

# THE UNCCD & BUSINESS: PARTNERSHIP OPPORTUNITIES FOR SUSTAINABLE LAND MANAGEMENT

## Context

COP 10<sup>1</sup> decided to grant observer status and participation in official meetings of the governing bodies of the UNCCD to those business and industry entities that: (a) have expressed interest in participating in meetings of the Conference of the Parties and its subsidiary bodies; (b) have specific expertise in matters relating to the Convention; and (c) participate in the United Nations Global Compact. In the case where an organization does not participate in the United Nations Global Compact, clearance prior to its accreditation shall be requested from the United Nations Procurement Division and the United Nations Ethics Office, where appropriate<sup>2</sup>. Six business sector entities were accredited as observers by COP 11.

COP 11<sup>3</sup> then requested the secretariat and the Global Mechanism to promote the further involvement of business and private entities in UNCCD meetings and processes, and to develop a business engagement strategy outlining the objectives, modalities and conditions of UNCCD partnerships with business and industry entities for consideration and approval of the Bureau of the Conference of the Parties *ad interim* and for consideration by the Conference of the Parties at its twelfth session<sup>4</sup>.

- Part 1 of this document briefly sets out an UNCCD business sector engagement strategy (including objectives). It is not fully comprehensive as it does not attempt to capture all the GM specific work on the identification of innovative financial opportunities and promotion of SLM-smart investments by the private sector, the financial sector and capital investors. These activities are a major component of the existing GM mandate. Rather it identifies broad areas of activity that can help generate business commitment to SLM and open the door to partnership opportunities with UNCCD stakeholders.
- Part 2 outlines the principles and guidelines (modalities and conditions) to be applied by the UNCCD secretariat in developing partnerships with business and industry entities, with a view to avoiding any political risk for the UNCCD arising from any future engagement.

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<sup>1</sup> Decision 5/COP 10 (para 4)

<sup>2</sup> Accreditation Process: <http://www.unccd.int/en/Stakeholders/civil-society/Accreditation-process/Pages/default.aspx>

<sup>3</sup> ICCD/COP(11)/L.12

<sup>4</sup> Decision COP 11/5 para.2

## Part 1

### The UNCCD and Business: An Engagement Strategy

#### Background

The Private Sector/Business and Industry Entities (the Business Sector)<sup>5</sup> are important stakeholders in the Desertification, Land Degradation and Drought (DLDD) arena.

Degrading land is an underperforming asset for the business sector - often with significant productivity yield gaps. Business can play an important part in changing the current land management paradigm where economic behavior encourages unsustainable practice (such as over cultivation, overgrazing, deforestation, improper of irrigation, resource extraction that lowers water tables) that degrade land. If the business sector increasingly supports and adopts sustainable land management techniques along its value chains, business will be part of the solution to multiple development challenges. By building on existing best practice and adopting SLM, business will be a change agent for good with direct benefits for the triple bottom line (financial, social and environmental performance).

#### Objectives and Rationale

Our objective is to encourage investment in sustainable land management; to develop vibrant partnerships for SLM implementation and to help business evolve their corporate practice regarding land management.

Elements of the rationale for this approach include:

- Implementation of the UNCCD 2008-2018 Strategic Plan- specifically, but not limited to, operational objective 4: Financing and Technology Transfer and outcome 4.5. *Innovative sources of finance and financing mechanisms are identified to combat desertification/land degradation and mitigate the effects of drought, including from the private sector, market based mechanisms, trade, foundations and CSOs, and other financing mechanisms for climate change adaptation and mitigation, biodiversity conservation and sustainable use and for hunger and poverty reduction.*
- Defining UNCCD as the lead agency for sustainable land management (SLM) issues for business sector entities affected by DLDD.
- Harnessing business skills, talents and networks in the campaign to reverse land degradation trends.
- Complementing the 'UN Guidelines for Partnership with the Business Sector' and the EMG's Global Drylands: A UN system-wide response.

