



ORGANIZATION OF AMERICAN STATES
Inter-American Council for Integral Development
(CIDI)



**SECOND MEETING OF MINISTERS AND HIGH
AUTHORITIES ON SUSTAINABLE DEVELOPMENT
IN THE CIDI FRAMEWORK**

November 17 - 19, 2010
Ministry of Foreign Affairs
Santo Domingo, Dominican Republic

OEA/Ser.K/XVIII.2
CIDI/RIMDS-II/INF.2/10
25 October 2010
Original: Spanish

**REPORT ON THE CONSULTATION WITH THE PRIVATE SECTOR
“TOWARD SUSTAINABLE DEVELOPMENT IN THE AMERICAS”**

(Lima, Peru, September 16, 2010)

(Document prepared by the Department of Sustainable Development of
the Executive Secretariat for Integral Development)



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REPORT
CONSULTATION WITH THE PRIVATE SECTOR
“TOWARD SUSTAINABLE DEVELOPMENT IN THE AMERICAS”

Lima, Peru, September 16, 2010

Introduction:

As part of the preparatory activities to the Second Meeting of Ministers and High-Level Authorities on Sustainable Development, scheduled to be held in Santo Domingo, the Dominican Republic, in November 2010, the Department of Sustainable Development (DSD) of the General Secretariat of the Organization of American States (SG/OAS), in collaboration with the Ministry of the Environment of Peru, organized and conducted a regional workshop for consultation with the private sector. Held at the Hotel Sofitel in Lima, Peru, the workshop had 35 attendees, according to the list of participants found in Appendix II of this report.

During the opening session, Mr. David Morris, OAS Representative, thanked the Peruvian authorities on behalf of the Organization for their offer to host the Consultative Workshop, as well as the representatives of the private sector for their participation. He noted the progress made in advancing the issue of sustainable development on the OAS agenda, as well as the shared vision in the search for a balance between economic growth, social equity, and environmental preservation, emphasizing sustainable development as a shared commitment of all states and sectors. He described the regional and hemispheric work of the OAS, through the DSD, on issues related to sustainable development and the strengthening of economic, social, and environmental policy, enlisting the involvement of different sectors under the aegis of the Inter-American Strategy for the Promotion of Public Participation in Decision-making for Sustainable Development. He also noted the Organization's support for its member states in addressing environmental aspects of the free trade agreements.

Next, Dr. Luzmila Zanabria, from the Ministry of Foreign Affairs of Peru, welcomed the participants, emphasizing the importance of developing policy guidelines for eradicating poverty through sustainable development with private-sector participation and the important role of the sector in meeting the objective of reducing carbon emissions and achieving energy efficiency. Afterwards, Dr. Antonio Brack, Minister of the Environment of Peru, thanked the OAS for this initiative, noting the corporate sector's major shift on environmental issues over the past 15 years and Peru's success in areas linked with the conservation of forests, environmental policy, and the search for eco-efficiency in the public sector.

Continuing with the items on the agenda, Mr. Enrique Bello, OAS/GS DSD representative, gave a brief presentation on the background and agenda of the Second Meeting of Ministers and High-level Authorities on Sustainable Development, providing an overview of the 1996 Santa Cruz Summit on Sustainable Development, the First Ministerial Meeting and Declaration of Santa Cruz + 10, and the Inter-American Program for Sustainable Development (PIDS).



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I. Objective of the consultation:

The purpose of the consultation with the private sector, within the framework of the preparatory process to the Second Inter-American Meeting of Ministers and High-Level Authorities on Sustainable Development, was to:

- a. Share experiences on the sustainable development challenges facing the private sector in the member states.
- b. Facilitate dialogue in order to identify and create public-private opportunities and agreements that will boost national and regional capacity to confront the challenges facing the private sector in the Hemisphere in issues related to sustainable development, climate change, and risk management.
- c. Evaluate the successful experiences of businesses, trade associations, and industries in the areas to be discussed during the meeting.
- d. Elicit specific recommendations from the private sector and representative trade associations for consideration during the Second Inter-American Meeting of Ministers and High-Level Authorities on Sustainable Development.

