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OECD Workshop on Multilateral Environmental Agreements and Private Investment

MULTILATERAL ENVIRONMENTAL AGREEMENTS AND PRIVATE INVESTMENT: WORKSHOP PROCEEDINGS AND KEY MESSAGES

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FOREWORD

At its meeting in November 2003, the Working Party on Global and Structural Policies (WPGSP) agreed to undertake work on the linkages between selected Multilateral Environmental Agreements (MEAs) and private investment activities. This work has so far generated the following outputs:

- an analytical background report [ENV/EPOC/GSP(2004)4/FINAL]; and
- an experts workshop which took place in Helsinki on 16-17 June 2005, involving representatives from governments, MEA Secretariats and implementing agencies, business, civil society organisations, academia and other stakeholders.

The overall objective of this work is to draw conclusions for improved coherence between MEA and investment policy goals, including ways of maximising the contribution of the private sector towards the achievement of global environmental goals by supporting the implementation of MEAs.

The above-noted Workshop was organised in co-operation with the Finnish Ministry for the Environment. The Workshop could not have been organised without the financial support received from the Governments of Finland and The Netherlands. This support is gratefully acknowledged.

This paper summarises the presentations, discussions and key messages that emerged from the Workshop. It has been written by Simone Gigli and Cristina Tébar Less (OECD, Environment Directorate).

The report does not necessarily represent the views of either the OECD or its Member countries. It is published under the responsibility of the Secretary General.

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LIST OF ACRONYMS

CBD	Convention on Biological Diversity
CDM	Clean Development Mechanism
CEITs	Countries with Economies in Transition
CERs	Certified Emission Reductions
CFC	Chlorofluorocarbon
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CO_2	Carbon Dioxide
COP	Conference of the Parties
CSR	Corporate Social Responsibility
CUTS	Consumer Unity & Trust Society
EBRD	European Bank for Reconstruction and Development
ECA	Export Credit Agency
EU	European Union
GEF	Global Environment Facility
GHG	Greenhouse Gas
GM	Global Mechanism (of the UNCCD)
HC	Hydrocarbon
HFC	Hydrofluorocarbon
IFC	International Finance Corporation
IIED	International Institute for Environment and Development
IISD	International Institute for Sustainable Development
ISO	International Organization for Standardization
MDB	Multilateral Development Bank
MEA	Multilateral Environmental Agreement
MES	Markets for ecosystem services
MOP	Meeting of the Parties
MW	Megawatt
NBSAP	National Biodiversity Strategy and Action Plan
NEFCO	Nordic Environment Finance Corporation
NGO	Non-Governmental Organisation
NO_x	Nitrogen Oxide
PPP	Public-private partnership
SBSTTA	Subsidiary Body in Scientific, Technical and Technological Advice
SEC	US Securities and Exchange Commission
SO_x	Sulfur Oxide
UN	United Nations
UNCCD	UN Convention to Combat Desertification
UNEP	United Nations Environment Program
UNFCCC	UN Framework Convention on Climate Change
WRI	World Resources Institute
WWF	World Wildlife Fund

PART I

EXECUTIVE SUMMARY: KEY MESSAGES

Governments have the main role to play in MEA implementation, but private investment is also crucial for attaining MEA objectives.

- *Implementation of MEAs needs the involvement of all actors.* MEAs deal with global environmental problems, and the way in which they are addressed is decided by the Parties. Governments have an important role to play in facilitating private investment and supporting of other actors towards achieving the goals of MEAs.
- *MEAs provide both challenges and opportunities for private investors*. Business is both part of the problems and part of the solutions addressed by MEAs, and therefore needs to be involved directly in MEA implementation. Governments and business should work together to explore opportunities for business to further contribute to MEA implementation.
- *Governments can promote private sector engagement*, *inter alia,* by supporting public-private partnerships, promoting capacity building, contributing to the development of markets and trade opportunities (*e.g.*, carbon financing opportunities and markets for renewable energies).
- *Partnerships between different stakeholders*, including public-private partnerships, can be helpful in establishing more effective policies and legal frameworks for business involvement in achieving MEA commitments and goals. They can also help overcome budgetary restrictions by providing new sources of funding, and harness the efficiency of the private sector.

Other stakeholders can also make an important contribution to MEA implementation.

- *International governmental organisations and MEA Secretariats* can disseminate information about MEA objectives, provide technical support and assistance to technology transfer, develop guidance for business involvement, and (in the case of financial institutions) provide financial support to projects that help achieve MEA objectives.
- *Civil society organisations* can contribute by supporting environmentally-friendly projects; raising public and consumer awareness; exerting pressure on governments and the private sector, and by providing technical assistance and training.
- *Financial institutions* can contribute to MEA goals, by requiring that supported projects comply with environmental standards, and by providing instruments to mitigate the risks associated with innovative investments.

There are many ways for private investors to get involved in achieving MEA goals.

- *Enterprises can contribute to the implementation of MEAs, while, simultaneously achieving good business outcomes.* They can do so by, *inter alia,* enhancing their overall environmental management, engaging in innovative investments, developing and transferring environmentally sound technologies, entering into partnerships with other stakeholders, and creating funds to support specific MEA goals.

- *First steps for enterprises to support MEAs* can include linking MEA objectives to the company's core business and corporate social responsibility approaches, and developing business plans and feasibility studies around concrete business opportunities and sustainable development benefits.
- *Private sector involvement in MEA implementation can bring many advantages, but some caution is also needed.* For example, the environmental impacts of investments need to be carefully assessed to ensure that global and local environmental problems are adequately addressed.

Trust, stability and a solid regulatory framework are keys to involving business in MEA implementation.

- *Investors require stability to engage in long-term operations.* Predictability is important: before engaging in risky and innovative investments in support of MEAs, investors need to know what is expected from them, and by when.
- *Governments can build trust* by putting in place and maintaining solid and predictable regulatory systems and effective enforcement mechanisms; long-term strategies for MEA implementation and private sector involvement in such strategies (including long-term incentives); transparency and effective involvement of all stakeholders in the development of macro-economic policies and assessments of "what has worked and what has not".

For business to get involved, MEA objectives and targets have to be clear.

- *Clear and concrete objectives and targets under MEAs* create a framework within which the business sector can both align its practices with MEA goals and seize new business opportunities. Some MEAs include clear objectives, *e.g.*, those established under the Montreal and the Kyoto Protocols. Most MEAs, however, have general objectives, which cannot always be easily translated into concrete action by the private sector, and further efforts may therefore be needed to improve clarity, as a step toward enhanced business involvement.
- *Governments can contribute to bridging the gap* between general objectives and concrete contributions by the business sector and other stakeholders. They can do so by: (i) translating general MEA objectives into clear and specific requirements, targets and standards; (ii) involving stakeholders more efficiently in MEA negotiations and in the development of national implementation policies; (iii) putting in place adequate incentives to meet national targets; and (iv) developing economic instruments and markets that support MEA goals to promote effective business engagement.

The right tools and incentives have to be in place and unnecessary barriers need to be removed.

- *Develop tools that allow for the internalisation of environmental costs* (*i.e.* for taking account of the cost of externalities). Adequate tools, standards, economic instruments and regulation would help internalise such costs thus linking MEA objectives to decision-making processes within businesses.
- *Provide appropriate incentives to business.* Some MEAs provide only indirect incentives to business. Working with MEA processes therefore often proves difficult for enterprises. Governments can develop more appropriate incentives, for example, by better tailoring implementation policies to business activity, and by developing economic instruments which encourage business to actively support MEA goals.

- *Level the playing field and remove perverse incentives.* Governments need to remove incentives and subsidies that prevent the effective implementation of MEAs, or that support activities which run counter to the targets and objectives of MEAs.
- *Remove unnecessary barriers*. Government inertia to implement environmental measures, lack of institutional capacity, and unwillingness to change unsustainable policies deter business engagement. Removing excessive bureaucratic requirements (*e.g.*, to access funding) would also enhance business involvement in MEA goals.

Governments and financial institutions need to ensure that they support the right investments.

- *Environmental guidelines should be geared towards MEA objectives.* Most governments, and both private and public financial institutions, have mechanisms and guidelines in place to ensure that the projects they finance comply with certain environmental standards. To ensure a level playing field, it is desirable that the whole financial community effectively apply such mechanisms and guidelines. Efforts should be made to disseminate "best practices" for the assessment of environmental risk as an element of credit risk. Existing guidelines, such as the World Bank and International Finance Corporation (IFC) safeguard policies and guidelines, could be enhanced to be better geared towards achievement of MEA objectives.
- *Financial support should go to the right projects.* The public is more and more vigilant about the private sector receiving subsidies and other support to achieve environmental and social goals. Some guidance could be useful to help identify how public sector agencies and the private sector can collaborate most effectively.
- *Develop risk management strategies to "crowd in" private sector finance.* Developing new technologies or engaging otherwise in innovative investments involves risks. Product and market risks constrain technological change. These risks may crowd out finance by private institutions. In these situations, adequate risk-sharing strategies can stimulate a "crowding-in" effect. Examples include mechanisms that help share the financial and market risks of introducing new technologies and related products, and procurement policies that provide opportunities for innovative companies to enter new markets.
- *Influence large-size capital flows.* Institutional investors, such as pension funds and insurance companies, manage large funds. However, they often do not take the environmental impacts of their investments into account. It is therefore important that institutional investors also apply guidelines for the assessment of environmental impacts.
- *Governments can serve as leaders to leverage good practice* by others, by making sure that their own investment flows are in line with MEA goals. This can be achieved by "green" procurement policies, modernisation of central heating and cooling plants to reduce emissions, constructing of future buildings in compliance with environmental standards, "greening" the fleet of official vehicles, etc.

Innovation, development and transfer of technologies are key to MEA implementation, and can be supported through the right incentives.

- *Channel investments toward new technologies.* Investments will go into technologies anyway, so the key will be to provide incentives for fostering the innovation and development of technologies that contribute to the goals of MEAs, *e.g.*, by offering instruments to mitigate risks. It is important that such incentives be elements of governments' long-term strategies to achieve MEA objectives.