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<sup>5</sup> Business Sector rather than Private Sector is used in this document because it is focusing on 'for profit' companies, business networks and mission-oriented business/social enterprises. Civil society and non-governmental organizations, 'Not for profit' companies and Think Tanks are not included in this strategy.

## **Approach**

**The aim of the UNCCD Business Engagement Strategy (BES) is to identify ways for the UNCCD to proactively engage with a wide range of stakeholders across the business sector and promote their use of sustainable land management approaches and techniques.**

UNCCD relevant policy issues with a high impact on DLDD and that are of high level of concern to business are: Food Security, Water Scarcity and Energy Challenges. Climate change mitigation and adaptation, as well as forced migration may also be considered as entry points. All of these entry points directly impact and undermine human security, social stability and business potential.

Demonstrating the impact of land degradation on the triple bottom line (financial, social and environmental performance) thereby making the business case for Sustainable Land Management (SLM) will be paramount.

SLM encompasses but is not limited to: increasing population resilience, improving land management, diversifying production, restoring land, maintaining biodiversity, controlling erosion and using non-wood energy sources. All of these approaches are crucially important for food security, energy challenges and water scarcity issues and can be directly linked economic stability and business activity.

**With this in mind, to efficiently support partnership development, UNCCD will principally target companies most likely to be affected by these DLDD issues and most likely to receive direct business benefits from adoption of Sustainable Land Management approaches.**

The business sector should feel that it is a stakeholder in the UNCCD process. The UNCCD promotes and has good practice approaches on SLM technologies covering: adaptation; capacity building and awareness-raising; monitoring and assessment; knowledge management and decision support; as well as a financing, policy and institutional framework. This knowledge and experience is not only valuable for businesses but properly packaged ensures UNCCD's credibility and legitimacy with business.

## Brief Strategy for Implementation

**1) Establishing an enabling policy environment.** The UNCCD will establish a framework that allows business to participate in UNCCD processes. In this regard, the following objectives are proposed:

- To accredit an increasing number of Business Entities to UNCCD core events, following the accreditation process approved Parties;
- To foster the SLM Business Forum as a coordinating platform for business support for SLM and the UNCCD process and encourage the implementation of its Windhoek Declaration<sup>6</sup>;
- To articulate a UNCCD business proposition – explaining the value of engagement in the UNCCD process to business;
- To articulate and translate the implications of DLDD challenges and policy into business relevant formats and concrete concepts;
- To analyze potential synergies with other entities in the UN system and beyond that should be approached as a platform for effective partnership development and to avoid duplication of effort;
- To build a platform, based on the Scientific Knowledge Brokering Portal, for knowledge and information exchange and dissemination of SLM good practices relevant to business;
- To increase the number of business sector entities involved in sustainable management of and investment in the land that meet the UN Global Compact and UN Responsible Investment principles related to the environment.

**2) Engaging Global Business Networks.** Recognizing the importance, strength and how influential global business networks are is instrumental for first stage engagement with the business sector as a whole. Identifying and engaging with these networks is a way to gain credibility, access a large pool of potential companies and influence sustainable land management and land use at a global level using limited resources. In this regard, the following objectives are proposed:

- To identify and engage with the major global business networks that have sustainability agendas open to SLM approaches (Global Compact principles, World Business Council for Sustainable Development, World Economic Forum, International Chamber of Commerce) and mainstream SLM targets into these agendas;
- To leverage these business networks and their events to promote the business case for SLM uptake;
- To form partnerships and jointly develop tools that help business mainstream SLM into the business operations, practices and policies of network members.