II. Topics discussed and recommendations:

SESSION 1. Private Sector Sustainable Development, Climate Change and Risk Management Challenges; Vulnerable Sectors and Industries

Speaker: Pedro Olaechea, President, *Sociedad Nacional de Industrias del Perú* [National Society of Industries of Peru]

Topics discussed:

- Businesses and its role in society. Growing concern in the sector about social, environmental, and ethical issues. Expectations on businesses playing a role in society beyond the economic sphere.
- The demands of interest groups as a factor in the changing of attitudes of major corporations and enterprises, but with still limited influences in small and medium-sized enterprises.
- Climate change as an opportunity for the corporate sector. Political and institutional aspects.
- Sustainable development from a corporate perspective. Setting goals and objectives compatible with environmental concerns and economic profit. Efficient production processes and product quality in order to develop and retain markets.
- Vulnerability of agroindustry, fishing, and tourism to natural hazards risks and climate change.
- Water problems in the Ica Valley. Pollution of surface water, shortage of surface and groundwater, rising water costs, adverse environmental impact. Importance of sewerage management and wastewater use in an integral approach to managing water resources.



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- Economic, social, and environmental issues to be considered by businesses to ensure sustainability.
- Interdependence and the principle of shared value. Alternatives for mutual benefits.

RECOMMENDATIONS:

The participants issued the following recommendations for consideration by the representatives of the OAS member states in the preparatory process to the Ministerial meeting:

1. Promote the concept of climate change as an opportunity for entrepreneurs. Develop plans in conjunction with central, regional, and local governments and consumers.
2. Include environmental, social, and economic results in the corporate vision of enterprises.
3. Establish clear and measurable objectives with respect to climate change, identifying the most vulnerable areas and sectors. Develop indicators that will make it possible to measure national and regional progress. Promote the joint design of strategies by businesses and local governments in risk areas.
4. Develop a comprehensive plan that involves the corporate and government sectors, communities, and civil society.
5. Strengthen the educational component to foster greater environmental awareness.
6. Develop mechanisms to promote investments. Emphasize norms and legislation to promote investments in environmental projects.
7. Provide conditions to guarantee efficient environmental investments.
8. Promote audit activities as a contributory factor in sustainable development.

SESSION 2. Changing Production and Consumption Patterns: Challenges and Opportunities

Speaker: Roberto Herrera, President, *Red Nacional de Apoyo Empresarial a la Protección Ambiental* [National Network of Corporate Support for Environmental Protection], Dominican Republic

Topics discussed:

The following topics were discussed in this session:

- The context of the problem. Global production and consumption projections. Main challenges. Urgency of reversing the linear correlation between economic growth and the consumption of natural resources, gearing action toward sustainable development.
- Dynamic of change toward sustainable patterns. Main factors: regulatory aspects (local, international); growing market for green products and processes owing to growing consumer education and environmental awareness; production efficiency.



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- Evidence of corporate responses (environmental and social performance standards; means to identify green products, adoption of efficiency measures to promote cleaner production processes).
- ISO 14001:2004 as a tool for implementing and maintaining an environmental management system.
- Main challenges and opportunities for the private sector. Need to take advantage of technical information and experience and the opportunity offered by growing environmental awareness and responsibility on the part of governments, businesses, and consumers.
- Lack of integrated strategies and coherent solutions. Need for coherent strategies that maximize results.
- Regulatory and institutional factors that promote or impede public-private links for the development of clean production processes. Constraints and inconsistencies at the macro and micro level. Lack of incentives.
- Real costs of public goods and services and users' lack of knowledge of them. Cost of implementing solutions to environmental problems. Constraints to small business assuming these costs.
- Need to disseminate clean production mechanisms and train entrepreneurs in their use. Current constraints in training human resources to meet the demand in environmental matters.
- Need to raise consumer awareness so that social and environmental variables are considered when making choices.
- Low corporate investment in innovation to develop clean production practices. Potential role of the State in fostering changes in production processes.
- Clean production and solid waste management. Need for national recycling policies. Cleaner production processes require waste management.

