on 17 and 18 November 2008.

25. Regarding the Regional Adviser briefed the session on a number projects carried out within the framework of ENVSEC. One, on dam safety in Central Asia, seeks to assist countries with establishing national legal frameworks while also enhancing regional cooperation to securing the safety of dams and hydraulic objects. Another project concerns an environmental impact assessment (EIA) pilot project involving Kazakhstan and Kyrgyzstan and funded by Norway, in which Kyrgyzstan is planning to establish a mine close to the Talas River. EIA cooperation has allowed the two countries to voice their concerns about the mine's safety. A final regional conference will be held with five Central Asian States in March 2009 in Bishkek to review the results achieved through the pilot project. A cooperation project on the Dniester involving Ukraine and Moldova and funded by Sweden and Finland was also mentioned, as was a new project on the Kura River aimed at developing water cooperation between Azerbaijan and Georgia. This project is also supporting Georgian efforts to ratify the Convention on the Protection and Use of Transboundary Watercourses and International Lakes.

26. The representative of UNEP informed the Committee about a conference held 13 November 2008 in Brussels on the Environmental Dimensions of Security. The objective is to bring together participating organizations under ENVSEC, security experts, NGOs and intergovernmental organizations to identify further issues related to environment and security and to introduce ENVSEC to a wider audience and to broaden its donor base. Invitations were sent to ministries and missions, ENVSEC organizations and other European Union institutions.

27. Several delegations expressed their appreciation for the progress made under ENVSEC and emphasized the need for continued support to the Partnership.

C. Cross-sectoral activities

Transport, Health and Environment Pan-European Programme

28. The secretariat informed the Committee on progress made in the preparation of the third High-level Meeting on Transport, Health and Environment. The meeting (Amsterdam, 22–23 January 2009) will be hosted by the Netherlands, and will have the theme, “Making THE (Transport, Health and Environment) Link: Transport choices for our environment, health and prosperity”. The meeting aims to raise awareness and garner political support for concrete policy actions to attain three pan-European goals: (a) to manage sustainable mobility and promote efficient transport systems; (b) to reduce emissions of transport-related greenhouse gases and other air pollutants as well as noise; and (c) to promote health and safety. Delegations were invited to inform their ministers and other officials to ensure high-level participation.

Environment and health

29. The representative of Italy informed the Committee about the preparation for the Fifth Ministerial Meeting on Environment and Health, to be held in Italy in autumn 2009. He noted it would take into account emerging issues, including climate change and gender. A ministerial declaration was being prepared by a drafting group, with a high priority given to sending a political message and achieving strong cooperation between the sectors. The Committee took note of the information provided.

V. REPORTING ON PROGRAMME PERFORMANCE

30. The secretariat informed the Committee on the results achieved during the budget year 2006/2007 according to expected accomplishments and related indicators of achievement as well as lessons learned in view of the preparation of the upcoming programme of work for 2009. The Committee requested the secretariat to update the programme of work for 2009 for its consideration and approval at its next meeting in January 2009.

VI. OTHER BUSINESS

31. The Chairman informed the Committee, as discussed at its fifteenth session, that Mr. Szelinski (Germany) would leave the Bureau due to retirement and that it had agreed, on the basis of his candidature, that Mr. Adriaan Oudeman (Netherlands) would be elected as a Bureau member. The Chairman thanked Mr. Szelinski for his service over several years.

32. The Committee was informed that the available funds in the trust fund to support the participation of countries with economies in transition to attend the Committee’s sessions had been exhausted. Delegations were kindly urged to provide additional resources, in order to allow for attendance at future sessions of the Committee.

VII. CLOSE OF THE SPECIAL SESSION

33. Before closing the session, the Chairman that a special Committee session would convene from 27 to 29 January 2009 to enable the Committee to finalize the EfE reform plan and submit it to the Commission for endorsement in March 2009. The Chairman also reminded the Committee of its decision to make the Expert Group on Environmental Performance an open-ended group, and therefore invited delegations to participate at its next EPR expert group meeting on 26 January 2009 to review the Environmental Performance Review of Kyrgyzstan.