**3) Identifying and Targeting Core Business Sectors.** Desertification, Land Degradation and Drought are issues that could be attributed to all human activity. Businesses with a heavy land footprint can be a major cause of DLDD and are a major concern - agriculture, construction and energy production sectors for example. Other companies may see their activities affected by the consequences of DLDD (sectors such as tourism etc.). However, at the start of business engagement it is more suitable and productive to focus on engagement with companies whose core business involves land use (large land footprint) and where

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<sup>6</sup> See Annex II – SLM Business Forum Windhoek Declaration <http://www.unccd.int/en/Stakeholders/Business/Pages/Second-SLM-Business-Forum.aspx>

Sustainable Land Management (SLM) may be of considerable importance to the triple bottom line (financial, social and environmental performance). In this regard, the following objectives are proposed:

- To identify and engage with key companies globally who are involved in activities with a high impact on land with the potential to directly implement and promote SLM good practices. Companies engaged in the following activities may, in particular, be engaged: Forestry and agro-industry; agricultural production - including seed and fertilizer manufacturers; cattle/meat production; mining and extractives; water and sewerage treatment; construction; energy production; financial services – insurance and investment/banking.
- To define and assess the UNCCD specific notion of impact according to an objective set of criteria;
- To develop standard definitions (and guidelines) of SLM for various land use sectors/industries in the primary, secondary and tertiary sector – developing those guidelines and definitions for sectors/industries with the highest impact first;
- To develop advocacy and outreach products that make UNCCD more relevant and accessible to the specific high impact sectors;
- To develop collaborative projects on SLM which learn from key business sector expertise and strengthen the UNCCD decision-making process – in particular, to understand the bottlenecks to SLM uptake, to propose policy solutions and strengthen capacity for implementation.

**4) Developing Knowledge & Encouraging Innovation.** The UNCCD Parties and the business sector should share knowledge, relevant technology and Sustainable Land Management innovation. In this regard, the following objectives are proposed:

- To support the documentation of business relevant evidence for action and case studies for the Economics of Land Degradation Initiative (for Business) or Offering Sustainable Land-Use Options (OSLO) Consortium;
- Though UNCCD cannot endorse a particular product or technology, UNCCD would aim to encourage SLM innovation by exploring how industry research can be blended with traditional knowledge/practice on SLM within the context of ongoing UNCCD core events – i.e. 3<sup>rd</sup> Scientific Conference;

**5) Financing for SLM through incentives and market-based funding mechanisms.** Such incentives and market based funding mechanisms would encourage the restoration of degraded land. Fiscal instruments or market-based mechanisms can directly generate or influence the flows of funds by attracting or redirecting them in SLM. In this regard, the following objectives are proposed:

- To provide advice to stakeholders on innovative financing, investment opportunities and related enabling measures, including incentives, financing instruments, public-private partnerships and green bonds for SLM;
- To document the impact and advocate for the removal of perverse incentives that support un-sustainable land management and production.
- To facilitate dialogue on SLM investment opportunities with business including the financial industry and the impact investment community and governments;
- To promote the development of voluntary SLM certification schemes.

**Means of Implementation:**

The strategy would be mainstreamed into the workplans of the secretariat and the GM and delivered as part of ongoing activities and commitments (Secretariat; GM).

As the strategy is to be considered by the Conference of the Parties at its 12th Session, specific milestones and resource requirements can be considered and articulated in future workplans.

## Part 2: UNCCD Business Sector Engagement – Principles and Guidelines.

These principles and guidelines for Business Sector Engagement are established to mitigate potential political and reputational risk associated with forming partnerships with business sector entities/companies.

### A. General principles

In engaging with business sector, the secretariat and GM will be guided by the overarching principles of the “Guidelines on UN Business Cooperation”<sup>7</sup> that apply to the UN Secretariat as well as separately administered organs, Funds and Programmes. The Secretary-General encourages all UN entities to consider using the Guidelines when developing or revising their own business engagement strategy.

1. **The UN will not engage with Business Sector entities that are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour, are involved in the sale or manufacture of anti-personnel landmines or cluster bombs, or that otherwise do not meet relevant obligations or responsibilities required by the United Nations.**
2. In general, a partnership must:
  - a. Advance UN goals: the objective of any partnership arrangement should be articulated clearly and must advance UN objectives.
  - b. Be based on shared values and principles: the United Nations wants to work with business and industry entities that share its values, including internationally recognized principles concerning human rights, labour, the environment and anti-corruption as reflected in the United Nations Global Compact.
  - c. Have a clear delineation of responsibilities and roles: the arrangement must be based on a clear understanding of respective roles, a clear division of responsibilities, targets, deadlines, accountability and monitoring measures and/or mechanisms.
  - d. Ensure integrity and independence: arrangements should not diminish the integrity, independence and impartiality of the UN or the business sector partner.
  - e. Be Equitable: every member of the business sector should have the opportunity to propose cooperative arrangements within the parameters of these guidelines. Cooperation should not imply endorsement or preference of a particular business sector entity or its products or services.
  - f. Be transparent: cooperation with the business sector must be transparent. Information on the nature and scope of cooperative arrangements should be communicated and made available to stakeholders.

