



Rio de Janeiro - Brazil  
22-26 March 2010

## The Private Sector at the World Urban Forum 5



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For the first time in a World Urban Forum, three main events were dedicated or closely related to the Business Sector's participation and commitment to sustainable urban development: a Business Caucus (two mornings' sessions), a Business Roundtable and the launch of the World Urban Campaign.

A large number of representatives from the industry and private sector attended the events, with high-level key speakers exposing their views and debating on urbanization challenges.

The WUF5 marks the beginning of a new era in terms of public-private partnerships towards addressing urban sustainable development and global challenges.

**UN-HABITAT Executive Director, Dr. Anna Tibaijuka, Ms. Hilary Clinton, US Secretary of States**, in her video statement at the closing ceremony, and other key speakers, **referred to public-private partnerships as a priority to face the urban challenges and the world's sustainable development.** Ms. Clinton also pointed out to the need for strengthening governance and putting in place innovative financing tools for local authorities.

## I BUSINESS CAUCUS : “Greening Cities – Bridging the Urban Divide”

Wednesday 24 and Thursday 25 March (9 am to 12 noon)

The Business Caucus was meant to be the key platform at WUF5 for the private sector to address the theme of fifth session on “The Right of the City : Bridging the Urban Divide”.

For the private sector, this entails issues of affordability and accessibility that can bridge the divide between the wealthy urbanites, between the developed and the dysfunctional city, between the safe and unsafe neighbourhoods. In this equation, comes innovation through new partnerships and business models that can address the bottom of the economic pyramid and provide more inclusive solutions to the lower segments, for the benefit of all, and towards more inclusive cities.



### Day 1 / session 1

#### **Summary:**

*The Business Caucus was a seven hours meeting, in two days, gathering people from the Business Community from all around the world. In the first morning session, eight key speakers debated on the urban environmental challenges and the potential opportunities they offer, as well as the innovations required, providing examples in specific contexts. In a two hour session, members of the World Business Council for Sustainable Development (WBCSD) debated on the challenges of developing urban infrastructure to support development while bridging the urban divide.*

**Moderator:** **Mr. Cemil Giray Alyanak**, President, mondogragilis group  
**Opening statement :** **Dr. Anna Tibaijuka**, UN-HABITAT's Executive Director  
**Panelists:**

- **Mr. Harrie Noy**, Chief Executive Officer, Arcadis NV
- **Mr. Benoit Papy**, Chief Operating Officer, Veolia Water Systems Latin America
- **Ms. Marina Grossi**, Director, Business Council for Sustainable Development (CEBDS), Brazil
- **Mr. Stephen Jordan**, Director, Business Civic Leadership Center
- **Dr. Ron Dembo**, Founder & CEO, Zerofootprint

The panel began with introductory remarks by the moderator Mr. Alyanak. He initiated the discussion by asking, “What private sector actions or innovations can transform environmental challenges into opportunities in the most general way?”

Ms. Grossi responded that joint efforts will be the most successful. The private sector has technological solutions to these problems and must be part of the process from the beginning.

Mr. Papy asserted that cities belong to their inhabitants and the private sector cannot change anything on its own without cooperation from cities and local governments. He then enumerated further points about the private sector's advantages in terms of technology, methods, and optimization of resources.

Mr. Jordan gave examples of a company in Guatemala that sells wood-burning stoves, reducing smoke by 70%, and a company that manufactures a plastic water filter producing 10 gallons of clean water per day for a year. He concluded that the most pertinent question is “Who is the market?” The definition and framing of the problem is critical.

Mr. Noy argued that one of the major contemporary challenges is pollution from greenhouse gases. Arcadis has two Brazilian landfill projects that extract methane gas for use as electricity. It is an investment with considerable returns in both revenues and carbon credits.

Mr. Alyanak then asked the second question of the panel: “How do your companies or the companies you represent bridge the urban divide? Can you please point to an example?”

Mr. Noy had just provided an example, so he shifted his comments to the impact of climate change on major urban areas. Many cities are located in delta areas, and usually it is the poor areas that are more impacted than affluent areas, such as the case of New Orleans during Hurricane Katrina.

