

# Introducing the Green Industry Platform

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## ***I. Background***

### **UNIDO Green Industry: From *Initiative* to *Platform***

The Green Industry Initiative is an initiative of the United Nations Industrial Development Organization (UNIDO). Its objective is the mainstreaming of social and environmental considerations into the operations of enterprises in all countries and regions through the more efficient use of energy and raw materials, innovative practices and applications of new green technologies. It was first announced in September 2009 by UNIDO Director General Kandeh K. Yumkella at the International Conference on Green Industry in Asia in Manila, Philippines. Building on the outcome of this Conference and the follow-up Conference in Tokyo, Japan in November 2011, UNIDO is now proposing to implement the Initiative through the launch of a global high-level multi-stakeholder action partnership, to be known as the Green Industry Platform.

### **UNEP Green Economy Initiative**

In 2008, the United Nations Environment Programme (UNEP) launched the Green Economy Initiative. The Green Economy Report, published in 2010, demonstrates how greening the economy can be a new engine for growth, a net generator of decent jobs and a vital strategy for the elimination of persistent poverty. In 2012, the Business Case for the Green Economy report builds on UNEP's experience in resource efficiency activities with the private sector and along the value chain, such as development of sustainable consumption and production tools, market-based instruments and voluntary approaches, multi-stakeholder partnerships, technical support and capacity building activities. The UNEP Green Economy reports, as well as activities in the Resource Efficiency area will help underpin the operations of the Green Industry Platform.

### **Mission**

The Green Industry Platform is a global high-level multi-stakeholder partnership intended to act as a forum for catalyzing, mobilizing and mainstreaming action on Green Industry around the world. It provides a framework for bringing together governmental, business and civil society leaders to secure concrete commitments and mobilize action in support of the Green Industry agenda, i.e. *greening the manufacturing process* and *creating green industries for production of goods and services for domestic use or export*. By encouraging the more efficient use of energy and raw materials in manufacturing processes and services, the Platform will contribute both to cleaner and more competitive industrial development, and will help reduce pollution and reliance on unsustainable use of natural resources.

A more detailed definition of Green Industry is set out in the text box on the last page of this introductory document.

### **Objective**

The Platform will promote the creation of new green industries and help existing industries improve their contributions to economic development and to societal and ecological protection. It will achieve this by providing a framework where signatory organizations can make tools available for developing road maps to integrate Green Industry policies and practices in organizational strategies and business plans, share and profile best practices to move beyond 'business as usual', and drive forward technological development, application and innovation under the green industry initiative.

## Features

The Platform will have a number of unique features. These include:

- *Mandate* – It will be the first and largest purpose-built multi-stakeholder framework with a focus on promoting Green Industry, further consolidating and supporting the mandates of UNIDO and UNEP. An action-oriented Platform, its goal is to inspire measurable progress towards Green Industry and to ensure that the emerging 'Green Industry revolution' is given the policy profile, focus and coherence it deserves.
- *Membership Model* – The Platform will be built on a public/private partnership model bringing together leaders from government, the private sector and civil society. Supporting this, it will have a multi-stakeholder governance and membership model to promote diverse, innovative and effective approaches.
- *Materials* – It will help link existing data resource bases and develop its own materials and communication mechanisms, including a web-based portal to share information on relevant policies, technologies and developments. Potential tools, listed in Section IV below, will include convening meetings with key stakeholders, commissioning research, and developing project partnerships.
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## II. Governance

The Platform will be a voluntary membership framework, linking participants by their shared commitment to advancing Green Industry through a common approach outlined in the Green Industry Platform 'Statement of Support' (attached). The Platform will not have an independent legal status but will operate as a consensual operating framework administered jointly by UNIDO and UNEP for the organizations and bodies which sign the 'Statement of Support'.