- *Enhance conditions for the transfer of appropriate technologies to developing countries.* This requires an enabling environment, community choice and appropriation, stakeholder involvement, adequate information and networking, and flexible frameworks. Transfer and sharing of knowledge between developing countries can also be an efficient approach in some circumstances.

Communication and language barriers have to be overcome.

- *Improved communication about the objectives, targets, and means of implementation* is needed, in order to get business interested and involved in MEA implementation. Links between business goals and benefits to MEAs need to be made evident: not only environmental benefits, but also business opportunities, have to be identified. When communicating with businesses, not only environmental departments and advisors, but also departments linked to the core business including core managers (CEOs), should be targeted.
- *Improving communication concerns all stakeholders*. Governments can explain to businesses what each MEA means, how it will be implemented at national level, and how business can contribute. They can also improve the integration of MEA goals in economic policies by, *inter alia*, enhancing communication of such goals throughout government, including at regional and local levels. MEA Secretariats can continue providing useful information on specific aspects of MEAs, along with lessons learned, constraints and success stories, *e.g.* through their websites and databases. Business associations can provide to their members information on MEAs and ways for enterprises to contribute to their implementation. Civil society organisations can relay the views of the general public, exert pressure, and provide an educational support role.
- *The right signals have to be given in order to involve all.* For example, there is often a perception that only large multinational enterprises have a role to play in incorporating better environmental management practices and preserving the global environment. However, small and medium enterprises can also make an important contribution, and governments and others need to make special efforts to give these firms opportunities for involvement, and to provide adequate incentives.

All MEAs are different, and approaches to private sector contribution to their implementation need to take these differences into account.

- *No "one-size-fits-all approach".* Although most MEAs address global environmental problems which are often inter-linked, “umbrella” approaches to enhance private sector involvement do not seem to offer particularly promising avenues for progress. Rather, the specific goals and objectives, *modus operandi*, and requirements of each MEA should be considered when designing approaches to promote private sector involvement.
- *Synergies exist and should be further explored.* Lessons learned from experience with private sector involvement under one MEA could be useful for effective implementation of other MEAs. Improving communication, exchange of information, and sharing of experience among MEA Secretariats, as well as among National Contact Points of the different MEAs, would be useful steps. Further reflection is needed on how experience gained under mechanisms that have been set up under one MEA to involve business (such as the Clean Development Mechanism), could serve in the implementation of other MEAs.

Where to go from here?

- *Continue the dialogue*. The workshop was not designed to develop any concrete guidelines or recommendations on how to enhance private sector involvement in MEA implementation. Its purpose was to facilitate a dialogue between actors in MEA implementation, and to share relevant experiences. This dialogue should continue in other *fora* and involve other relevant stakeholders.
- *Reflect on further improvements and share experiences*. All actors – governments, MEA Secretariats, international organisations, financial institutions, enterprises, civil society organisations – have a different role to play, within their respective capacities and mandates, and should continue to reflect on how to further improve their own approaches to MEA implementation, as well as co-operation with others active in the field.
- *Concrete action can include* increasing private sector involvement in relevant meetings related to MEAs and their implementation; organising side events at Conferences of Parties to further raise awareness and sensitise government officials; exploiting synergies between the MEAs aimed at strengthening the case for private sector involvement; encouraging multi-stakeholder discussions around concrete experiences and lessons learned; improving collaboration among stakeholders, including bilateral and multilateral agencies, the business sector, civil society organisations and research institutes, to develop or enhance proposals and feasibility studies for further private sector involvement in MEA implementation,
- *The role of the OECD*. The OECD should continue to reflect whether and how best it can contribute to enhancing private sector involvement in MEA implementation. Useful related recent experience includes the revision of the OECD Guidelines for Multinational Enterprises and work on the implementation of the Environment Chapter of these Guidelines, as well as the Recommendation on Common Approaches on Environment and Officially Supported Export Credits.

PART II

SUMMARY OF PRESENTATIONS AND DISCUSSIONS AT THE WORKSHOP

Introduction

The OECD Workshop on Multilateral Environmental Agreements and Private Investment, organised in co-operation with the Finnish Ministry for the Environment, took place in Helsinki on 16-17 June 2005. It provided an opportunity to bring relevant stakeholders together to exchange views and discuss recent experiences regarding private investment that contributes to the solution of global environmental problems.

The workshop focused in particular on the three Rio Conventions – the UN Framework Convention on Climate Change, the Convention on Biological Diversity and the UN Convention to Combat Desertification – as well as the Montreal Protocol on Substances that Deplete the Ozone Layer, but was also open for discussion related to other environmental Conventions. The Convention on International Trade in Endangered Species of Wild Fauna and Flora and the Ramsar Convention on Wetlands were also represented at the workshop.

The main objectives of the workshop were to:

- improve understanding on how to promote private investment that contributes to the implementation of MEAs and thus also to the broader objective of sustainable development;
- explore business opportunities under MEAs and new ways to engage business in MEA implementation; and
- share experiences and disseminate information that can encourage and help businesses take further action to contribute to addressing global environmental problems, thereby making the implementation of MEAs more effective.

The first day focused on experience with initiatives that have contributed to promoting private investment in support of MEA implementation. The second day looked at two issues related to successful implementation of MEAs that are particularly relevant to the role of private investment and business engagement: (i) the financial aspects of MEA implementation; and (ii) innovation, development and transfer of environmentally friendly technologies.

This report has two parts: the key messages emerging from the workshop (Part I) and a summary of the presentations and discussions (Part II). It builds upon presentations by, and discussions among, workshop participants who represented national governments, MEA Secretariats and implementing agencies, businesses, international governmental and non-governmental organisations, research institutes and other stakeholder groups.[1]

[1] All presentations made at the workshop, the agenda and a list of participants are available on the workshop website <www.oecd.org/env/investment/workshop>. For further reading, see particularly the sections “Background Report” and “Workshop Papers”.

Why engaging the business sector in solving global environmental problems?

There is a clear need for enhanced co-operation between the public and private sectors in achieving MEA goals. Even though governments have the main responsibility in implementing MEAs, they may in most cases not be successful without the support and the engagement of other stakeholders, including businesses and civil society actors.

The business sector[2] has a significant impact on the way in which natural resources are used, and therefore on biodiversity, climate change, ozone depletion, etc. But it also plays a critical role in ensuring environmental sustainability: it is the primary driver of economic activity, through developing, spreading and transforming various business models. Business has much of the relevant knowledge and expertise when it comes to developing new environmentally sound technologies and is the key engine of product and process innovation. It influences government behaviour and public opinion, and is able to mobilise the relevant stakeholders.[3]

On the other hand, public opinion also directly influences business behaviour and is therefore a good driver for integrating environmental goals into day-to-day business operations. Among the public expectations of companies, several are related to environmental issues – two of which rank among the first three expectations (Figure 1).

Figure 1. **Public expectations of companies**

Source: Globescan, quoted by David Cooper, CBD.

2 In this report, the terms "private sector" and "business sector" are used interchangeably.

3 Stefan Wallin, Finnish Ministry of the Environment; David Cooper, CBD.

Collecting ideas – sharing experiences: How can private investment contribute to MEA implementation?

General considerations: Involving the private sector in MEA processes

Different MEAs need distinct approaches for fostering private investment: MEA objectives differ widely and so do entry points for business. However, some elements are common for all MEAs if the business sector is to be engaged more efficiently in solving global environmental problems (see Box 1).

Box 1. **"Carrots and sticks" for business sector involvement**

"Carrots"	***"Sticks"***
- improved profitability (win-win solutions)	- enforcement of environmental regulation
- new business opportunities	- penalties, fees and other sanctions (*e.g.* "offsets" if it is not possible to avoid/mitigate impacts)
- economic incentives (subsidies, tax rebates)	- economic instruments (*e.g.* taxes)
- enhanced reputation, image	

Source: adapted from Harro Pitkänen, NEFCO.

Businesses need a "trigger" to contribute to the implementation of MEAs. Besides complying with the law, their motivation may be to obtain a social "license to operate". In any case, environmental sustainability alone is not sufficient to drive businesses: environmentally sound business behaviour also needs to allow for economic profitability, *e.g.* as an indicator of good corporate governance or by maximising the long-term shareholder value through improved reputation and trust. Other drivers include "first mover" advantages and competitive advantages of best practice, as well as the attempt to access markets (for products, financial and human capital) and secure supplies.[4] However, it is not the business sector alone who needs to take initiative. Governments also need to take better account of the importance of the business sector in supporting MEA goals, and more directly provide incentives for business action in the respective field of interest. Figure 2 provides a collection of elements of success for private sector engagement in MEA implementation.

Figure 2. **Private sector engagement: Elements of success**

- Clear evidence of the problem (political consensus for action)
- Public/consumer awareness and acceptance (modest lifestyle changes)
- Simple (measurable) performance targets and indicators
- Actual or anticipated regulation (level playing field)
- Clear business costs and/or business opportunities
- Availability of cost-effective alternative technologies
- Long-term incentives (aligned with business planning horizon)
- Reward good performance, penalize adverse outcomes
- Equitable allocation of rights and responsibilities
- Leadership groups of companies (and govt's, NGOs) to pilot change
- Potential "no regrets" quick wins (*e.g.,* more efficient use of costly natural resource inputs)
- Low transaction costs (modest bureaucracy)
- Credible verification mechanisms (*e.g.,* 3rd party validation)
- Space for locally-defined standards
- Heterogeneous costs and/or benefits (a pre-requisite of market-based approaches)

Source: Joshua Bishop, IUCN.