Mr. Jordan responded by citing a challenging effort to transport dump trucks from Miami to Port-au-Prince, because the Haitian Ministry of Health has cited rubble and debris as an ongoing environmental challenge that continues to impact public health. This example highlights how a sector such as medical also relates to transportation, logistics, education, and workforce.

Mr. Papy highlighted Veolia's work on a widely heralded bus rapid transit (BRT) system in Bogotá, wastewater treatment for industrial and agricultural purposes in Mexico City, and biogas production at several French landfills.

Ms. Grossi asserted that her organization is a new model of urban infrastructure. They hope that Rio de Janeiro will be a place where they can develop these sustainable buildings in advance of the World Cup and the Olympic Games.

Finally, Mrs. Tibaijuka gave a welcoming address. She reminded the audience that the private sector is crucial to the future of cities and a key partner to engage with for achieving sustainable urbanization. In turn, she invited the business community to engage in the World Urban Campaign to carry the message of “better cities, better life” and ultimately impact on policies and people's lives.

Mr. Alyanak thanked Mrs. Tibaijuka and turned the floor over to Dr. Dembo for the presentation of the Zeroprize for re-skinning buildings to make them more energy efficient. Dr. Dembo explained that 40% of total US energy consumption can be attributed to operating buildings and that over 90% of buildings in most big cities are “old.” Thus, he launched a worldwide competition for solutions on retrofitting cities. The small and large commercial winners were a warehouse in San Francisco and a bank, respectively. The small and large residential winners were a generic American house and a Berlin suburban apartment complex, respectively. He concluded by announcing a \$10 million prize for the first zero energy, zero water, and zero carbon building.

## Focus on Zerofootprint and the Zeroprize

**Zerofootprint mission is to develop the software technology design and rigorous risk management that together will achieve a massive reduction of our environmental footprint. With shared technology, the organization is active in two domains : Zerofootprint Software Inc. and Zerofootprint Foundation in the not-for-profit sector.**

### The ZEROprize™

Zerofootprint is offering the ZEROprize™ to the design team who can take an older concrete high-rise structure and, using re-skinning along with other retrofitting technologies, reduce its carbon, water, and energy footprint to net zero while also maintaining the highest architectural design standards. To secure the ZEROprize™ a candidate building will be required to have a net zero footprint for one year. Buildings from any country are eligible.

### Re-Skinning Awards

In addition to the ZEROprize, Zerofootprint also offers the annual “Re-Skinning Awards” to showcase the most successful, holistic retrofitting projects of the year. These are projects that update older buildings to bring their carbon, energy, and water performance to sustainable levels, improve their aesthetics, and make them “smarter”. Buildings from any country are eligible.

For more information: <http://www.zerofootprint.net/>

## Business Caucus, day 1 / session 2

**Moderator:** **Mr. Christian Kornevall**, World Business Council for Sustainable Development (WBCSD) Coordinnator, Urban Infrastructure Initiative

**Panelists:**

- **Mr. Stéphane Quéré**, Senior Vice President, Sustainable Urbanization, GDF SUEZ
- **Mr. Helcio Tokeshi**, Managing Director, Estruturadora Brasileira de Projetos
- **Mr. Sergio Cavina Boanada**, Rio de Janeiro Regional Director, Siemens
- **Ms. Sophie Paul**, Senior Executive, Asahi Glass Co., Ltd.

Mr. Kornevall opened the session by discussing some global issues. He asserted that China is about to reach Japan’s level of development in 3 to 4 years and of the new Europe in about 10 years. He argued that the private sector must challenge the supposed trade-off between economic growth and environmental protection. Finally, he argued that cities can lift people out of poverty.

