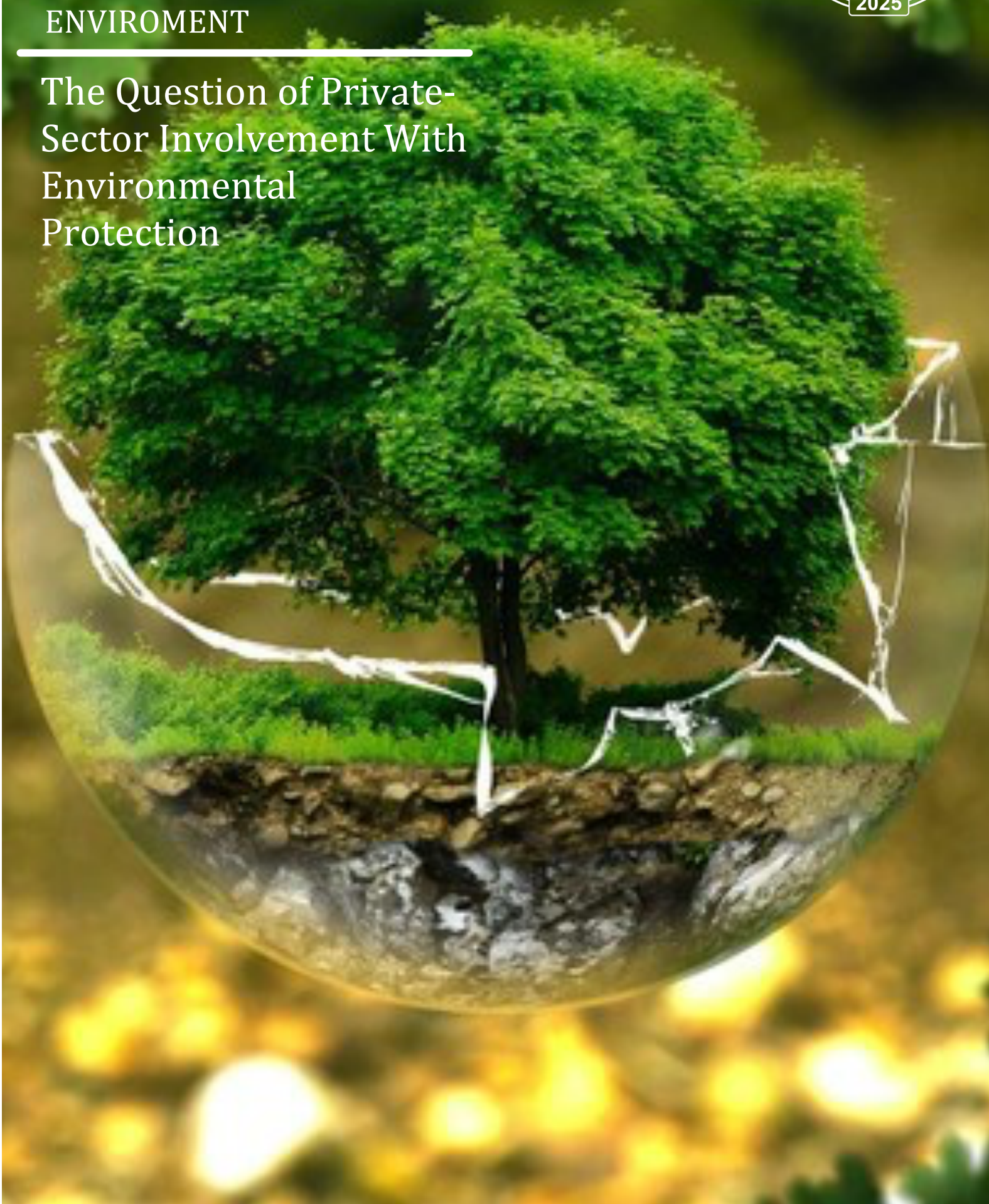




ENVIROMENT

The Question of Private-Sector Involvement With Environmental Protection





Committee: Environment

Topic: The Question of Private-Sector Involvement With Environmental Protection

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Summary & Information

Overview:

Private Sector Involvement with environmental protection refers to how the private sector (I.E: Any company not owned by the government – see full definition below) is involved with or protects the environment such as creating new technologies, changing their business practices or providing resources to or partnering with governments to meet their (and global) environmental targets. This is especially prevalent in the UN whereby the UN Environment Programme has partnered with the private sector towards allowing it to achieve the Sustainable Development Goals by 2030.

Origins & Importance:

Such has originated because of the need for international governments to co-operate with private sector companies for funding and to ensure that the private sector co-operates with government and international environmental protection plans along with limitations within pure regulation. There has also been an increased interest in this topic by private-sector companies due to changes in consumer & stakeholder demands, sustainability being seen as a business opportunity and the possibility for business innovation and efficiency that may bring solutions to environmental challenges in ways that governments may struggle to deal with. Naturally there is also increasing environmental awareness and concerns globally which have ramped up over the previous few decades to fuel part of the origins and importance for this topic, as if private sector companies do not co-operate and work towards environmental protection there will naturally be a lack of progress on critical environmental challenges along with a regulatory burden on governments (Companies constantly pushing back against environmental protection regulation, causing issues), possible missed economic and innovation opportunities (As new environmental innovations/technologies may not be developed/discovered) along with possible weaker public-private relationships and collaboration.

Who this topic affects:

Due to the nature of private-sector involvement, this topic does affect almost everyone but the main groups this topic affects are:

- **Governments:** Due to their position in setting regulation & environmental targets along with a certain need for private sector involvement to allow them to achieve the targets set and possibly find new/innovative ways to meet them.
- **Local communities:** Especially those impacted by climate change or other destructive environmental action as they will be directly impacted by any actions taken (or not taken) by the private sector (Such as to extract minerals or to protect certain land so that it cannot be built on).
- **The private sector:** As they are involved with investing corporate funds into the environmental protection they wish (or do not wish) to carry out along with being impacted by environmental

regulation. Moreover, they are the ones who may receive access to capital or investment because of actions taken/not taken and whose brand image will be impacted.