4 David Cooper, CBD; Lettemieke Mulder, Unilever.

It has been argued that voluntary corporate approaches, such as those underpinning the environmental or social responsibility agenda, may not be sufficient to spur better contribution by businesses to MEA implementation. In some cases, this is because it is not needed in the first place, and in others because it fails to adequately address some of the most difficult outstanding issues in the relationship between MEAs and the private sector. A more helpful basis for understanding the relationship between MEAs and business is to look at how MEAs contribute to an enabling environment for responsible business practices. An enabling environment needs to support market- and citizen-based activism, public participation and access to information in order to sustain the drivers of responsible businesses. Indeed, if responsible businesses are to be successful, they need to be able to innovate on a level playing field in which the most negative impacts of business activity are effectively prevented.[5]

How do MEAs facilitate business contribution to their objectives?

Some MEAs have been successful in involving the private sector in their processes. The *UN Framework Convention on Climate Change* (UNFCCC) and its *Kyoto Protocol*, for example, have put in place new and innovative approaches linked to the private sector such as the Clean Development Mechanism (CDM), Emissions Trading and Joint Implementation. Other approaches are: exerting pressure on governments to reduce greenhouse gas (GHG) emissions thereby helping to create new markets for cleaner technologies and opening up new opportunities for companies and investors; providing a stable long-term regulatory framework; and supporting new technology development through public financial institutions and export credit agencies.[6]

Box 2. **The CDM as an example for private investment delivering on MEA objectives**

The Kyoto Protocol's CDM is a pioneering instrument through which private investment is expected to help achieve the goals of an MEA. It allows private investors to undertake GHG-reducing activities in developing country Parties to the Protocol that do not have commitments to reduce GHGs. Those investors are then granted credits for the reductions they thereby achieve, in units that can be sold on international markets, or used to fulfil any emissions reduction obligations they may have in their home states.

Strengths and limitations of the CDM

A *strength* of the CDM seems to be the good performance of the market mechanism at delivering cost-effective emissions reduction credits to Annex I countries. A whole class of projects has emerged that was not envisaged when the CDM was created – opportunities that arguably only the market could have discovered and delivered. Clear *limitations* can be seen in the fact that some projects yield, by any measure, very little in the way of sustainable development benefits to non-Annex I countries. They have no local environmental or public health impacts, they create little employment or technology spillover impact. Their linkages in the local economy are pretty well non-existent. Also, there are signs of a culture clash between the bureaucrats administering the CDM and the private sector stakeholders who are using the system. The result is a much smaller volume of projects than the full potential and smaller than is needed to fulfil the market demand for Certified Emission Reductions (CERs).

Lessons learned

The lessons learned of the CDM experience to date are preliminary assessments only, based on an emerging, rather than a final, regime since the final shape of the CDM has yet to be determined.

1. It is important to ensure that the target is going to be achieved by the instrument (allow for flexibility and adaptive learning).

5 Halina Ward, IIED.

6 Katia Simeonova, UNFCCC.

2. There is a need for developing good channels of communication between users and regulators in design and implementation.

3. The CDM shows that it is possible to engage private investment in achieving climate change objectives. It is a critically important innovation, both in its contributions to the Kyoto Protocol and more broadly in the example it sets for other such attempts.

Source: Aaron Cosbey, IISD.

Other MEAs, such as the *UN Convention to Combat Desertification* (UNCCD), emphasise that there are also risks in involving the private sector since environmental and business goals may be conflicting: private investment may have harmful effects on drylands and their populations unless the interests of these populations are duly safeguarded. However, the UNCCD may just need different approaches in involving the private sector and ways can be found to mitigate the risks. Public-private partnerships (PPPs), for example, seem to be a viable alternative for direct private investment: foreign or domestic private capital is leveraged for projects that have long-term business and development potential but cannot get sufficient financing or technical expertise through market channels. PPPs will help to ensure that the socio-economic and environmental objectives of the participating developing countries are duly taken into account in business actions. Sponsorships is another potential form of private sector participation in the implementation of the UNCCD. These activities may include financial contributions such as grants and support to research, product donations and provision of expertise, scholarships and technical advisory services.[7]

Under the *Convention on Biological Diversity* (CBD) process, initiatives are already under way to enhance business contribution to its goals. At national level, for example, National Biodiversity Strategy and Action Plans (NBSAPs) are being developed and implemented, while approaches at international level encompass a stronger participation of business in intergovernmental meetings (such as COP, MOP, SBSTTA), participation in expert groups, implementation of the CBD programme of work, and voluntary partnerships. Other tools and initiatives to promote best practice which could be adapted by other MEAs as well, are the development of Biodiversity Benchmarks for specific sectors, Good Practice Guidance, the integration of biodiversity into existing standards (*e.g.* ISO 14001, US Securities and Exchange Commission (SEC) standards), offsets[8], "no net loss campaigns" or similar initiatives.[9]

The *Montreal Protocol*'s success relies to a very high degree on the involvement of industry to innovate, invest in, and transfer new technologies. The Protocol includes several measures that encourage private sector involvement and investment: (i) trade-related incentives (trade controls with non-Parties and import restrictions in certain markets; (ii) market development for alternatives to ozone depleting substances; and (iii) technology co-operation and technical and financial assitance for industries in developing countries. The opportunities for market creation under the Montreal Protocol have been the biggest driver for massive global investment by the business sector, leading to the development of a wide range of technologies in a very short time span, and to the creation of jobs. Lessons learned show that prioritising PPPs has created a major new market and leveraged finance from the private sector, while taking advantage of this sector's flexibility, innovation and pursuit of profitable investment. This kind of

7 Christian Mersmann, Global Mechanism of the UNCCD; UNCCD.

8 Offsets are defined as "conservation actions intended to compensate for the residual, unavoidable harm to biodiversity caused by development projects, so as to ensure no net loss of biodiversity".

9 David Cooper, CBD.

market-oriented innovation and collaboration could serve as an example and be replicated in the context of other MEAs.[10]

The *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES) has regulated trade in many of the world's most commercially valuable plant and animal species. Its activities are therefore directly linked to business activities in various sectors. For this reason, co-operation with the private sector is essential in supporting governments in designing, financing and implementing targeted strategies for the use of economic instruments which play an important role in managing and conserving wildlife. There is increasing consumer and industry interest in goods that meet quality and sustainability criteria, for example, products that provide some assurance to consumers of benefit sharing with local communities and other actors throughout the supply chain. CITES is exploring ways to improve its international structure for certification, tracking and monitoring of sustainably produced wild species commodities and considers the private sector as key in developing appropriate tools and instruments.[11]

The *Ramsar Convention on Wetlands* is another example of an MEA that is already collaborating with the business sector. In 1998, the Danone Group (through its water brand Evian) and the French Global Fund for the Environment agreed on the creation of a fund, financed by the private company in support of the Ramsar Convention. The Ramsar/DANONE partnership is an important tool for supporting the Secretariat activities to take action "from the mountains to the sea for water resources and their quality". The fund for water was created as an action plan for the implementation of Ramsar's Strategic Plan and includes four areas of action: (1) information (for all stakeholders), (2) communication and public awareness, (3) training and technology transfer and (4) courses and seminars. In this sense, the fund has allowed the Convention Secretariat to produce publications and make exhibitions to raise awareness on Ramsar's mission and philosophy. The fund also includes a programme of actions aimed at stakeholders and high-level decision makers with the goal to reduce the gap between the technical guidelines produced and their on-ground-implementation. At the level of sites managers, the MEA-private sector partnership also promotes transboundary technical and scientific cooperation through the creation of thematic networks of Ramsar sites. Training of sites managers is a vital piece of the process: due to the financial support by the fund, several training courses and workshops for selected groups of managers could be organised.[12]

What can business do to contribute to MEA objectives?

Businesses have increasingly aligned their business practices with environmental goals and established environment or departments dedicated to corporate social responsibility goals. These departments are responsible for overseeing the enterprise's compliance with environmental policies and for ensuring eco-efficient operations while watching that employees are treated well and human rights are respected. Unilever has the objective of "doing things right and doing the right things". Respecting the environment is often a prerequisite for staying in business, especially in resource intensive activities so that businesses focus on areas where they can make the most difference. Unilever, for example, whose operations affect the fisheries, agriculture and water sectors, has partnered with World Wildlife Fund (WWF) to develop the Marine Stewardship Council, an independent non-profit organisation that promotes responsible fishing practices ("No fish, no fish sticks"). While linking international operations to global environmental goal under MEAs may be difficult, companies could start linking local initiatives to national goals, such as NBSAPs in the case of the CBD. A commitment to goals and targets is necessary, but it is

10 Monique Barbut, UNEP DTIE.

11 Juan Carlos Vasquez, CITES.

12 Sebastià Semené Guitart, Ramsar Convention.

also important that companies report on progress and disclose their environmental performance against agreed criteria (benchmarks).[13]

Being open to co-operation and collaboration with governments, organisations, and experts in the field as well as sharing experience is often crucial to achieve desired objectives. CITES, for example, will review national policies regarding, *inter alia*, the use of, and trade in, CITES-listed species, production systems, consumption patterns, market access strategies, price structures, certification, taxation and subsidy schemes, and mechanisms for benefit sharing. The involvement and support of the business sector is essential to achieve the expected outcomes of this task.[14]

Box 3. **M-real Investment in biomass energy contributes to climate change mitigation**

Paper, board and pulp production requires a considerable amount of energy in various forms. M-real has continuously worked to improve the efficiency of its energy production and the use of energy at the mills in order to minimise costs and environmental impacts.

In 2003, M-real developed a comprehensive climate strategy. In addition to the energy efficiency measures, the strategy aims at increasing the use of CO_2-neutral energy sources such as process heat and biomass. Beyond this strategy, M-real buys CO_2 allowances to comply with the limits of the EU Emissions Trading Directive.

M-real invested in a biomass Combined Heat and Power Plant in Hallein, Austria, that will be taken into operation by mid-2006. The mill consists of a sulphite pulp mill and a paper mill. At present, energy at the mill is produced mainly by process liquor and natural gas. With ongoing investments, 35% of the natural gas usage will be replaced by biomass. In addition, it is possible to incinerate the process residues (bark and sludge) on site. The new power plant will have an output of 21 MW heat to the mill, 5 MW of electricity to grid and 3 MW of heat to district heating with investment of about EUR 36 million. The estimated reduction of CO_2 emissions will be 39 000 tonnes per year.