The Platform's structure, thematic priorities, work programme and budget will be developed by an Advisory Board. The Advisory Board will consist of two parts:

- a) An *Executive Board*, responsible for taking decisions on the overall direction, work plan, budget and governance of the Platform. This will comprise the Director-General of UNIDO and the Executive Director of UNEP acting on their respective mandates. The Executive Board will also include a corporate Chief Executive Officer, appointed on a personal basis in an advisory role. Chairing responsibilities of Advisory Board will rotate annually between the Executive Board members.
- b) An *Advisory Board*, responsible for developing and recommending the Platform's focus, strategy and work plan. To ensure balanced, expert and diverse representation, the Board will initially consist of five (5) to eight (8) country representatives, five (5) to eight (8) private sector representatives (including both multinational and small and medium-sized enterprises), and two (2) to three (3) members representing international business associations. The composition of the Board will be strengthened over time with participation by civil society organizations, including heads of leading think tanks, academic and research bodies, and non-profit organizations.

As a signal of their commitment to the Platform, all members of the Advisory Board will have Ministerial, Chief Executive, or equivalent high-level status. Members of the Advisory Board would be invited to serve on the Board for a three year term.

Primary secretariat services for the Platform will be provided by UNIDO and UNEP, with support from other UN partner bodies, as agreed.

In addition to approving the Platform's first work plan, the first meeting of the Advisory Board will approve Board operating procedures, which will include provisions for ensuring the appropriate transparency and accountability of its proceedings.

### ***III. Key Timelines***

#### **Launch**

The Platform will be formally launched at a high-profile public event on 16 June 2012 on the occasion of the 2012 UN Conference on Sustainable Development, to be held in Rio de Janeiro, Brazil the following week. At that time, the composition of the Advisory Board will be announced, together with the list of signatories of the Statement of Support.

#### **Meetings Schedule**

It is expected that the full Advisory Board will meet 2-3 times each year. At least one face-to-face meeting will be held, with other meetings being conducted using video conferencing technologies. For special purposes, the Advisory Board may wish to delegate work to project-specific working groups. The Advisory Board will make final decisions on its meetings schedule, including on the need for any working group meetings.

#### **Duration**

As noted above, it is intended that the first phase of the Platform run for a period of three years, after which time its mandate, operations and governance will be reviewed and revised as appropriate.

### ***IV. Participation***

#### **Signatory Eligibility**

The Platform will be a voluntary global multi-stakeholder framework open to signature by the chief executive/head of organisations from the public, private and civil society sectors with an interest in advancing Green Industry. Signatories might include: national governments, intergovernmental organisations, multinational corporations, small- and medium-sized enterprises, clean technology business associations, academic institutions, research and innovation organisations, and other civil society bodies with interest or expertise in Green Industry policies and technologies. Eligible companies are expected to observe core United Nations principles, such as those of the United Nations Global Compact.

#### **Nature and Scope of Commitment**

Membership of the Platform will be expressed through the signature of the 'Statement of Support'. By signing onto the Platform, signatories indicate their public support for its objectives, their engagement to promote the Green Industry principles within their organisations and with others in the manner that they judge most appropriate, and to share information and ideas on their experiences and achievements. Activities and achievements may be subject to peer and public review and discussion.

In its first phase, signature of the Platform will be on an invitation basis. Letters of invitation will be sent out by the Director-General of UNIDO prior to the launch event. These will invite the executive heads of the invited organizations to sign the Statement of Support endorsing the Platform's objectives and engaging their organizations to promote its objectives. Thereafter, signature will be open to any organizations.

#### **Membership**

Membership will be free of charge. By adhering to the Platform, signatories may incur a level of costs associated with the form of participation they choose. These may include the costs associated with their promotion of the Platform's objectives and of participating in meetings, and internal investment costs associated with innovation.

## **Length of Commitment**

Signatories of the Statement of Support engage to support the Platform's objectives for a period of 3 years (i.e. until the end of 2015), during which time the Platform's role will be reviewed and revised as necessary.

## ***V. Operational***

The precise nature of the Platform's operating mechanisms will be determined by the Advisory Board. A wide range of tools will be considered and selected on the basis of their appropriateness for specific objectives and activities, and on availability of adequate resources. These will include:

- a web-based portal to share information on members, activities, and best practices;
- the convening of Platform meetings, working groups and task forces;
- the provision of advisory services on policy, technology and finance issues;
- assistance with introductions and networking;
- the commissioning of research (including surveys) and sharing of existing research;
- the development of appropriate indicators and metrics;
- the dissemination and improvement of self-help and benchmarking tools; and
- awards and other forms of recognition of progress.

