

Private Sector Strategy Meeting

14th April at Tribe Hotel Nairobi

23rd session of the UN-HABITAT Governing Council

Final report

Participants

Private Sector representatives:

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Observer :

Mr. Nicolas Buchoud / *Urban expert – Renaissance Urbaine Consultants* / renaissance_urbaine@yahoo.fr

UN-HABITAT participants :

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

Mr. Jean-Yves Barcelo, UN-HABITAT - *Geneva Liaison Office*

Mr. Debasish Bhattacharjee, UN-HABITAT - *Water and Sanitation Section*

Mr. André Dzikus, UN-HABITAT - *Water and Sanitation Section*

Mr. John Hogan, UN-HABITAT - *Training and Capacity Building Branch*

Mr. Joe Hooper, UN-HABITAT - *Training and Capacity Building Branch*

Mr. Robert Kehew, UN-HABITAT - *Urban Environmental Planning Branch*

Mr. Vincent Kitio, UN-HABITAT - *Urban Energy Section*

Mr. Dudou Sulayman Mbaye, UN-HABITAT - *Regional Office for Africa and the Arab States*

Prof. Oyebanji Oyeyinka, UN-HABITAT - *Director, Monitoring and Research Division*

Mr. Albert Padros, UN-HABITAT - *Resource Mobilization Unit*

Mr. Christian Schlosser, UN-HABITAT - *Urban Transport Section*

Ms. Raphaëlle Vignol, UN-HABITAT - *Private Sector Unit*

Minutes of the Meeting

Summary:

A Private Sector Strategy Meeting held on Thursday 14th April as a side event of the 23rd session of the Governing Council gathered about fifteen representatives of the private sector, including the World Business Council for Sustainable Development, the US Chamber of Commerce and the Kenya National Chamber of Commerce and Industry, as well as representatives of companies such as BASF Social Foundation, Capital Markets for the Marginalized, Veolia Environnement, Siemens, Philips, Arcadis, GDF-Suez, Pricewaterhouse Coopers and Mega Consultores.

Participants engaged in a dialogue on challenges posed by urbanization which are complex and required significant resources to address- which the public sector cannot address alone. As private sector is centered on economic performance hence it is equipped to deal with the complexity of these challenges, but also it stands ready to maximise upon the potential of cities. The private sector is also adaptable, able to change according to new realities and demands, more prepared for proactive investment and mechanisms that allow for continuous improvements and innovation.

Participants reaffirmed their commitment to investing their resources and competencies in supporting sustainable urban development practices. In particular, they discussed ways to move forward with the Core Business Principles for Sustainable Urbanization, prepared by previous working groups and presented during the fifth session of the World Urban Forum in Rio de Janeiro in 2010. They agreed on a road map to turn business principles into key actions while integrating them into UN-HABITAT priorities.

In order to concretize their engagement, they established **the Urban Private Sector Advisory Board (UPSAB)** whose role will be to foster cooperation and partnership between Private Sector entities and UN-HABITAT, through dialogue and partnership development. This new advisory board also aims at providing leading-edge advice, information and expertise that contribute to address the challenges of sustainable urbanization.

1. Introduction and background

The Meeting was facilitated by John Hogan and moderated by Christine Auclair, Darin Gunesekera and Cedric Baecher. The final synthesis was done by Katharina Felgenhauer.

After a brief introduction and approval of the agenda, Christine Auclair presented the overall background and framework of cooperation between UN-HABITAT and the Private Sector, emphasizing the work carried out by the various private sector working groups since the 4th World Urban Forum (Nanjing, 2008). She presented a typology of partnerships and suggested new opportunities for cooperation in the six focus areas of UN-HABITAT's Medium Term Strategic Institutional Plan (MTSIP).

Prof. Oyebanji Oyeyinka's introductory speech focused upon the present urban trends, as well as the challenges and opportunities offered by cities. He confirmed the importance to strengthen UN-HABITAT's engagement with Private Sector and encouraged the existing collaboration work carried out by UN-HABITAT's Private Sector Unit and private sector representatives.

2. Presentation of partnerships between UN-HABITAT and private sector entities

Three UN-HABITAT partners presented their current partnership activities.

Bert Smolders from Arcadis presented the 'Shelter Programme', a three-fold partnership initiative with UN-HABITAT 1) as a member and funder of the World Urban Campaign, 2) by providing pro-bono expertise to UN-HABITAT's field operations, 3) through the joint training programme, the "Shelter Academy, targeted at city councilors. Bert Smolders focussed on the fact that one of the main driver of the programme is the high motivation of Arcadis' staff. A short discussion followed on the way Arcadis and UN-HABITAT partner on specific pro-bono national project activities using their extensive expertise which has proven to be an attractive model that benefits both parties.

Cédric Baecher representing VEOLIA Environnement shared the story of a twelve-year partnership based on expertise sharing, advocacy and guidance. He explained the long term process of developing the Guidelines on Decentralization and Basic Services, a normative document to which they actively contributed to. UN-Habitat and Veolia are presently in the process of implementing the guidelines in different countries where they already work for local governments as a supplier. Participants requested to receive the Guidelines on Decentralization and Basic Services.