Mr. Quéré presented how GDF SUEZ employs 200,000 working on energy, water, and waste issues. They operate under the premise that cities are a place to live and a place to work that operate in a circular economy. Finally, he asserted that the private sector has a leading role in urban development under the leadership of local governments. Mr. Boanada explained how Siemens provides innovative solutions to help cities cope with the challenges of population growth, urbanization, and climate change. They offer transportation innovations for alleviating traffic and receive one-quarter of their revenues from green products. He asserted that the approach and way forward is through infrastructure that carefully serves and balances the quality of urban life. The best approach is through public-private partnership with integrated solutions.

Mr. Tokeshi presented the Estruturadora Brasileira de Projetos (EBP), an experiment in public-private partnerships, a joint venture between Brazil’s government development bank, the BNDS, and private development banks. It is an entity that can work for the government, but at the speed of the private sector.

Ms. Paul presented Asahi Glass Co. and the issue of how to make glass greener through solar-based technologies. She cited innovations in transport technologies. Finally, Mr. Kornevall concluded by presenting on WBCSD's Urban Infrastructure Initiative, which has the support of dozens of international companies.

### *Focus on the WBCSD's Urban Infrastructure Initiative*

The World Business Council for Sustainable Development (WBCSD) is a CEO-led, global association of some 200 companies dealing exclusively with business and sustainable development. The Council provides a platform for companies to explore sustainable development, share knowledge, experiences and best practices, and to advocate business positions on these issues in a variety of forums, working with governments, non-governmental and intergovernmental organizations. Members are drawn from more than 30 countries and 20 major industrial sectors. The Council also benefits from a global network of some 60 national and regional business councils and regional partners.

#### **The Council's objectives are to:**

Be a **leading business advocate** on sustainable development; **Participate in policy development** to create the right framework conditions for business to make an effective contribution to sustainable human progress; Develop and promote the **business case for sustainable development**; **Demonstrate the business contribution** to sustainable development solutions and share.

#### **The Urban Infrastructures Initiative' challenge**

Urban areas must become sustainable if the world's aims for social, environmental and economic progress are to be achieved. The project's vision is a world where cities provide a sustainable environment for people to live, work and play. Achieving sustainability for the world's cities requires strategic vision, a wide range of specific skills and the ability to integrate approaches covering the environment, competitiveness and citizens' quality of life. It is essential to build and maintain the necessary infrastructure, from physical connections to broadband, but that is just the start. Cities need to use resources efficiently, thrive economically and create inclusive communities. They need effective governance structures and processes.

#### **The opportunity**

The WBCSD Urban Infrastructure Initiative brings together a diverse group of companies that are collaborating to help urban authorities develop realistic, practical and cost-effective sustainability strategies. There is a tremendous opportunity to transform cities, using the member companies' understanding of the complexities of sustainability as well as their combined technical, financial and managerial expertise. City authorities are often forced to tackle individual challenges in a piecemeal way, with priorities influenced by short-term financial and political considerations. Individual businesses already work with urban planners and engineers to provide specific services and solutions. But sustainability requires an integrated approach, taking a system-wide view of the interlinked challenges. The Urban Infrastructure Initiative intends to seize the opportunity to work with authorities in several key cities to help create transformation plans and translate big picture concepts into feasible cross-sector solutions. Collectively, member companies can provide the research and analysis that will inform strategy, but crucially will also bring the mindset and the ability to make things happen on the ground.

#### **The role of the Urban Infrastructure Initiative**

Participants in the initiative aim to play the roles of: **Trusted advisor** on urban sustainability – using our unique private sector combination of expertise and understanding to complement urban planning business – be a trusted business voice ; **Transformer** – translating strategic concepts into a vision and roadmap for sustainable urban development by getting involved in strategic urban planning (upstream) addressing the interconnected challenges with effective, integrated solutions ; **Activator** – applying research and analysis, business processes, interaction and dialogue to address strategic urban sustainability challenges.