## ***VI. Benefits***

It is expected that there will be multiple benefits for both governmental and business members from joining the Platform. These should include such things as:

- increased opportunities to help create new jobs, grow sustainable economic development, encourage the rapid transition to a resource-efficient and green economy and alleviate poverty;
- reduced waste and increased efficiency of manufacturing activities, and accompanying improvements in organizational/national competitiveness;
- improved information and awareness about the benefits of Green Industry and on relevant policies and practices worldwide;
- expanded networking and partnering opportunities on Green Industry policies and projects at all levels;
- increased opportunities to help shape national/organizational road maps towards Green Industry and to co-develop specific projects;
- enhanced attention of capital market investors seeking to reduce exposure to commodity price fluctuations and related risks;
- greater opportunities to inspire and engage employees in innovation of manufacturing technologies, management and policy approaches; and
- higher recognition of leadership in the expanding Green Industry space.

To avoid issues with the use of organizations' names, it is not proposed at this stage to have a 'Green Industry Platform' logo.

## ***VII. Funding***

The Platform will operate as a non-profit body and will require funding support for core operations from donors. Start-up costs will initially be covered from the UNIDO and UNEP budgets, with support from donors. While the exact financial model and requirements will be decided by the Advisory Board, it is anticipated that there will be two separate budgets: one for secretariat, meetings and structural activities (e.g. establishment of an internet-based information portal), and another for research and projects. Both of these will be modest in size and not intended to take the place of government or private market investment in specific manufacturing activities. In view of the importance of investment finance to the establishment of Green Industry, however, an early priority of the Platform will be to identify current sources that could be used for this purpose.

## *What is Green Industry?*<sup>1</sup>

Simply defined, Green Industry is industrial production and development that does not come at the expense of the health of natural systems or lead to adverse human health outcomes. Green Industry is aimed at mainstreaming environmental, climate and social considerations into the operations of enterprises. It provides a platform for addressing global, interrelated challenges through a set of immediately actionable cross-cutting approaches and strategies that take advantage of emerging industry and market forces.

Green Industry involves a two-pronged strategy to create an industrial system that does not require the ever-growing use of natural resources and pollution for growth and expansion. These two components are:

(1) *Greening of existing industry*: Enable and support all industries regardless of their sector, size or location, to green their operations, processes and products by using resources more efficiently; transforming industrial energy systems towards greater sustainability by expanding renewable energy sources; phasing out toxic substances; and improving occupational health and safety at the industrial level.

(2) *Creating green industries*: Establish and expand (new) green industries that deliver environmental goods and services. Green industry is a rapidly expanding and diverse sector that covers all types of services and technologies that help to reduce negative environmental impacts and resource consumption. This includes material recovery, recycling, waste treatment and management, as well as the provision of environmental and energy consulting and services, such as energy service companies and companies that provide monitoring, measuring and analysis services.

### **Benefits of Green Industry**

There are multiple benefits from pursuing a Green Industry approach. These may include reduced raw material (i.e. commodity) costs, increased security of supply, reduced pollution risks and costs, lower cost of capital, increased employee appeal and engagement, increased awareness of emerging smart technologies, enhanced innovation capacity and skills, and improved brand recognition and competitive position in markets. At enterprise, national and global public policy levels, Green Industry offers a practical pathway to long term economic growth and sustainable development.

### **Relationship with the 'Green Economy' and sustainable development**

Like the 'Green Economy' concept, 'Green Industry' is seen as an important practical pathway towards achieving sustainable development. While the thrust of 'Green Economy' is achieving improved human well-being and social equity while simultaneously diminishing environmental risks and reducing ecological scarcities, 'Green Industry' transforms manufacturing and allied industry sectors by introducing more efficient/productive/responsible use of raw materials so that they contribute more effectively to sustainable industrial development. It is about doing more, and better, with less. Green Industry is thereby the sector-strategy for the realization of Green Economy, and ultimately, sustainable development.

<sup>1</sup>UNIDO (2011) Green Industry Initiative for Sustainable Industrial Development