Annex I

SUMMARY OF DISCUSSIONS AND PROGRAMME OF THE ROUND TABLE ON PARTNERSHIPS WITH THE PRIVATE SECTOR

I. Summary of presentations

Principles and preconditions of cooperation

- Cooperation between private sector companies and the public sector serves the interests of both in ways that benefit the community and serve environmental and sustainable development objectives. It is therefore essential that clients, consumers and citizens are part of the collaboration process.
- In countries with economies in transition, partnering with international organizations such as UNEP, OECD and UNECE is essential for businesses because it builds trust, facilitates operations and brings results.
- Ignoring business interests or integrating them too late in international environmental agreements may result in implementation problems at later stages.
- Understanding what motivates companies and how companies operate is very important for the success of any partnership.
- Although the level of development may be different in various countries, the basic principles of operation and collaboration with the business sector are the same.
- When getting involved in various sectors, it is important that the rules of the game are clear to avoid corruption.
- The involvement of the private sector can be envisaged either at a strategic/policy level or a more practical/project level. Focusing on tangible issues in the initial steps of the collaboration should be preferred in order to bring results and create the right dynamic.
- Successful partnerships between businesses, NGOs and Governments require stronger commitment from all partners with timelines and milestones.
- On the issue of privatization of public services there is no clear model. public private partnerships are one option, but there are other possibilities.

How to make partnerships possible

- Reduce the costs of collaboration in terms of time and energy spent. The achievement of this objective requires long-term relationships rather than ad hoc arrangements, because the former will better ensure that cooperation is mainstreamed and that businesses have an institutionalized channel for communicating with Governments.
- Engage in a “mapping exercise”, to identify potential areas and sectors of cooperation and the right level of engagement.
- Create an enabling environment designed for private-sector involvement, with a reliable legal framework that takes into account the private sector’s perspective, together with standards, and regulation that encourages the use of the best environmental techniques, and with a reliable enforcement system.
- Build trust between the public and the private sectors, thus making businesses part of the solution.
- Create enabling conditions for industries to make investments supporting sustainable development objectives.

- Send a clear signal by the public to the private sector, e.g. through an action programme, identifying priorities for cooperation from and investment by the private sector.
- (For Water Convention and protocol) offer a business rationale to the private sector.
- Many business sectors are involved in water management, besides drinking water and sanitation. Best available techniques can be learned from the private sector. However, water management is not simply a technology issue.

II. Summary of discussions

- Governments have learned over the last few decades that partnering with the private sector is necessary. Today's environmental problems and challenges cannot be tackled effectively by Governments or companies alone.
- It is important to establish a mechanism of communication between governments, companies and international institutions, rather than rely on *ad hoc* arrangements.
- Countries need to know very precisely the prerequisites for industry to invest in partnership countries.
- Often environmental problems are caused by private sector companies, therefore corporate social responsibility towards the next generation is highly desirable and necessary.
- Interaction between environmental policies and innovation policies is critical. It is therefore important to discuss this link in the context of the Committee. Today's reactions will be reflected in tomorrow's innovations.
- Public-private cooperation is particularly important in the water sector because water is not an ordinary good. There is therefore need to couple the provision of water services with high quality legislation, while managing water efficiently by engaging the private sector. Water and climate change are intrinsically linked.
- A round table provides a very useful initial framework. The Committee and the "Environment for Europe" process will further seek ways to concretize the engagement of the private sector and rely less on ad hoc partnerships; therefore, more concrete issues for cooperation need to be identified.

Annex II

**PROGRAMME: ROUND-TABLE DISCUSSION ON ENHANCING THE INVOLVEMENT
OF THE PRIVATE SECTOR IN THE ENVIRONMENTAL ACTIVITIES OF THE
UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE**

Geneva, 13 October 2008

SESSION I: (10.30 a.m. – 11.30 a.m.)