For more information: <http://www.wbcd.org>

## Business Caucus, day 2 / session 1

### Summary

*In the second morning session, three panels addressed the roles of Brazil, China, and India in sustainable urban development and especially green building. Twelve key speakers debated on the role of green initiatives that can also be profitable, using examples of beneficial business practices that support the poor. They also addressed the challenges faced by the three countries while working towards green standards for better cities. A number of positive responses were provided by the panel.*

**Moderator:** Mr. Zeca Camargo, Television Presenter, Globo Television, Brazil

**Panelists:**

- **Mr. Luiz Chor**, Vice-President, Federation of Industries of the State of Rio de Janeiro (FIRJAN)
- **Mr. Zhang Xuezhou**, President, Elite Real Estate Research Academy, China
- **Mr. Animesh Sen**, Federation of Indian Chambers of Commerce and Industries (FICCI) and CEO, Purbasa Nirman Ltd

**Major issues:**

The panel addresses the roles of Brazil, China, and India in sustainable urban development.

Mr. Camargo opened the session by introducing the panelists and commenting that his country, Brazil, will play a key role in implementing the environmental agenda, as will China and India, also represented on the panel. He then asked Mr. Chor about what Brazilian companies are doing for Brazilian cities and for examples of outstanding initiatives from the private sector in Rio de Janeiro.

Mr. Chor asserted that Brazilian companies have taken leadership on environmental issues such as water, energy, and raw materials. He cited Coca Cola's program "Water from the Brazilian rainforest" that seeks to augment water supplies through reforestation and conforms to the Kyoto Protocols. Another example is FIRJAN, which opened the greenest production facilities in Rio state that is being used by almost 50 companies. Finally, in Rio, he pointed to state-owned oil company Petrobras, which has had its share of environmental problems in the past, but invested \$300 million USD alone in 2008 on over 2,300 social, environmental, sport, and cultural projects.

Mr. Camargo Mr. Zhang about the importance of the green agenda to Chinese real estate interests.

Mr. Zhang responded that the China Real Estate Chamber of Commerce has created the first green housing system in China, comparable to the LEED system. Real estate developers are also sensitive to the use of low-carbon materials and resources. He pointed out the high price of green efforts, however, at approximately \$200 per square meter. Ultimately, very different designs will be used for green projects.

Mr. Camargo asked Mr. Sen about the attitude of the Indian business community toward change. He posted the question, "How do you foresee the future of your country in how it can influence the rest of the world?"

Mr. Sen responded that green is becoming a key focus in India. He asserted that public-private partnerships have assumed a central role in making good process in ensuring a more sustainable urbanization. In his state, West Bengal, such partnerships have been a big leap forward for the region and the country. India is a developing country, on its way to development. In this context, urbanization frequently increases the urban divide. The challenge in India is to bridge the divides as urbanization continues.

## Business Caucus, day 2 / session 2

**Moderator :** Ms. Christine Auclair, Private Sector Unit Chief, UN-HABITAT

**Panelists:**

- **Mr. Oded Grajew**, President Emeritus, Ethos Institute of Business and Social Responsibility and Our São Paulo Movement
- **Mr. Marcos Simões**, Vice-President of Communication, Coca-Cola Brasil
- **Mr. Deepak Jolly**, Vice-President, Coca-Cola India
- **Mr. Hu Jianxin**, Deputy General Manager, China Merchants Properties Development

**Major issues and concerns**

The panel addresses the issue of affordability vs. profitability in sustainable business practices in Brazil, India, and China.

Ms. Auclair introduced the panelists. She asked for examples of green initiatives that are also profitable, as well as for examples of beneficial business practices that support the poor. Finally, she asked if such practices can bridge the urban divide.

Mr. Grajew said he does not represent a company, but will give example of some companies with whose work he is familiar. His institute, Ethos, represents 1,400 companies with the mission of mobilizing them for responsible development and improving cities. Three years ago, Ethos launched an initiative to promote sustainability agendas in municipal government. They will create an executive secretariat financed by the businesses at Ethos to push the sustainable development agenda at the public policy level. However, in Brazil there is a tradition of politicians responding largely to their campaign financiers, and this must change for progress to be made. Likewise, policies and staff change over with each election, and sustainability must remain on the agenda permanently. Mr. Grajew also pointed to the City Observatory that tracks data, statistics, and indicators on urban inequality. Finally, the Brazilian Social Network is connected with a Latin American network that exchange ideas and experiences on these topics.