The main feasibility factors of the project include the reduction of waste disposal cost, the need to buy less CO_2 allowances, a subsidy for the production of “green” electricity and an investment subsidy for renewable energy. Private investment obviously requires profitability of all investments. Therefore, an investment subsidy alone does not affect the feasibility of the project if either the technology is not reliable or profitability is not assured in the long run. In general, many different factors influence the feasibility of a project and an evaluation should be balanced in terms of sustainable development comprising economic, social and environmental factors.

Source: Armi Temmes, M-real.

What is the role of governments in encouraging private sector involvement?

The business sector is the main financial investor worldwide and the key challenge is to ensure that these investments are compatible with global environmental objectives. Governments have an important role to play in encouraging business contribution to national commitments under MEAs, *inter alia*, by fostering environmentally sustainable investment, finance, trade and technology policies.

Businesses respond to both incentives and disincentives, and market-based signals are often a good means to motivate desired types of decision-making, such as property rights (*e.g.* tradable fisheries quotas),

13 Lettemieke Mulder, Unilever.

14 Juan Carlos Vasquez, CITES.

fee-based measures (*e.g.* user charges), deposit-refunds (*e.g.* batteries, waste toxics), liability and assurance regimes (*e.g.* bonds), and tradeable permits (*e.g.* SO_x and NO_x).[15]

Governments need to find a balanced approach that promotes economic performance and competitiveness, while at the same time allowing for public environmental objectives to become embodied into business management practices. Such approaches allow for (i) balancing investments between short-term actions and longer-term measures to promote transformational change; (ii) promoting long-term competitiveness through sustainability, while carefully weighing short-term impacts; (iii) working in partnership to lever funds and encourage appropriate responses from other governments, citizens and industry; (iv) promoting innovation and new technologies to drive economic growth and create new opportunities; and (v) acting efficiently to meet environmental objectives at the lowest possible cost.[16]

Box 4. **Lessons learned by the Canadian government on how to promote private investment that supports MEA implementation**

(1) Use economic instruments when:

- long-term behavioural change is desired and can be supported by using market signals that change the information on which decisions are made;
- flexibility of response from individual actors is acceptable;
- an end-point is difficult to define, but the desired direction is known; and
- the cost of abating pollution differs widely among sources.

Factors to balance when selecting economic instruments: environmental effectiveness and efficiency, distributional effects, flexibility, and political buy-in.

(2) Design of economic instruments:

- Build business sector support through consultation.
- Ensure that the private sector understands the objective of the economic instrument and why it represents the optimal choice to achieve the objective.
- Allow the private sector an opportunity to affect the instrument design.
- “Selling” an economic instrument as part of a package of measures may be easier than selling it on its own.

Design considerations: simplicity, degree of influence, innovation, free-riders, monitoring and enforcement, securing of short-term results, consideration of revenue-neutrality, mitigation of adverse economic impacts, co-ordination.

(3) Experience and conclusions:

- It is necessary to develop and communicate a “vision”.
- It is important to develop domestic experience with what works and what does not: effectiveness of certain instruments and manner in which instruments are introduced.
- Experience is essential to overcome scepticism and to ensure appropriate design of economic instruments to ensure ongoing private sector participation.
- Such experience can only be gained through implementation, ongoing innovation and careful scrutiny of outcomes and lessons learned.

Source: Chris Hanlon, Environment Canada.

15 Stefan Wallin, Finnish Ministry of the Environment; Chris Hanlon, Environment Canada.

16 Chris Hanlon, Environment Canada.

Box 5. **The German National Climate Protection Programme**

The German government has put in place a National Climate Protection Programme that helps fostering private investment in support of national climate objectives. Among the measures put in place is the Renewable Energy Act which supports the renewable energy sector and renders electricity from solar, wind, geothermal, and biomass energy commercially attractive. By consistently supporting renewable energies, Germany has become leader on the technology market in wind energy and in the photovoltaic sector. Between 1998 and 2002, about 50 000 jobs were created in the private wind power sector alone. Other measures to facilitate, for example, the development of energy-efficient cogeneration are based on agreements between the federal government and German industry.

Selection of measures to promote private sector contribution to achieving the emissions reduction target[17]
(CO_2 reduction potential in million tonnes CO_2)

	CO_2 Reduction Potential
Public Relations Campaigns, Counselling, Innovation	**0.7**
• upgrading of dena (Deutsche Energie-Agentur, German Energy Agency) as centre of expertise for energy efficiency • large scale public relations campaigns • training courses and quality improvement initiatives (investors, trade, planners, constructors) • increased research under the auspices of the Building and Transport Ministry for innovations to increase energy efficiency; improved building materials • further development of the energy savings contracting system on the heating market	
Financial Support Measures	**2.8**
• KfW bank loans for the building sector	1.6
• Programmes to set market incentives in the biomass sector	0.8
• Programmes to set market incentives in the solar energy sector	0.2
• on-the-spot counselling	0.1
• Upgrading of cities and towns in Eastern Germany, council housing	0.1
Regulatory Measures	**0.4**
• implementation of the Energy Savings Ordinance (EnEV) 2006 and introduction of energy passes • amendment of the Home Ownership Act (Wohneigentumsgesetz)	
Autonomous Reduction Effects*	**1.3-1.5**
Total of Quantifiable Measures	**5.3**

** The estimate of the autonomous reduction effects is based on energy prices of 29$ per barrel crude oil for the reference year 2000. The further development was calculated on the basis of a long-term mean real increase of 1.5% per year which amounts to a price of 45$ per barrel for the year 2030. The expected effects would change in relation to changes in energy prices.*

Source: Michael Kracht, German Federal Ministry for the Environment (BMU); Forschungszentrum Jülich (ed.) (2005) as reported in www.bmu.de/files/english/climate/downloads/application/pdf/klimaschutzprogramm_2005_en.pdf.

Besides selecting the right economic instruments and regulations, governments may have additional tasks to fulfil. This is especially the case in developing countries. Development objectives are often directly linked to environmental goals and natural conditions. In the case of countries affected by desertification, specially tailored solutions are needed to ensure the involvement of private investment. Governments need to ensure a minimum of infrastructure and facilities for development (roads, electricity, transportation, health services, etc.) in order to attract private investment that contributes to the implementation of MEAs. While there are opportunities for direct investment in these countries (such as in

17 German emissions reduction target for the 2008-2012 (Kyoto) period: 120 million tonnes CO_2.

water supply and sanitation, eco-tourism, agriculture or livestock farming), the private sector may also make a contribution to environmental and development goals by engaging in PPPs or sponsoring activities (*e.g.* building roads and other infrastructure projects, or preserving natural parks, reserves or archaeological and historic sites).[18]

Improving co-operation between stakeholders and overcoming barriers

Many stakeholders are involved in the process of MEA implementation: national governments, MEA Secretariats and implementing agencies, intergovernmental and non-governmental organisations, experts, business, etc. Only if these stakeholders co-operate efficiently by sharing experiences, identifying synergies and common problems and elaborating solutions, will there be concrete advances in the implementation of MEAs.

What role can intergovernmental organisations play in promoting private investment?

For successful MEA implementation, sustainable investment needs to be made in the key economic sectors that MEAs address. New types of partnerships between the public and private sectors can help reshape and redirect private investment flows toward MEA objectives. Intergovernmental organisations can play a key role in stimulating these partnerships.

UNEP, for example, initiated and hosted the negotiations that gave rise to several MEAs. To support their implementation, UNEP has programmes and activities in place that: (i) strengthen national capacities with a view to making technology and investment decisions to meet compliance targets; (ii) build capacity to make informed decisions about investment services that assist especially developing countries and Countries with Economies in Transition; (iii) facilitate technology transfer; (iv) support the development of national policy frameworks that are conducive to promoting environmentally-friendly business behaviour; and (v) promote voluntary corporate approaches that reach beyond government regulations to improve industries' environmental performance.[19]

As an implementing agency of the Global Environment Facility (GEF), the World Bank encourages partnerships with the private sector. It has conducted an Overall Performance Study for the GEF recommending that "GEF should launch a private sector special initiative to look for good models of cooperation with the private sector and the pilot projects." The World Bank also works directly with the private sector to achieve development and environmental goals. It considers it important, however, that the "right" partnerships be built and therefore, the World Bank applies certain rules in selecting appropriate partners. They include "Guidelines for assessing potential business partnerships with the World Bank Group" (*e.g.*, Does the company have a good reputation, especially in areas of corporate social responsibility (CSR)? In the case of new companies or companies with past CSR troubles, are they committed to instituting/improving a sound CSR policy? Is the company willing to engage with the World Bank in a transparent manner without expecting an exclusive relationship?). Furthermore, the Bank distinguishes different "risk categories in private sector partnerships": (i) reputational risks (*e.g.*, selecting inappropriate private sector partners, for example, companies selling tobacco, firearms, etc., or partnership activities, for instance, where World Bank involvement is being solicited for subsequent commercial opportunities); and (ii) conflicts of interest risks (*e.g.*, between upstream policy advisory partnership work and subsequent consultant work for downstream preparation or procurement opportunities).[20]

18 Fethi Debbabi, Sahara and Sahel Observatory.

19 Monique Barbut, UNEP DTIE.

20 Charles Di Leva, The World Bank.

NGO partnerships with business can make a difference

Some NGOs have developed partnerships with the private sector to explore mutual benefits for business and environment. Some issues emerging from existing activities of NGO-corporate partnerships need to be addressed to securing more effective engagement of the private sector in MEA implementation: it is important to "speak the same language" (*i.e.* to talk in the language of "business risk and opportunity"); secure senior management attention; find a consensus on priority areas for action and on how to monitor and measure environmental impacts at an operational and strategic level; and to explore ways of sharing the responsibility and cost of restoring legacy sites (*i.e.* sites/resources that have been used for industrial purposes, without paying the full cost of environmental and social harm) corresponding to the share of benefits accrued to society and business.[21]