The first session, Enhancing the role of the private sector in the work of the Committee on Environmental Policy and the “Environment for Europe” ministerial process, will aim to identify ways to forge successful partnerships between the public and the private sector, as well as to improve these partnerships’ quality, so that they better serve the interests of the broader community. Lessons learned from existing partnerships between the private sector and national and/or local governments will be discussed.

Chair: Mr. John Matuszak, Committee Bureau

Keynote addresses:

Mr. Marc Darras, Direction de la Stratégie et du Développement Durable, GDF Suez

Ms. Svetlana Ivanova, Manager, Kazakh Business Council for Sustainable Development

Mr. George Weyerhaeuser, Senior Fellow, Energy and Climate, World Business Council for Sustainable Development

Ms. Sylvia Lee, Associate Director, Environment Team, World Economic Forum.

Questions and interactive discussion

Issues for consideration for representatives of the private sector:

- (a) What are the key challenges, benefits and drawbacks your organization has experienced while working with Governments?
- (b) How can the key challenges be addressed?
- (c) How would engaging in Committee and EfE activities provide more efficient ways to achieve maximum benefit for your organization’s/association’s shareholders and constituencies?
- (d) How can your organization's resources and hands-on experience be used to identify and expand areas of mutual interest?

Issues for consideration for Committee representatives:

- (a) How can private sector involvement increase the relevance of the Committee work vis-à-vis the broader global agenda on the environment?
- (b) How can the EfE process better engage the interest of the private sector?
- (c) How can private sector involvement strengthen implementation and improve results of existing activities, and what are the potential obstacles?

SESSION II: (11.30 a.m. – 1 p.m.)

The second session will have as its topic “Water Supply and Sanitation within the context of integrated water resource management”. In recent years, with the affirmation of the principle of integrated water resources management and of water governance, there has been a progressive change in common notions of water-related policies. The notion of government as the single decision-making authority has been replaced by one of multi-scale, polycentric governance. It is widely accepted that water governance means that a large number of stakeholders in different institutional settings contribute to water resources policy and management and that governance includes increasingly non-hierarchical modes, wherein non-State actors such as NGOs, private companies, and consumer associations participate both in water policy formulation and the implementation of these policies. In this context, the private sector can play different roles: it can support the protection of the water resources through economic incentives (e.g. payments for ecosystems services or voluntary pollution reduction policies); it can also promote water-saving technologies and reduce its water footprint or partner with the public sector to improve access to water supply and sanitation. Improving water supply and sanitation worldwide features prominently as one of the targets of the United Nations Millennium Development Goals, and the private sector has the potential to contribute significantly towards its achievement.

Chair: Mr. Massimo Cozzone, Committee Bureau

Keynote addresses:

Mr. Frits Holzwarth, Water Director, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Germany

Mr. Juerg Gerber, Corporate and External Affairs, Rio Tinto Alcan

Mr. Tony Baynes, Director Public Affairs and Communications, Coca-Cola Hellenic Group

Mr. Christian Frutiger, Public Affairs Manager, Nestlé S.A.

Questions and interactive discussion

Issues for consideration for representatives of the business sector:

- (a) What are the key challenges, benefits and drawbacks your organization has experienced while working with national or local governments?
- (b) How can the key challenges be addressed?
- (c) What are the environmental and socio-economic impacts of your organization’s work in various countries, especially those with economies in transition? What are the lessons learned from this exercise?
- (d) How would engaging in Committee and EfE activities provide more efficient ways to achieve maximum benefit to your organization’s/association’s shareholders and constituencies?
- (e) How can your organization’s resources and hands-on experience be used to identify or even expand areas of mutual interest?

Issues for consideration for Committee representatives:

- (a) Are there areas of potential partnership with the private sector which have not been sufficiently explored?
- (b) How can the aims of the EfE process better engage the interest of the private sector?
- (c) How can the involvement of the private sector strengthen implementation and improve results of existing activities? What are the potential obstacles?
- (d) How can the involvement of the private sector increase the relevance of the Committee’s work vis-à-vis the broader global agenda on water and water services?