Mr Simões underlined that, because of the extreme pressures on natural resources, Coca-Cola now sees sustainability at the heart of their corporate strategy, which is reflected through the campaign “live positively.” He cited the “6 Ps”: performance, productivity, planet (environment), production, partners, people. All of Coca-Cola’s practices involve low-income groups, as the majority of their customers are low- and middle-income customers. Coca-Cola involves this population by training groups to create their own businesses and offering microcredit loans. Finally, green practices encourage innovation, such as more responsible packaging. In turn, Coca-Cola is supporting recycling cooperatives, because under “live positively,” package cannot be considered waste, but rather a precious material to be reused. Sustainability *is* an opportunity because of a demand that began externally.

Mr. Jolly announced his company’s partnership with UN-HABITAT on water and sanitation. He explained that while economist Milton Friedman once said that companies’ only social responsibility is to enrich its shareholders, this is clearly an outdated viewpoint in the 21<sup>st</sup> century. Businesses must operate in the larger context of raising the wealth of the overall society, and India will seek to do so through the Commonwealth Games. He also gave an example of a public-private partnership with the Delhi government for rainwater harvesting. Finally, in Bangladesh and Nepal, Coca-Cola has created awareness programs about water and sanitation in slums areas, reaching more than one million people.

Mr. Hu’s Director of sustainability discussed the practice and thought behind green real estate. He cited a green building rating system, the reduction of energy consumption, improvement of energy consumption, application of low carbon technologies, and reduction of emissions from non-renewable energy. Finally, he gave examples, including the Tiger apartment project that is LEED-NC, the Hills in Guangzhou that won The Habitat Business Award in 2009, and the Guangdong province that is home to Garden City and Coastal Sun-City. China’s challenges can be overcome through incentives, public awareness, and building lifecycle.

## Business Caucus, day 2 / session 3

**Moderator:** Ms. Christine Auclair, Private Sector Unit Chief, UN-HABITAT

**Panelists:**

- **Mr. Eduardo Campos de São Thiago**, Global Co-Secretary, ISO Working Group on Social Responsibility, Brazilian Association of Technical Standards (ABNT)
- **Mr. Bibhu Prasad Acharya**, Metropolitan Commissioner, Hyderabad Metropolitan Development Authority, India
- **Mr. Zhang Xuezhou**, President Elite Real Estate Research Academy, China
- **Mr. Casius Pealer**, Manager of Affordable Housing, United States Green Building Council (USGBC)

**Major issues and concerns**

The panel addresses the issue of affordability vs. profitability in sustainable business practices in Brazil, India, and China.

Ms. Auclair started asking all the panellists: “What challenges are you facing while working towards green standards for better cities?”

Mr. Campos de São Thiago answered by precisising ISO’s work regarding standardisation. Since 2005, ISO, which has more than 16,000 standards, has been involved in the preparation of international standards for social responsibility. For him, the challenge is making industries aware of the standards.

Then, Mr. Zhang explained that China’s challenges are on the hands of the central government, which has not yet adequately supported green building, and that developers lack of knowledge on the concept.

Regarding the Indian case, Mr. Acharya explained how Hyderabad’s green standards have been established in his city’s master plan.

Mr. Pealer said the three challenges the U.S. Green Building Council has encountered are setting standards, training and education for designers and builders, and financing.

Ms. Auclair asked, “In order to increase environmental practices, what balance should be achieved between voluntary and enforceable standards? Are there particular challenges?”

Mr. Campos de São Thiago cited countries in which the law does not provide for minimum environmental protections. In such cases, companies should instead adhere to international standards.

Mr. Acharya said energy efficient practices are being adopted as voluntary practices in India.

Mr. Zhang said that the central government provided some enforceable standards for energy savings, but they vary from city to city.

Ms. Auclair asked, “If green standards often means an extra cost for the company and the customer, to what extent those are applicable in Brazil, China and India? How does that fit in the corporate social responsibility agenda? How can an environmental dimension be integrated into corporate social responsibility? Is that the best way to engage companies into more green practices in cities, at the local level?”