This topic also effects other groups such as:

- Investors and shareholders in the companies and private sector
- Employees in the companies
- The natural environment and ecosystem

Current Issues & Previous attempts to address the topic:

Historically, there have been issues with this issue due to the nature of the private sector being mainly for profit. The key examples being greenwashing (Such as BP plc. never actually going “Beyond Petroleum” and instead pivoting back towards oil and gas opposed to renewable alternatives) whereby companies make misleading claims about their environmental action and a lack of pace/scale as whilst action is being taken it is argued that action is not being taken quickly enough and that some actions are promises and/or claims that are not yet being acted upon. Moreover, there is some criticisms of a lack of transparency or concerns between mainly NGO-corporate partnerships, for example The Nature Conservancy [TNC] accepted a \$10 million (USD) donation from BP (BP plc.) and allowed the oil company to serve on its board of directors, which naturally raised concerns that such compromised TNC’s independence and advocacy against fossil fuel companies. The partnership was however severed after the Gulf Coast BP oil spill (Also called the Deepwater Horizon oil spill).

Whilst national/country-wide attempts to address the topic can be found below, some examples of NGO and private sector corporation are:

- **The Rainforest Alliance and Unilever:** Worked together to certify Unilever’s tea supply chain as sustainable under the Rainforest Alliance standards.
- **The World Wildlife Fund and The Coca-Cola Company:** Worked together since 2007 to improve water stewardship, protect freshwater ecosystems and promote sustainable agriculture.
- **Conservation International and Starbucks:** Partnered to develop ethical coffee sourcing standards and support sustainable coffee farming practices.

Definition of Key Terms

Private Sector: The part of an economy run by individuals and companies for profit and is not state-controlled. It encompasses all for-profit businesses not owned or operated by the government. – *Investopedia*

Public Sector: The part of an economy that is controlled by the state (Government). – *Oxford Dictionary of English*

Environmental Protection: Taking measures to protect the natural environment. – *Wikipedia (Cross-checked)*

Greenwashing: The dissemination of misleading or deceptive publicity by an organization with the aim of presenting an environmentally responsible public image. – *Oxford Dictionary of English*

NGO: Non-governmental organisation, A non-profit organization that operates independently of any government, typically one whose purpose is to address a social or political issue – *Oxford Dictionary of English*

UN Sustainable Development Goals: Refers to the UN’s 17 Sustainable Development Goals (aims) that they want to achieve by 2030 – www.un.org/sustainabledevelopment

The Nature Conservancy: A global environmental nonprofit working to create a world where people and nature can thrive – www.nature.org

Major Countries Involved

Whilst this issue does involve many countries across the globe, some of the major ones involved are:

United States:

- The U.S. has been a major driver of corporate sustainability initiatives, with regulations like the FTC Green Guides and voluntary programs like the EPA's ENERGY STAR.
- Many large U.S. corporations have made significant environmental commitments and partnerships such as Apple aiming to be net zero by 2030.

European Union:

- The EU has taken a more regulatory approach, with directives like the Non-Financial Reporting Directive requiring sustainability disclosures.
- European companies have been active in sustainability initiatives and partnerships with NGOs.

China:

- China has become a major player, with its government pushing for greater corporate environmental responsibility and "ecological civilization" goals.
- Chinese companies are increasingly investing in renewable energy and sustainability projects, both domestically and globally.

Japan:

- Japanese firms have been pioneers in areas like green manufacturing and product eco-design.
- Public-private partnerships on environmental issues are common in Japan.

India:

- India has introduced corporate social responsibility (CSR) regulations that include environmental components.
- Indian businesses are engaging in sustainability initiatives, especially in sectors like renewable energy.

Brazil:

- Brazilian companies, particularly in the agriculture and extractive industries, face pressure to address environmental impacts.
- Partnerships between Brazilian firms and environmental NGOs are emerging.

United Kingdom:

- The UK has been active in promoting corporate sustainability reporting and supply chain transparency.

Rough Timeline of Events

This topic overall is relatively recent due to many large-scale environmental concerns also being so, however a key difference since the start is increased overall public awareness and a shift in companies position from reactive compliance to more proactive and strategic engagement with the issue. However, the pace and strength of actions taken and involvement by private sector companies continues to be questionable and a subject of ongoing debate.

1970s-1980s:

- Environmental regulations and laws start to emerge, primarily driven by government action.
- Some companies begin to address environmental issues reactively, mainly to comply with regulations.

1990s:

- Increased public awareness and concern about environmental issues like climate change, pollution, and resource depletion.
- Voluntary corporate environmental initiatives and sustainability reporting start to emerge, often driven by reputational concerns.
- Some companies partner with environmental NGOs, though often in limited, ad-hoc ways.

2000s:

- More companies integrate environmental considerations into their business strategies and operations.
- Sustainability becomes a more mainstream corporate priority, with dedicated executive roles and departments.
- Partnerships between companies and NGOs become more strategic and institutionalized.
- Emergence of industry-led environmental certification and standard-setting initiatives.

2010s-present:

- Environmental, social, and governance (ESG) factors become increasingly important for investors and consumers.
- Companies set more ambitious, science-based environmental targets and commitments.
- Collaboration between the private sector, governments, and civil society on environmental issues intensifies.
- Concerns about greenwashing and the need for greater transparency and accountability grow.
- Emerging technologies (e.g., renewable energy, circular economy) enable new private sector sustainability solutions.