Box 6. **Examples of successful NGO activities with business support in India**

The following NGO activities in India have led to improvements in environmental conditions and supported the implementation of several MEAs:

- Through continuous campaigning and lobbying by the New Delhi based NGO Centre for Science and Environment, the fuel regime in the entire city of New Delhi was transformed into one that contributes fewer GHGs to the atmosphere, thereby contributing to the objectives of the UNFCCC. While the judiciary played a pro-active role, in that it directed the government to take immediate action, only the participation of private manufacturers, such as Indraprastha Gas Ltd., in this initiative made the transformation possible.
- The three objectives of the CBD (conservation of biological diversity, sustainable use of the plant resource and sharing the benefits arising from the use of the plant resource) have been promoted through a partnership between Dabur India Ltd., a private company valuing traditional knowledge, farmers groups and community based organisations. The objective is to conserve the biological diversity especially of endangered medicinal plant species in remote locations in the mountainous areas of India. The partnership has also developed a system for sustainably using plant species and sharing the benefits with the local farmers.
- In consonance with the objectives of the UNCCD, a partnership between the Tata Group, India's largest private employer, and the NGO SPS (Association for Social Advancement) aims at working with communities in dry areas on conservation of land and water resources. The partnership thereby helps to counter the process of desertification and mitigate the adverse effects of drought situations. Efforts over the last 10 years have included drought-proofing, micro-irrigation, sustainable dryland agriculture, etc. They have resulted in the provision of additional one billion cubic metres of water storage in the region, drinking water security for 20 000 people, a threefold increase in irrigated land, a doubling of the agriculture output value, a 90% decrease in indebtedness and 80% decline in migration. Furthermore, a resource centre was established to train and support the activities of other NGOs and community based organisations to work on water resources management in other arid and semi-arid locations of India.
- Being a Party to the Montreal Protocol, India is committed to phase out chlorofluorocarbons (CFCs) by 2010. A lack of consumer awareness and political will, however, first impeded the changeover from conventional CFCs to other non-depleting substances such as hydrocarbons (HCs). The NGOs Greenpeace and CUTS, as well as Indian research institutions, have pioneered a sustained Ecofrig Campaign, aiming at promoting the production and use of environmentally-friendly refrigerators and raising awareness among consumers. The government at all levels supported the initiative and eventually, companies like Godrey and Videocon adopted HC technology in India.

Source: Rajeev Mathur, Consumer Unity & Trust Society (CUTS).

For an NGO-business partnership, it is important that: (i) the parties involved have a common understanding of the central purpose of the partnership; (ii) there be little or no conflict of interest between the partners; indeed, the interests of the different partners should actually complement each other; and (iii)

[21] Annelisa Grigg, Fauna and Flora International.

the initiative be taken up by one of the parties, and then joined by other parties to develop a coalition for realising the purpose of the partnership.[22]

Encouraging private investment means overcoming barriers and exploring new approaches

A number of barriers remain to engaging the business sector more fully within MEA processes and their implementation. These include: [23]

- *Language and culture barriers*: MEAs have been largely developed by governments and, as such, the style of working and language used to describe MEA requirements is often impenetrable to businesses.

- *Lack of resources and competing priorities:* Enterprises need to address many complex issues, such as climate change, human rights, transparency, corruption, human health or waste, that are not core to their business activities. They may simply lack the in-house expertise or resources that enable them to consider and address environmental issues when they are already engaged in a range of other issues perceived as more business-critical.

- *Lack of a clear business case:* The focus of many businesses has been on how to avoid or minimise private sector impacts on the environment. Until a clear business case to integrate environmental objectives in day-to-day business operations is established and communicated throughout the private sector, engagement in MEA implementation will remain limited.

- *Conflicting timeframes of business and environmental goals:* The timeframes for the pursuit of business objectives are often different from those of environmental goal such as the implementation of MEAs: in many cases, the timeframe for MEA implementation may be too long to fit readily with the private sector's *modus operandi*.

Why is business not taking long-term initiatives that would improve environmental conditions? Businesses mainly strive to achieve short-term objectives because long-term results do not show in their bottom-line: even if actions lead to a significant cash flow many years from now, the net-present-value may still be very small. A key issue in managing environmental issues, particularly natural resources, is the fact that they tend to be inappropriately valued within financial markets and by society as a whole. Therefore, the cost of ecosystem services is rarely factored into a company’s cost of doing business or creating shareholder value, with the result that the potential loss of such services is often not perceived as an issue of concern to business. [24] In order to change this and to provide incentives for taking the long-term environmental implications of business operations into account, it is essential to develop tools that allow for the internalisation of costs to the global environment. MEA objectives can be best linked to decision-making processes if businesses need to take the cost of these externalities into account.

Another key question is how to “green” the main streams of global financing, such as commercial bank lending, capital markets, export credits or development financing. To date, there is still a lack of practical standardised tools to encourage those who control substantial capital flows to take account of environmental goals. The first step is to reduce financing of environmentally detrimental investments. The “Equator Principles”, based upon the IFC Safeguard Policies, are already a good step in this direction.

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22 Rajeev Mathur, CUTS.

23 Annelisa Grigg, Fauna and Flora International.

24 Annelisa Grigg, Fauna and Flora International.

However, the Safeguard Policies themselves do not contain any references to MEAs, but only to environmental issues in general.[25]

Within MEAs themselves, some changes are necessary to overcome the obstacles that businesses are confronted with, particularly the fact that working with MEA processes is often difficult. Improvements can be made, for example, by raising awareness of the importance of environmental goals and trends, exploring concrete opportunities and common objectives in partnership, tailoring MEA activity more to business activity (*e.g.* clear objectives, considering scale and coalition building), and acknowledging the concept of sustainability in a decision-making model.[26]

Box 7. **Markets for ecosystem services**

The development of markets for ecosystem services (MES) is an innovative and promising approach to attract private contributions, to introduce sustainable resource management practices compatible with MEA objectives and principles, and to contribute to the development of economic opportunities in poor, rural areas of the world. While these markets have been growing steadily in recent years, this development has taken place largely outside the framework of the MEAs, with the notable exception of the UNFCCC, through its CDM.

There appears to be a great potential for the development of MES within the framework of the Rio Conventions and their respective financial mechanisms. The development of a joint initiative to that effect would allow these MEAs to capture a share of this growing market, thereby enhancing their effectiveness in attracting and mobilising private capital, expertise and technology towards their goals. By positioning themselves in these markets, the Rio Conventions could also contribute to, and influence the development of, such markets. Moreover, the poverty alleviation dividends created by MES at the community level could also be instrumental in attracting development-oriented funds in the context of the Millennium Development Goals.

Source: Marc Paquin, Unisféra International Centre.

Efficient financial tools and instruments are important in facilitating business support for the implementation of MEAs

Among the many issues related to a successful implementation of MEAs (*e.g.,* capacity building, education and awareness, research and scientific co-operation), financial aspects are particularly relevant to the role of private investment and business engagement. Lack of financing is frequently mentioned as a reason for insufficient environmental action. The generality of this may be disputed and some argue that "there is not a lack of money but a lack of good projects".[27] However, in the case of environmental investment, a number of projects may fall below the requirements of private investors and lenders because of a lower return on investment and/or a higher risk.

Financial mechanisms can play a key role in developing specialised financing instruments to foster more private investment in support of MEA objectives. Private and public financial institutions, including development banks and agencies, private banks and export credit agencies – through their leverage and the financial tools they offer – can also make important contributions.

25 Harro Pitkänen, NEFCO.

26 Lettemieke Mulder, Unilever.

27 Harro Pitkänen, NEFCO.

Figure 3. **A menu of** public **and** ***private*** **finance mechanisms**

Public funding sources:
- Government budget allocations to domestic conservation agencies
- Earmarking tax revenue for conservation (*e.g.,* taxes on energy, aviation, hotels)
- ***Tax breaks or subsidies for private conservation efforts/investment***
- Earmarking charges or penalties related to natural resource use (*e.g.,* timber stumpage fees, park entry fees, pollution taxes)
- International development assistance (*e.g.,* environmental aid, debt-for-nature swaps, contributions to GEF or trust funds)

Private non-profit sources
- Private foundations
- Community self-support groups
- Secular and faith-based charities and NGOs
- Dedicated fund-raising campaigns or events
- ***Merchandising, social marketing, lotteries***

Public policy reforms
- ***Reforming environmentally-harmful subsidies (e.g., agric, fish, water, energy)***
- ***Public investment (e.g., infrastructure)***

Private for-profit sources
- ***Commercial banks and export credit***
- ***Foreign direct investment***
- ***Venture and/or private capital***
- ***Public-private-community partnerships***
- ***Portfolio investors (e.g., "green" funds)***
- ***Community-enterprise (formal/informal)***
- ***Local self-financed business investment***

Biodiversity-friendly products and services
- ***Organic agriculture***
- ***Sustainable non-timber forest products;***
- ***Certified forest and fisheries products***
- ***Eco-tourism enterprise***

Markets for ecosystem services
- ***Bio-prospecting agreements***
- ***Carbon sequestration in biomass***
- ***Watershed protection incentives***
- ***Tradable development rights (biodiversity offsets and easements)***

Source: Gutman, P. (ed.) (2003), as quoted by Joshua Bishop (IUCN).

Financial mechanisms promote private investment in support of MEAs

Governments have put specific financing mechanisms in place to help implement various MEAs, *e.g.,* the Global Environment Facility, the Multilateral Fund for the Implementation of the Montreal Protocol or the Global Mechanism of the UNCDD. Among other objectives, these mechanisms aim to engage the business sector in the implementation of MEAs.