Mr. Acharya cited a polluted lake in India that a private company voluntarily cleaned up.

Mr. Zhang thinks that the extra cost is a problem for at least half of the investment companies in China.

Mr Pealer says that in an integrated process there are not so much extra costs anymore. The value of green buildings can grow exponentially with the energy costs saved.

Mr. Campos de São Thiago said a responsible organization can make a meaningful contribution to green standards by adhering to international norms.

Mr. Acharya said India began an effort to construct green buildings a few years ago and did have to convince some reticent players. However, today India has 275 million square feet of green space and is fourth in the world after the USA, Australia, and Canada.

## II BUSINESS ROUNDTABLE: “Business and Innovation, Bridging the Urban Divide”

Thursday 25 March (1.30 to 4.00 pm)



*The Business Roundtable (from left to Right): Mr Sylvio Vaz, Mr Stéphane Quééré, Mr Darren Ware, Mr Darin Gunesequera, Mr Gordon Feller, Mrs Christine Auclair, Mr Animesh Sen, Mr Christian Kornevall*

### Summary

Key speakers reported on the process initiated in Nanjing at the fourth session of the World Urban Forum, particularly on the two working groups of private sector companies and partners on the themes “Business at the bottom of the pyramid for urban sustainability” and “Good urban governance: towards an effective private sector engagement”. Recommendations were presented by three key speakers from Veolia Environment, Cisco and the Wiros Lokh Institute. They debated on the way forward, particularly on the content of the “Core Business Principles for sustainable urbanization” to be part of a process of commitment and a constructive contribution to UN-HABITAT.

**Chair:** Mr. Gordon Feller, Chief Executive Officer, Urban Age Institute, USA

**UN-Habitat:** Ms. Christine Auclair, Chief, Private Sector Unit, UN-Habitat

#### Panellists:

- **Mr. Animesh Sen**, Federation of Indian Chambers of Commerce and Industries (FICCI) and CEO, Purbasa Nirman Ltd
- **Mr. Christian Kornevall**, Coordinator, Urban Infrastructure Initiative, World Business Council for Sustainable Development (WBCSD)
- **Mr. Darin Gunesequera**, Director, Wiros Lokh Institute, Sri Lanka
- **Mr. Darren Ware**, Strategy and Business Development Emerging Markets, CISCO, USA

- **Mr. Dominique Héron**, Vice-President for Partnerships, Veolia Environnement, France
- **Mr. Silvio Vaz**, President, Vale Foundation, Brazil
- **Mr. Stéphane Quéré**, Co-Chair, Urban Infrastructure Initiative, World Business Council for Sustainable Development

In his opening remarks, the Chair briefed the purpose of the Roundtable. Ms. Auclair outlined the process that led to the organisation of the roundtable and the way forward. Based on the Special Session held during the fourth World Urban Forum, two working groups of private sector companies and partners were established on the themes *Business at the bottom of the pyramid for urban sustainability* and *Good urban governance: towards an effective private sector engagement*. The two working groups have drafted recommendations and *Core Business Principles for Sustainable Urbanisation*.

Mr. Ware reported key findings of the first working group. He emphasized that basic principles also apply to *bottom of the pyramid* approaches regardless of the fact that the customers are poor. He concluded that Governments should use their opportunities to support *bottom of the pyramid* practices to harness the positive impacts for achieving sustainable urbanisation.

Mr. Gunesekera supported the working groups' recommendations and explained practical experiences he gained through the implementation of an affordable housing development project in Sri Lanka. He called for stronger consideration of *bottom of the pyramid* approaches through public incentive measures as well as for new forms of public planning authorities that focus on setting the rules instead of engaging in direct implementation of projects.

Mr. Héron presented the recommendations of the second working group in relation to good governance. Summarizing key recommendations available to the participants prior to the session, he synthesised the findings by stressing the need for a convergence between the two working groups. He emphasized the need to promote better governance by involving the private sector in an effective manner to allow it to address the *bottom of the pyramid* through business practices that incorporate the low-income customers.