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<sup>7</sup> <http://business.un.org/en/documents/guidelines> - including the Ten Principles

## B. UNCCD specific conditions for partnership (Assessment)

UNCCD aims to develop partnerships with relevant stakeholders in line with the objectives of the 10 year Strategy, taking into **full account the general principles listed above and the conditions mentioned in the following paragraphs**. We give priority to collaboration and developing partnerships with those business sector entities that want to promote the sustainable use of land; use SLM techniques in their operations and that are committed to ensuring the benefits of sustainable land management reach rural communities.

1. To complement the general UN principles; we will move towards UNCCD sector specific definitions and guidelines for SLM compliance. These guidelines will not exclude collaboration with categories/sectors of potential business sector partner but differentiate based on performance against SLM compliance benchmarks.
2. A partnership agreement with UNCCD will not be considered an endorsement of the company or its other activities.
3. UNCCD will exclude collaboration with potential business sector partners whose operations:
  - a. **Systematically cause land degradation - by decreasing the net primary productivity of the land - without a public commitment to adequate remedial measures (such as adoption of SLM techniques, land rehabilitation or restoration).**
  - b. **Consistently abuse and disregard the land tenure and human rights of rural communities and traditional land users.**
4. In addition, the following conditions will be assessed prior to embarking on negotiations with a potential partner in the business sector and before the negotiation of a formal Agreement/Memorandum of Understanding:
  - a. UN Principles: the potential business sector partner shall be committed to achieving the United Nations principles within their sphere of influence. This includes compliance (or a commitment to achieve compliance) with the principles of the United Nations Global Compact<sup>8</sup>; the United Nations Supplier Code of Conduct; UN Principles for Responsible Investment<sup>9</sup> and other sector or specific guidelines (such as the FAO Guidelines on Tenure<sup>10</sup>), where applicable.
  - b. Accreditation to the UNCCD: a potential business partner shall fully satisfy the legal clearance criteria set out in the established accreditation process (<http://www.unccd.int/en/Stakeholders/civil-society/Accreditation-process/Pages/default.aspx>)
  - c. UNCCD Participation and Engagement: a potential business sector partner shall show willingness to become active in the UNCCD process overall by undergoing accreditation to the COP and engaging in the SLM Business Forum. This shall

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<sup>8</sup> <http://www.unglobalcompact.org/aboutthegc/thetenprinciples/>

<sup>9</sup> <http://www.unpri.org/>

<sup>10</sup> <http://www.fao.org/nr/tenure/voluntary-Guidelines/en/>

imply all members or employees of the business sector partner will be informed and supportive of the relationship with UNCCD.

- d. Corporate Practice: the objectives of the potential business sector partner and those of UNCCD shall be broadly consistent. Operational corporate policy and practice includes, or is open to, the implementation of sustainable land and water management practices and techniques.
- e. Project Partnerships: Any projects, programmes and initiatives proposed under a partnership agreement with UNCCD shall directly support and promote the implementation of the UNCCD 10 year Strategy and decisions of the COP. While projects, programmes and initiatives proposed under a partnership agreement with UNCCD can promote SLM innovation; a partnership between UNCCD and the business sector company would not be considered an endorsement of all products or any other activity. The name and logo of UNCCD would not be used for commercial purposes and would only be used in conjunction with the activities agreed under the partnership arrangement.
- f. Exclusivity: Partnerships should not require exclusivity or prohibit other partnerships of a similar nature.
- g. Ability to carry out the mission: the potential business sector partner shall demonstrate proven relevant experience, expertise and capacity as well as financial viability to undertake activities considered under the partnership.
- h. Cost & Value: if any costs are to be charged to UNCCD by a business sector partner, value for money must be proven. UNCCD will always request preferential rates for activities carried out by a potential business sector partner.
- i. Synergies: the potential business sector partner shall be committed to enhancing synergies with other United Nations organizations, e.g., to avoid duplication of effort with business sector partnerships already underway in the context of other United Nations programmes.