Representative of the BASF Social Foundation Ms. Felgenhauer presented Basf, a global chemical company, and explained the foundation's participation in UN-HABITAT emergency and reconstruction programmes, mainly through direct grants. BASF's cooperation with UN-HABITAT is dissociated from the core business of the company. Activities have been carried out in Asia and Latin America since 2005 with a total grant of 3 Millions Dollars. She stressed the interest of BASF in showing its sense of responsibility and commitment in sustainable development to its employees. BASF is an active member of the Global Compact and also organizes high level strategic meetings such as the Conference on cities' future which was held in 2003. The partnership with UN-HABITAT allows BASF to support their goals. **Discussion on the Core Business Principles**

Christine Auclair reminded the group that the principles had been drafted and approved by previous working groups to which most of the meeting's participants contributed. She reminded that principles are meant to go beyond the Global Compact Principles by providing a specific framework that takes into account business action addressing urban issues.

Participants gave different thoughts on ways of implementing the Principles into strategic actions. Stephane Quéré proposed to translate the principles into targeted actions.

Alphan Njeru suggested the development of a tool to monitor and measure the impact of the principles on business practices. Guido Peters emphasized the role of suppliers in implementing the principles. As several participants represented major companies working with a large number of suppliers around the world, Mr. Peters suggested starting implementing the principles at this level.

Participants agreed that the principles need to be disseminated beyond the existing group. The group agreed on the need to develop a plan and road map for the dissemination, communication and implementation of the principles.

3. Presentation by Executive Director Dr. Joan Clos and debate with participants

Executive Director Dr. Joan Clos presented his vision on the future of cities and thanked the private sector for supporting the urban agenda, stating their key role as development partners: '*Cities are the place of innovation and interrelations. It is now clear that we cannot build the city without the Private Sector (...) We need to help cities and the private sector understand each other and build on productive alliances*'. He stressed the need of developing a better dialogue, as well as "a common agenda" through a strengthened cooperation between the private sector, national and local governments. These actors have indeed a common interest in improving the way cities are managed
Dr. Clos stressed the importance of basic urban planning and the role which has to be given to the street in cities development. He stressed the general lack of a comprehensive and approach to planning for growth in cities around the world . He expressed his intent to work with governments on establishing urban policy frameworks at the national level.

Dr. Clos particularly alerted the audience on the challenge of creating wealth and employment while reducing energy consumption in cities, as well as escaping from current dysfunctional urban dynamics which characterizes some countries.

4. Establishment of the Urban Private Sector Advisory Board – UPSAB

Participants exchanged views on the best way to go forward as a key partner group of UN-HABITAT, as well as having a stronger voice in the global urban agenda. They agreed on the establishment of the Urban Private Sector Advisory Board – UPSAB. Private Sector representatives defined the UPSAB role as follows:

- to improve communication with UN-HABITAT
- to feed the core business principles for sustainable urbanization, with for instance the provision of case studies and best practices
- to contribute to the development of urban policy frameworks
- to communicate on the business environment and its role in sustainable urban development.

It was agreed that UPSAB will contribute to existing knowledge platforms such as the Urban Gateway platform or the World Urban Campaign and the 100 Cities initiative for instance.

The Board expressed its interest in exploring options for the development of a trust fund that will allow the implementation of a portfolio of operations based on common priorities. Participants requested UN-HABITAT to prepare a short proposal in order to examine the feasibility of such trust fund. Ms. Felgenhauer underlined the need to give a very clear focus to the trust fund in order to be attractive for private sector potential partners.

The group discussed UPSAB's Terms of Reference and defined the following work plan:

	Description	Focal Point
Task 1	Concept note on the creation of a trust fund	UN-HABITAT Private Sector Unit
Task 2	Drafting UPSAB's Terms of Reference	UN-HABITAT Private Sector Unit
Task 3	Proposal on the opportunities of collaboration of UPSAB to the RIO+20 Summit	Katharina Felgenhauer / Basf Foundation
Task 4	Proposal on the governance structure of UPSAB (to be included in the ToRs)	Cedric Baecher and Nicolas Dutreix / Veolia Environment
Task 5	Proposal on knowledge sharing tools for UPSAB	Taryn Bird / The US Chamber of Commerce
Task 6	Proposal on concrete ways to use and disseminate the Core Business Principles	Dr. Darin Gunesekera

It was agreed the focal points would seek out interested UPSAP members to contribute to developing the above mentioned proposals prior to the next meeting.

Participants agreed on the following timeline for the three next UPSAB Meetings:

Sept 2011 Date to be confirmed	March 2012 Date to be confirmed	September 2012 Date to be confirmed
Jointly with the WUC Steering Committee	Jointly with the Professionals' Meeting in Paris, France	At the 6 th session of the World Urban Forum
At Arcadis' Headquarters in Amsterdam, The Netherlands	Venue to be confirmed	Naples, Italy