The *Global Environment Facility* (GEF) supports environmental projects and objectives in six focal areas (biological diversity, climate change, international waters, ozone depletion, persistent organic pollutants, and land degradation), with the private sector being an important partner. However, to date the experience of enabling private sector involvement in GEF projects has been at a small scale. Therefore, according to a GEF Council mandate, the goal is "to enhance the level of engagement of the GEF with the private sector as a means to generate global environmental benefits in a sustainable and cost-effective manner". Opportunities for private sector involvement promoted by the GEF include:

- GEF facilitation of supportive policy and institutional environment;
- financial support for incremental/transient risk in demonstration projects;
- access to worldwide experience and global information networks;
- assistance in identifying partnership opportunities; and
- enhancement of corporate image.[28]

The *Global Mechanism* (GM) of the UNCCD seeks to channel direct private investments to UNCCD implementation. COP 6 of the UNCCD specifically requested the GM to expand the supply side of the financing equation, particularly through the mobilisation of "new sources of financing such as private capital, foreign direct investment, funding from multilateral institutions, and grants from private

28 Nicole Glineur, GEF.

foundations" (decision 5/COP.6). Given its mandate, the GM has a key role in: (i) promoting private investments to combat land degradation and poverty; (ii) fostering global participation and collaboration and build partnerships between public and private sector entities; and (iii) acting as a broker between public and private entities in industrialised and affected countries. With the experience gained and lessons learned so far, the GM confirms widespread interest from the private sector in both developed and developing countries. Globalisation trends are pushing large multinationals to increasingly consider alternative sources of supplies, lower production costs, new and emerging markets while taking care of the environment and their communities.[29]

Box 8. **GM efforts in enhancing private sector involvement**

The GM aims at promoting private sector participation, collaboration and partnership through:

- *engaging the private sector of the North:* GM's approach is to expand its resource mobilisation efforts in OECD countries. It has focused most of its efforts at detecting potential linkages between the core business, corporate social responsibility and environmental policies of private sector companies and the objectives of the UNCCD. The GM will pursue the strategy to mobilise resources in developed countries through continuing to focus on selected companies and foundations: energy companies, the most profitable large multinational companies who have a corporate socio-environmental policy and business operations in affected developing countries in which they have already invested on relevant activities, the largest foundations and charities, and fund-raising campaigns.
- *engaging the private sector of the South:* The GM will expand its resource mobilisation efforts in developing countries through partnerships with the local private sector (*i.e.* farmers, herders, traders, suppliers, microfinance institutions, transporters, agro-processors, commodity brokers and traders, construction companies, supermarkets, etc.), local NGOs and associations, local foundations and charity organisations.
- *public-private partnerships in the South and North:* The GM will continue to assist governments and private sector in the South to develop more effective policies and strategies to attract funding opportunities from the North, through identifying Foreign Direct Investment (FDI).
- *capacity building:* Institution strengthening to deliver services to local enterprises (*i.e.* information, technical assistance, financing) will be conducive to the development of a competitive private sector and to stimulating local entrepreneurship.
- *developing markets and trade:* The GM will promote private sector participation through the development of markets and trade at a local, domestic and international level.

Source: Christian Mersmann, Global Mechanism of the UNCCD; UNCCD.

What is the role of Multilateral Development Banks in promoting business contribution to MEA implementation?

Multilateral Development Banks (MDBs), such as the World Bank Group and the European Bank for Reconstruction and Development (EBRD), seek to foster sustainable development and eliminate poverty through financing of projects and giving policy advice. They leverage significant levels of additional financing from the private sector and build investor confidence in countries and projects, thereby shaping the development paths of recipient countries.[30] However, environmental considerations (and particularly MEA objectives) have been integrated in MDB activities to varying, but generally rather low, extents.

29 Christian Mersmann, Global Mechanism of the UNCCD.

30 Sohn/Nakhooda/Baumert (2005).

The EBRD has the mandate to facilitate the transition to market economies in Central and Eastern European Countries, as well as in the Commonwealth of Independent States. It is also an executing agency of the GEF. The EBRD is "directed by its founding agreement to promote, in the full range of its activities, environmentally sound and sustainable development". Environmental appraisal and monitoring processes ensure that: (i) all EBRD projects undergo environmental assessments, such as Environmental Impact Assessments or audits; (ii) appraisals include whether a project will meet policy requirements, including MEA commitments; and (iii) in case standards cannot be met initially, an action plan (including key issues and actions, implementation schedule and priorities, cost estimate) is developed and agreed upon to achieve EBRD requirements within a specified timeframe.[31]

Box 9. **MEA-related commitments in EBRD's Environmental Policy**

- Consideration of MEAs in all EBRD-financed projects:
  - support for the implementation of international environmental law through investments;
  - identification of relevant MEAs during project appraisal;
  - no financing of projects that would contravene country obligations under relevant MEAs;
  - public consultation;
  - an Environmental Exclusion List for financial intermediaries including MEA requirements (general clause: financial intermediaries may not finance activities conflicting with international environmental/labour law, in addition: specific list that includes activities conflicting with MEA requirements).
- Commitment to finance investments that support MEAs:
  - financing of projects with the primary objective of supporting MEA implementation;
  - expansion of partnerships with multilateral financing vehicles (*e.g.* GEF), other organisations, financial institutions, NGOs;
  - specific mandate to develop Joint Implementation and CDM projects.

Source: Alke Schmidt, EBRD.

In order to help developing countries address climate change and to implement the UNFCCC and the Kyoto Protocol, MDBs have developed specialised policies and lending programmes. One of the main areas of activity is to support the CDM of the Kyoto Protocol by creating and managing CDM funds that invest in GHG mitigation projects in developing countries while earning Certified Emission Reductions (CERs) for investors. The World Bank is the leader in CDM financing with its Prototype Carbon and BioCarbon Funds. The private sector at large plays a crucial role in mobilising financing for reasonable costs of GHG mitigation. Co-operation between MDBs and the private sector can be efficient in finding ways to meet these costs and in developing innovative business models that allow cost reductions.[32]

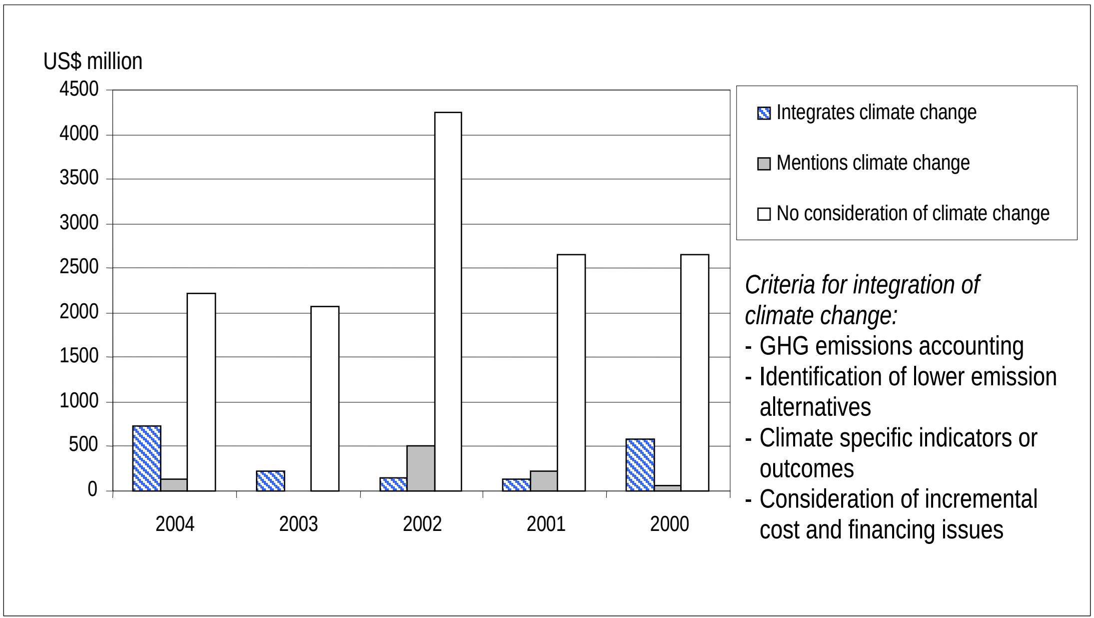
MDBs co-finance large-scale private investments in infrastructure and heavy manufacturing, and provide loans and grants for sectoral and regulatory reforms in key climate-related sectors such as energy,

31 Alke Schmidt, EBRD.

32 Jon Sohn, WRI; Sohn/Nakhooda/Baumert (2005).

transport, agriculture and forestry. However, they often do not systematically integrate climate change concerns into their operations.[33]

Figure 4. **Mainstreaming of climate change considerations in World Bank projects**



Source: Jon Sohn, WRI.

MDBs could better mainstream climate change considerations into their sustainable development and poverty reduction efforts by:[34]

- revising guidelines for country and sector strategies to explicitly integrate climate change considerations;
- developing a "Greenhouse Gas Accounting and Options Analysis Framework"[35] to assess alternative options or identify the cost of less-carbon-intensive paths;
- integrating this GHG Analysis framework into operations in key sectors; and
- initiating pilot work to reduce GHG emissions at the sector level in partnership with interested client countries.

How do other financial institutions take MEA objectives into account?

Export Credit Agencies (ECAs) grant loans and issue guarantees to enterprises and financiers. They are therefore in a position to play an important role in supporting MEA implementation. ECAs take account of environmental considerations in their activities primarily through the implementation of the

33 Jon Sohn, WRI; Sohn/Nakhooda/Baumert (2005).

34 Sohn/Nakhooda/Baumert (2005).

35 An assessment of alternative options for a proposed project should account for direct and indirect GHG emissions. It would identify and analyse alternative approaches to achieving project objectives that might significantly reduce emissions, including alternative technology paths, and would include a full financial and economic analysis of these options.