### **C. Modalities for Partnerships**

All partnerships between UNCCD and the business sector should be based on one of the following modalities:

1. Collaborative projects: this modality applies when the secretariat and a business sector partner jointly develop a product or service consistent with and in furtherance of the aims, policies and activities of the UNCCD. It must involve signing a Memorandum of Understanding with the business sector partner that sets out the terms and conditions of the arrangement, including the contributions each party could make to the development of the product/service, the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the United Nations.
2. Direct contribution by a business sector partner: a direct financial contribution for specific purposes may be made through a trust fund or special account agreement. The contribution must comply with the applicable Financial Regulations and Rules of the United Nations, and be consistent with the policies, aims and activities of UNCCD, in particular its financial rules.
3. Indirect contribution by a business sector partner through the establishment of a foundation: under this modality, a relationship agreement must be established between the secretariat and the foundation laying out the terms of the relationship, including the

issues related to the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the United Nations.

4. Partnership in technical assistance projects: this modality would normally involve a tripartite agreement between the secretariat, a government and the business sector partner. Projects may require two bilateral agreements with a business sector entity and with the government of the country in which the assistance is to be provided.
5. Partnership in promoting the purposes and activities of the UNCCD: this modality, whereby the business sector partner provides a forum for disseminating information about UNCCD, would involve direct agreements with the business sector partner, setting out the terms and conditions of the arrangement, including the secretariat's control of the information to be disseminated, the issues related to the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the United Nations.

#### **D. Formalizing partnerships**

All partnership arrangements, beyond accreditation to the Conference of the Parties and its subsidiary bodies, should be guided by a formal agreement.

1. The formal partnership agreement might take the form of a memorandum of understanding (MoU), exchange of letters or letter of intent but should include:
  - i. Specific, time-limited, and achievable results and outputs (linked to the UNCCD and/or The Strategy).
  - ii. Defined duties for both parties, aimed at achieving the jointly agreed results.
  - iii. Defined contribution requirements from both parties, i.e., cash or services.
  - iv. Defined indicators for monitoring and measuring performance.
  - v. The standard clauses for partnerships, particularly related to privileges and immunities and use of logos, as appropriate.
2. All arrangements (Memorandum of Understanding) proposed should have the clearance of the Coordinator of the Administration and Finance Services unit and the Legal Adviser before submission to the Office of the Executive Secretary for signature.
3. When dealing with *sui generis*<sup>11</sup> cases, it may be envisaged that the advice of the Office of Legal Affairs (OLA) be requested and/or its approval obtained prior to engaging in a partnership and its legal clearance of the agreement proposed, as appropriate.
4. A staff member/unit should be appointed to manage each formal partnership with the business sector. Staff members monitor performance; ensure administration that is commensurate with the scope of the partnership; use the results of monitoring to find ways to improve performance and report the results of partnerships to the Executive Secretary and Parties, as appropriate.
5. At the end of a partnership, the formal agreement should be terminated with legal effect and a final report on the partnership prepared by the staff/unit responsible.

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<sup>11</sup> In the context of legal terminology, this Latin expression means “unique” or “special”.

**E. Revision and amendment of the present guidelines**

1. The Guidelines constitute the framework that the secretariat and the GM of the UNCCD should use for the engagement and assessment of potential business sector partners, activities, projects and programmes; in the preparation of agreements and the monitoring and assessment of such agreements.
2. The Guidelines remain valid, without time limit, as deemed appropriate by the Executive Secretary.
3. The Guidelines may be reviewed and amended and/or regularly updated on the instruction of the Executive Secretary.