Mr. Vaz reported on the successful work of the Vale Foundation throughout Brazil, which encompasses a wide range of activities implemented in partnerships with governments in areas of affordable housing, infrastructure, social service provision, and income generation.

Mr. Kornevall shared the perspectives of the World Business Council for Sustainable Development, stressing that the private sector could not continue business as usual. Climate change and associated developmental challenges are forcing the private sector to make drastic changes that would reshape consumption patterns and address the *bottom of the pyramid* by incorporating the poor in the business value chain.

Mr. Quéré reiterated the willingness of the private sector to be engaged in urban planning and investment processes from the early stages on. This would ensure the maximum contribution of committed businesses partners through innovative solutions.

Citing examples of Mumbai, India, Mr. Sen stressed that there are immense disparities in access to housing and services across different income groups and the need for effective public policy responses.

A key aspect emphasized in the roundtable discussion was the need to ensure that community groups are included in *bottom of the pyramid* approaches. At the same time, poor communities should not only been seen as mere consumers but also as producers and sources of capital. In addition, participants highlighted the need to take a more detailed look at the complexity of business interests involved, ranging from small enterprises to international corporations in order to better respond to the challenges.

## Emerging issues

- Within the context of climate change, and the associated challenges, bottom of the pyramid (BOP) approaches are necessary to address the growing urban poverty.
- The future of cities relies on economic viability and sustainability. Good urban governance that allows an effective engagement of the private sector is key to sustainability. The private sector possesses the critical resources and competencies that can be leveraged to create working models of engagement and participation towards the realization of good urban governance.
- In the spirit of the United Nations Global Compact and its ten principles related to human rights, labour, environment, and corruption, core business principles for sustainable urbanization shall concretise the urban dimension of private sector's actions. They are considered essential to guide the private sector's engagement towards better cities, in the spirit of the new World Urban Campaign.
- As in the case of other Habitat Agenda Partners, the Private Sector should establish an organised platform to speak as one voice. That could be in the form of an advisory board to exchange on key urban issues and advise UN-Habitat, member states and other partners on relevant policies.



*The Business Roundtable : "towards an effective private sector engagement"*

### III LAUNCH OF THE WORLD URBAN CAMPAIGN



*Arcadis, Press Group and Zerofootprint signing an Agreement Of Cooperation with UN-HABITAT*

The WORLD URBAN CAMPAIGN was launched at the WUF5. The Business Partners were closely associated to it, as seven of them signed a Memorandum of Understanding with UN-Habitat, to commit to the World Urban Campaign : Arcadis (Netherlands), China Real Estate Chamber of Commerce (CRECC), Siemens and Siemens Stiftung (Germany), Pressgroup Holding Europe SA (Spain), Veolia Environnement (France), Zerofootprint (Canada).

Moreover, VEOLIA company participated in the Campaign launch, in financing the logo competition through a \$US 50,000 contribution. A cheque was given to the logo designer by Mr. Philippe Mechet, Group communication Director, VEOLIA Environment.

**In his speech, Christian Kornevall**, Coordinator of the Urban Infrastructure Initiative at the World Business Council for Sustainable Development (WBCSD) confirmed the commitment of the business community to the World Urban Campaign.



*VEOLIA company giving a \$ US 50,000 cheque to the winner of the WUC's logo competition*



*The WBCSD in the World Urban Campaign Launch's panel*

## IV WUF5 CLOSING CEREMONY



**Katharina Felgenhauer**, in charge of International Donation, BASF, delivered a statement on behalf of the business and industry representatives.