OECD Common Approaches for Export Credits[36], as well as through the legal and policy requirements of their respective governments. ECAs cannot devote a certain percentage of their portfolio or new business each year to exports in certain "environmentally-friendly sectors" (such as renewables), since they are reactive organisations that depend on enterprises' applications for using their services. There are, however, some ways in which ECAs can support environmental goals, including requiring applicants to inform about their environmental impact; applying agreed minimum standards, such as the World Bank's General Environmental, Health and Safety Guidelines; and improving the terms that are available to meet the needs of specific sectors, *e.g.*, extending the allowable repayment terms in the renewable energy and water sectors.[37]

There are also significant opportunities to achieve environmental goals and promote the implementation of MEAs through support by the *private financial sector*. In recent years, private financial institutions have increased their attention to the environmental, social and reputational risks of their operations, and have increasingly integrated environmental products and services into their portfolios, as well as environmental efficiency considerations into their management practices. Apart from "green" financial products and services, such as green lending and investment practices (*e.g.* commitment to the Equator Principles for project finance, sustainable asset management, or products and services specifically related to MEAs such as emissions trading), private financial institutions have also adopted new approaches aimed at changing internal processes (*e.g.* environmental management systems), as well as external communication (*e.g.* sustainability accounting, listing in sustainability market indices).[38]

Box 10. **Financing environmental investments and technology transfer: the case of NEFCO**

The Nordic Environment Finance Corporation – NEFCO:

- a multilateral financial institution established in 1990 by the five Nordic countries Denmark, Finland, Iceland, Norway and Sweden including the three autonomous territories of the Faroe Islands, Greenland and Åland;
- purpose: promote cost effective solutions to reduce the environmental impact from the adjacent region (Baltic Sea Region, EECCA);
- main focus: small and medium sized projects;
- provision of risk capital, risk loans, soft loans, carbon financing, grants (in special cases).

NEFCO instruments:

- NEFCO Investment Fund: an example of "green equity/patient capital";
- NEFCO focuses on the environmental results rather than maximising financial return (provided that a reasonable return on investment is foreseen);
- the Investment Fund seeks to maintain the real value of its capital while covering its costs;
- projects are assessed on the basis of environmental cost-effectiveness;
- NEFCO seeks to demonstrate the opportunities for win-win solutions and to implement the Polluter Pays Principle.

Eligible projects:

- demonstrate relevant positive environmental impacts: emission or effluent reduction, soil remediation, etc.;
- meet environmental standards defined by MEAs, EU directives, national environmental legislation;
- are economically, financially, institutionally and technically sound and viable.

36 Recommendation on Common Approaches on Environment and Officially Supported Export Credits, www.oecd.org/dataoecd/26/33/21684464.pdf. Also, according to the OECD Arrangement on Officially Supported Export Credits 2005 [TD/PG(2005)22/FINAL], environmental implications are an integral part of project appraisal.

37 Pekka Karkovirta, Finnvera; David Allwood, UK Export Credits Guarantee Department (ECGD).

38 Simone Gigli, OECD.

Type of projects:

- Modernisation of industrial production processes and energy systems: normally in existing plants, greenfield Investments only when good demonstration effects can be expected;
- Production of equipment for pollution abatement;
- Environmental services, waste management and water and sewage treatment;
- Renewable energy investments and energy efficiency: biomass, wind energy, geothermal, small scale hydro.

NEFCO experience:

- MEAs rarely influence investment decisions unless legislation, enforcement and incentives are in place.
- On the other hand, investments frequently have cross media effects, influencing multiple environmental parameters, and "unintentionally" tackling also MEA regulated emissions.
- Introduction of state of the art technology almost invariably leads to a reduction of the pollution load (in "brownfield" investments or when new facilities and systems displace old installations).

Source: Harro Pitkänen, NEFCO.

More ideas for improvements related to financing issues

Co-operation between stakeholders is essential to facilitate financial institutions' efforts to take account of MEA goals in their business activities. Governments have an important role to play in enforcing the implementation of MEAs. One way to do so would be to further encourage financial institutions to take their role in this process but it is important for governments to mainstream MEA commitments in their own projects and in their directives for providing financial support to other activities.

While MEA Secretariats already publish some practical information on their websites, they could further help by providing more concrete information such as mapping of protected sites, databases on regulated species or substances, or contact details for experts within Secretariats or implementing agencies. MEA Secretariats and governments could provide more advice on specific projects, to make financial institutions aware of the impacts of such projects on their business operations and *vice versa*.[39]

Derived from the CDM concept, which aims, *inter alia*, at engaging the private sector in climate change related objectives, a new idea concerns the possibility of creating a "green development mechanism" to support the implementation of the CBD. The private sector and biodiversity offsets can play a key role in this regard. If it is not possible to completely avoid environmentally harmful practices, offsets should be taken into account.[40] Figure 5 shows different kinds of offsets.

39 Alke Schmidt, EBRD.

40 Joshua Bishop, The World Conservation Union (IUCN).

Figure 5. **Biodiversity offsets: where do they fit in environmental mitigation?**

1. Avoid harm
2. Minimise harm
3. Mitigate / compensate / offset
    - On-site restoration
    - Off-site and in-kind restoration
    - Off-site and out-of-kind restoration
    - Conservation / mitigation banking
    - Tradable development rights

Declining cost

Source: Joshua Bishop, IUCN.

Several official biodiversity offset schemes already exist, for instance, the EU Environmental Liability Directive, the Canadian Fisheries Act, the Protected Areas Law in Brazil, or the Native Vegetation Management Framework in Australia. In addition, several voluntary corporate biodiversity offset initiatives have been established, such as the Energy and Biodiversity Initiative or the International Petroleum Industry Environmental Conservation Association.

In the US, for example, conservation or mitigation banking supports the idea of compensating unavoidable harm to biodiversity: 219 approved “wetland banks” already exist (as of 2001/02), 68% of which are private banks. The aim of wetland banking is to achieve “no net loss” of wetlands as a result of land development. For every hectare of wetland destroyed, at least one hectare of comparable wetland must be restored or re-created. As an alternative to on-site mitigation, developers can purchase “credits” from approved mitigation bankers for similar wetlands within a service area. Conservation banking works in a similar way aiming at ensuring recovery of threatened and endangered species by securing habitat. Compensation has to be paid to environmental agencies for every hectare of habitat destroyed in order to support species conservation efforts. Approved conservation banks provide credits for compensation payments.[41]

Promoting innovation and the transfer of environmentally sound technologies in support of MEAs

The technologies needed to achieve the objectives of MEAs are typically developed and owned by the private sector. To promote the development, transfer and diffusion of environmentally sound technologies[42], certain conditions are needed both on the supply (technology providers) and demand side (users). While the development and transfer of environmentally sound technologies can bring many advantages to businesses (*e.g.,* in the form of first-mover-advantages and expanded markets), there are also risks involved in the product and market development phases which can be key barriers to technological change. It is important to overcome such barriers and achieve a largest possible diffusion of environmentally sound technologies if MEAs are to be efficiently implemented.

41 Joshua Bishop, IUCN.

42 Agenda 21 defines environmentally sound technologies as those that “protect the environment, are less polluting, use all resources in a more sustainable manner, recycle more of their wastes and products, and handle residual wastes in a more acceptable manner than the technologies for which they were substitutes. Environmentally sound technologies are not just individual technologies, but total systems which include know-how, procedures, goods and services, and equipment as well as organisational managerial procedures.” (UNEP, Agenda 21, Chapter 34).

The importance of environmentally sound technologies

Environmentally sound technologies are especially important in developing countries and Countries with Economies in Transition. People in large parts of developing countries have no access to electricity or to non-traditional energy forms. Many rely almost exclusively on traditional fuel sources, such as firewood, kerosene and biomass for their energy supplies.[43] However, in the course of development activities, electrification of these regions will proceed rapidly in the years to come due to an increasing economic activity and further adoption of developed country lifestyles. The importance of diffusing environmentally sound technologies, especially clean energy as part of this development process, becomes apparent for achieving the goals of MEAs, such as the UNFCCC and the CBD: this approach can lower the rapidly rising trajectory of carbon emissions and reduce the loss of habitat.

Box 11. **Solar photovoltaic energy – a contribution to sustainable development**

Solar photovoltaic energy, for example, is a clean energy solution that is most suitable for the electrification of rural areas. Advantages of photovoltaic solar energy are:

- production of clean energy: no impact on fragile ecosystems, no emission of GHGs;
- use of sun energy as freely accessible and unlimited thus renewable source of energy;
- saving in transportation costs since electricity is produced in the same place where it is consumed;
- minimal maintenance costs;
- possibility of electrification of the most inaccessible places or places where other energy solutions are not viable;
- contribution to a sustainable development allowing for electrification, water supply, telecommunications and desalinisation.

The installation of photovoltaic systems in rural areas can bring huge environmental and social benefits. With an investment of about EUR 250 billion over a period of 15 years, photovoltaic systems could provide electricity to one billion people. In both the developed and the developing world, over two million jobs could be created, while cumulative CO_2 savings of 110 million tonnes could be achieved between 2000 and 2020.

Source: Ernesto Macías, Isofotón.

Reducing risks and enhancing opportunities: How can innovation and transfer of environmentally sound technologies be further stimulated?

Private investment will be essential for ensuring access to reliable and affordable energy services, especially to the poor. Greater diffusion of environmentally sound technologies is hampered by the need to ensure financial viability of utilities, and by a lack of financial resources. Although renewable energy systems have very low running costs, they come with high up-front costs. Therefore, enhanced co-operation between the private sector and financing institutions is crucial to reduce the gap of the initial investment cost through innovative financial mechanisms. Subsidies may therefore be necessary for accelerated deployment in some contexts. In addition, international tendering procedures may need to be reconsidered since the present ones do not seem to be suitable for projects such as the deployment of rural electrification with small renewable energy systems.[44]

43 Ernesto Macías, Isofotón.

44 Ernesto Macías, Isofotón.

Technological change toward cleaner energy products is often constrained by high product and market risks. *Product risks* include: (i) lack of appropriate products; (ii) rapid changes in design specifications; (iii) inadequate networks for project appraisal; and (iv) low competitiveness due to higher capital costs. *Market risks* include: (i) inadequate confidence in quality of installation, maintenance, and repair services; (ii) high marketing costs; (iii) new market players; (iv) discriminatory legal and regulatory frameworks (favouring current technologies); and (v) lack of market experience and infrastructure. These risks often crowd out private sector finance. On the other hand, smart risk-sharing strategies can stimulate a "crowd-in" of private investment (Box 12).[45]

Box 12. **Risk management strategies to "crowd-in" private investment**

Stimulating product development

Strategy	*Example*
Creating fora for feedback	
Enable engineering of *technologies* into *products*	Swiss project to develop clean-energy products for small and medium enterprises in India
Testing and certification facilities	Danish support for Centre for Wind Energy Technology in India

Stimulating market development

Strategy	*Example*
Procurement specifications	Microfinance institutions in Sri Lanka use common specifications to invite supply bids
Demand creation/bulk procurement	Bulk procurement of home appliances in USA and Scandinavia; renewable energy portfolio standards in India and China
"Branding" of clean energy products	IFC/GEF's "ELI" (Efficient Lighting Initiative) programme
Document and disseminate "learning-by-doing" experience	The World Bank's Carbon Funds

Stimulating financing

Strategy	*Example*
Facilitating project appraisal networks	OECD-based Green Funds find it difficult to appraise projects in developing countries
Providing partial-risk guarantees to investors	GEF support for World Bank and IFC credit for energy efficiency and geothermal energy projects
Credit extension services	Micro credit facilities in Bangladesh, India, and Sri Lanka; Onlending through energy-service companies
Enabling regulatory mechanisms	Feedlaw tariffs for renewables in Europe

Source: Ajay Mathur, SenergyGlobal.

Co-operation between governments, NGOs, and other stakeholders is essential for technology transfer

Co-operation between governments, business, NGOs, and other stakeholders is potentially a very efficient approach for the transfer of environmentally sound technologies. The conditions for successful transfer, such as enabling environment, capacity, country and community choice and appropriation, win-win situations, flexible frameworks, or indigenous knowledge consideration, can be best fulfilled through

45 Ajay Mathur, SenergyGlobal.

networking and sharing of information. PPPs are one means to overcome existing barriers to technology transfer in developing countries, with ensuing advantages for both the public and private sectors.[46]

The Government of Australia, for example, works together with business to identify and implement win-win solutions in the area of technology transfer. Australia's regulatory practice on many categories of domestically produced and imported appliances and industrial equipment promotes the take-up of new technologies, and discourages the marketing of less energy-efficient technologies. Australia supports environmentally-friendly technologies through domestic initiatives, such as the Low Emission Technology Demonstration Fund, Renewable Energy Development Initiative and Solar Cities Trials, but also in bi- and multilateral partnerships.[47]

Successful voluntary initiatives to promote innovation and technology transfer in support of MEAs

A number of existing voluntary business approaches already support the implementation of MEAs by promoting the innovation and transfer of environmentally sound technologies. They can serve as examples for other enterprises and stakeholders to reflect about new concepts, technologies and business frameworks for sustainable private investments.

The Business Council for Sustainable Development, Brazil, is very active in stimulating private sector leadership as a catalyst for change towards sustainable development. It provides a basis for a multi-stakeholder dialogue with the goal to share and disseminate information and tools regarding general aspects, such as financing and legislative issues, communication and capacity building, corporate responsibility and eco-efficiency, and (more specifically) on issues directly related to MEAs, such as biodiversity and biotechnology, or climate and energy. The Business Council, together with its private sector partners, encourages actions for the best environmental practices, transparency and an improved relationship with communities regarding the implementation of technologies for prevention and control. Among the successful projects to date is the rehabilitation of areas affected by mining operations achieved through private sector research and technology development: since 1972 about 40 000 ha of exploited land have been reforested.[48]

Challenged by Greenpeace and supported by UNEP, three multinational enterprises (Unilever, Coca-Cola and McDonald’s) have also formed the “Refrigerants, Naturally” initiative to ban ozone-depleting substances or substances with global warming potential (such as hydrofluorocarbons, HFCs) from their production processes. The objectives are: (i) to promote a shift in the point-of-sale cooling technology towards natural refrigerants with low or non global warming potential without a reduction in efficiency; (ii) to provide a working group and supportive environment for those committed to using natural refrigerants; and (iii) to communicate with a wider network including other industries, governments and global society. Unilever engaged in this initiative mainly because they saw a good fit with their corporate social responsibility targets and for marketing reasons (pressure from consumers reflected in changes in buying decisions). The initiative has since been well-covered in the media, in the mainstream press, as well as in trade and environmental journals. Other outcomes include increased awareness of alternatives to HFCs (especially among competitors and legislators); a strong message to suppliers and the trade in general; and a change in the debate from *if* HFCs will be replaced to *when* that will happen.[49]

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[46] Farid Yaker, Enda Europe.

[47] Richard de Ferranti, Australian Greenhouse Office.

[48] Joaquim Machado, Business Council for Sustainable Development, Brazil.

[49] Alan Gerrard, Unilever.

The most effective incentives for the initiative were the threat from bad publicity for using environmentally-harmful substances, as well as the recognition that consumers are becoming more knowledgeable and demanding with regard to their environmental interests. However, there are no financial incentives or legislative demands for point-of-sale equipment to change HFCs (with Austria and Denmark being exceptions in the EU). Efficient co-operation between end users, suppliers, multinational organisations, NGOs, etc. has proven to be another important success factor. The development priorities of suppliers and the speed-to-market of new technologies were influenced by the small number of significant end users. In addition, the joint action helped overcome the barrier of high uptake costs for new technologies, while the involvement of IGOs and NGOs added to the credibility of the initiative, and helped to generate positive public relations.[50]

[50] Alan Gerrard, Unilever.

WORKSHOP PRESENTATIONS AND PAPERS

Barbut, Monique (United Nations Environment Program, UNEP DTIE):
“Improving cooperation and encouraging private investment to strengthen MEA implementation – How can intergovernmental organisations promote private investment that supports MEA implementation? The example of the United Nations Environment Program (UNEP)”.

Bishop, Joshua (The World Conservation Union, IUCN):
“Stimulating private investment in biodiversity conservation”.

Cooper, David (Convention on Biological Diversity, CBD):
“Private investment and the Convention on Biological Diversity: Challenges and opportunities”.

Cosbey, Aaron (International Institute for Sustainable Development, IISD):
“Can Private Investment Deliver on MEA Objectives? The Example of the Kyoto Protocol’s Clean Development Mechanism”.

De Ferranti, Richard (Australian Greenhouse Office):
“Australia’s approach to stimulating innovation on support of MEAs”.

Debbabi, Fethi (Sahara and Sahel Observatory):
“Innovation to combat desertification through private investment”.

Deli, Véronique (Permanent Delegation of Mexico to the OECD):
”OECD Workshop on Multilateral Environmental Agreements and Private Investment”, Opening Remarks.

Di Leva, Charles (The World Bank):
“Multilateral Environmental Agreements and Private Investment – A Brief Overview of Issues Observed in World Bank Context”.

Gerrard, Alan (Unilever):
“Refrigerants, Naturally – Promoting HFC-free Point of Sale Refrigeration”

Gigli, Simone (OECD):
“Private financial institutions and the environment”.

Glineur, Nicole (Global Environment Facility, GEF):
“Developing the engagement of the Global Environment Facility with the private sector”.

Grigg, Annelisa (Fauna and Flora International):
“Improving co-operation and encouraging private investment that supports MEA implementation: What are gains – for business and others – from private investment that contributes to MEA implementation?”.

Hanlon, Chris (Environment Canada):
“How do Governments Promote Private Investment that Supports MEA Implementation? – Competitiveness and Environmental Sustainability”.

Karkovirta, Pekka (Finnvera) and David Allwood (UK Export Credits Guarantee Department, ECGD):
“ECA’s contribution to the implementation of MEAs”.

Kracht, Michael (German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, BMU):
“Gains for the environment – Investing in climate protection”.

Machado, Joaquim (Business Council for Sustainable Development, Brazil):
“Understanding Biodiversity & Environment in Brazil: A Compromise Solution for Science, Technology and Business”.

Macías, Ernesto (Isofotón):
“Photovoltaic Technology contribution to MEA implementation”.

Mathur, Ajay (SenergyGlobal):
“Stimulating the Innovation and Diffusion of Clean Energy Technologies in Developing Countries (and promoting the implementation of the Climate Change Convention)”.

Mathur, Rajeev and Rijit Sengupta (Consumer Unit & Trust Society, CUTS):
“Partners in Development – Implementing Rio Conventions and Montreal Protocol through partnership initiatives in India”.

Mersmann, Christian (Global Mechanism to the UNCCD):
“Engaging the Private Sector: Participation, Collaboration, Partnership”.

Mulder, Lettemieke (Unilever):
“How can private investment complement government action to implement MEAs? Some private company considerations”.

Paquin, Marc (UNISFERA International Centre):
“MEA-based Markets for Ecosystem Services”.

Pitkänen, Harro (Nordic Environment Finance Corporation, NEFCO):
“Financing environmental investments and technology transfer – case NEFCO”.

Schmidt, Alke (European Bank for Reconstruction and Development, EBRD):
“Supporting Investments that Contribute to MEA Implementation: The Role of EBRD”.

Semené Guitart, Sebastià (The Ramsar Convention):
“The Ramsar/DANONE partnership – How can private sector help to implement an international convention to conserve wetlands?”

Simeonova, Katia (United Nations Framework Convention on Climate Change, UNFCCC):
“Challenges and opportunities for private investment under the UNFCCC and the Kyoto Protocol”.

Sohn, Jon (World Resources Institute, WRI):
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Vasquez, Juan Carlos (Convention on International Trade in Endangered Species of Wild Fauna and Flora, CITES):
"Economic incentives and increasing business involvement in the conservation of fauna and flora – Complying with CITES is good business".

Wallin, Stefan (Ministry of the Environment, Finland):
"Opening Remarks by the State Secretary of the Environment".

Ward, Halina (International Institute for Environment and Development, IIED):
"Corporate social responsibility – a step towards stronger involvement of business in MEA implementation?".

Yaker, Farid, (Enda Europe):
"Transferring Environmentally Sound Technologies through Public-Private Partnerships".