### **Message from the Private Sector, closing ceremony:**

*“After fruitful debates among diverse private sector partners during the Fifth session of the World Urban Forum, especially during the Business Caucus and the Business Roundtable, the private sector can state the following:*

*The future of cities relies on economic viability and sustainability. Good urban governance that allows an effective engagement of the private sector is key to sustainability. The private sector possesses the critical resources, competencies, expertise and willingness to create working models of engagement and participation towards the realization of sustainability.*

*Business solutions are sought to tackle climate change and the associated urbanization challenges. Bottom of the Pyramid approaches that include the poor in business processes are necessary to address the growing urban poverty.*

*The tremendous urbanization challenges require new ways of thinking, new levels of understanding between stakeholders and new partnerships.*

*The private sector is committed in its daily business to promote the positive role of cities, convinced that investing in innovative, resilient and sustainable cities is essential to our future. National wealth and sustainability cannot be achieved without focusing on cities because urban activities are drivers of economic growth and prosperity.*

*The private sector is committed to support UN-Habitat’s mandate through diverse forms of partnerships, in particular: continuing dialogue through the Habitat Business Forum; operational activities in urban infrastructure, shelter provision, disaster relief and reconstruction, water and sanitation, education and youth empowerment; research and campaigning; putting knowledge to practice.*

*We are looking forward to join in a common platform of private sector partners to interact with the other Habitat Agenda partners to contribute in the best possible manner to achieve sustainable urbanization.”*

**Katharina Felgenhauer, BASF SE**

## V WAY FORWARD

### The Private Sector Urban Working Group

In the Business roundtable, the private sector resumed the two working groups initiated at WUF4 in Nanjing and presented its recommendations to UN-HABITAT.

The two working groups have merged into one single working group, the *Private Sector Urban Working Group* that will focus on the finalization and approval of the *Core Business Principles for Sustainable Urbanization* in a one-year road map up to the next 23rd Governing Council. The World Business Council for Sustainable Development (WBCSD), that gathers about 200 companies worldwide, will take part in the working group through its *Urban Infrastructure Initiative's* members.

#### *Core Business Principles for Sustainable Urbanization*

*Draft submitted to the roundtable for debate:*

We, members of the private sector are committed to sustainable urbanization and development. To demonstrate our commitment in meeting the needs and expectations of all stakeholders in the creation of sustainable and harmonious urban areas, we affirm that our activities and behaviors wherever we do business will be guided by these principles:

##### **1. Responsible Business**

We shall create and sustain responsible business practices that foster economical, environmental and social wellbeing in our urban centers. We endeavor to engage in practices that respect human rights, uphold the freedom of association and the right to collective bargaining, are non-discriminatory, and are anchored on sustainability of urban environments and urban social networks. We directly take responsibility for all our business actions and mitigate their impacts on the ecology and society.

##### **2. Eco-Friendliness**

We commit to pursue business objectives through strategies that are eco-efficient. We shall engage in business processes for the production of economically valuable goods and services while increasingly reducing the negative ecological impacts of production on the urban environment.

##### **3. Collaboration and Partnership**

In the spirit of sharing and multilateralism, we agree to engage in multi-sectoral collaborations on cross-cutting issues that will provoke action on how we can create opportunities for the poor. We shall also foster partnerships with other stakeholders with the aim of sharing information and technologies that will improve the overall performance of the private sector worldwide, without eliminating fair competition. We also aim to engage the urban poor through the informal sector to create systems that are mutually beneficial to the poor communities and business concerns.

##### **4. Innovation and Creativity**

We affirm to invest in the growth of innovation and creativity. We shall support efforts made by academia, professional bodies, governments and civil society organizations to develop solutions that address the urban challenges of today and the future. We shall invest in new technologies that cut down negative ecological impact, reduce wastage and increases production output.

##### **5. Urban Social and Ecological Capitalization**

We commit to invest in the aggregation of social and ecological resources through business-driven systems that will create and strengthen the social and ecological wealth of urban centers.

##### **6. Option for the Poor**

We shall make deliberate efforts to recreate and grow inclusive and sustainable market initiatives. We shall increase our contribution to the war against urban poverty through sustainable corporate social responsibility activities and market-based strategies that aim to make our goods and services affordable, accessible and available to the urban poor.

##### **7. Optimal Value**

We resolve to undertake business growth and prosperity that generates ecological, social and economic value. We commit to operate at business levels that optimize the wealth of the urban environment and minimize harmful externalities.