RECOMMENDATIONS:

The participants issued the following recommendations for consideration by the representatives of the OAS member states in the preparatory process to the Ministerial meeting:

1. Take advantage of available technical information and disseminate experiences on clean production projects. Have companies of the same or similar type share successful experiences, and have countries do so as well.
2. Raise awareness among entrepreneurs about clean production. Disseminate information on existing mechanisms (carbon credits, etc.) and provide training in their use and application.
3. Facilitate the integration of strategies between private actors and the public sector.
4. Adopt standards that offer incentives for developing and strengthening public-private partnerships.
5. Promote the participation of banks to offer guarantees and a surety system to enable small businesses assume the costs of implementing solutions to environmental problems.



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6. Develop academic programs and prepare human resources to meet the demands in areas related to the environment and sustainable development.
7. Train consumers and raise their awareness so that they prefer products with lower environmental and social costs and do not base their choices solely on financial considerations.
8. Design and implement financial mechanisms to generate and offer incentives for changes in corporate production processes.
9. Develop a regulatory framework that effectively promotes recycling.
10. Provide environmental education programs at different levels, targeting university students and children alike.

SESSION 3. Regulatory, Financial, and Institutional Aspects: Role of Public and Private Actors; Challenges.

Speaker: Santiago Perry, Executive Director, *Corporación para el Desarrollo Sostenible de los Pequeños Productores* [Corporation for the Sustainable Development of Small Producers] (PBA), Colombia

Topics discussed:

The following topics were discussed in this session:

- Joint research and development activities between universities and small producers to promote the use of technologies that will help to reduce the use of agrochemicals, thereby ensuring cleaner production processes.
- Rapid expansion of the demand for healthy products. Greater demand for organic products. The growing trend toward environmental valuation as an opportunity for sustainable development.
- The importance of small producers in environmental stewardship. Their active participation and potential in protecting biodiversity, water resources and basins, and maintaining scenic beauty.
- Public policies that tend to exclude small producers. Limited access by small producers to suitable financial instruments. Little orientation of science, technology, and innovation systems toward small producers (participatory innovation).
- Standards and regulations that are difficult to comply with. Incentives and subsidies geared to large, not small, producers.



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- Barriers to markets for eco-friendly products. The variety and diversity of certification requirements, based on the standards adopted in developed countries, hinder access to markets, with no consideration given to the characteristics of small producers when labeling and certification criteria are set.
- Innovation as a priority for achieving equity. Main problems and difficulties. Role of the State in prioritizing and achieving aspects of sustainability and equity.

RECOMMENDATIONS:

The participants issued the following recommendations for consideration by the representatives of the OAS member states in the preparatory process to the Ministerial meeting:

1. Promote research and innovation, and do so in a coordinated manner, developing associations between producers, managers, and academia.
2. Include small producers in public policy-making and create accessible financial instruments for small producers.
3. Work on aspects of technology and innovation (participatory innovation).
4. Promote partnerships in the chain of production between small and large producers.
5. Consider the characteristics of small producers when setting criteria for labeling and environmental certification.
6. Develop programs and provide funding to promote research as a public good, prioritizing aspects of sustainability and equity.
7. Promote policies based on equity (small and large enterprises) and the development of standards and regulations that take into account the situation of small producers and developing countries.
8. Create an enabling environment (macro, infrastructure, safety, etc.).
9. Promote appropriate financing and promotion mechanisms (that include the funding of partnerships)
10. Promote sustainable and inclusive development through policies that foster sustainable use, competitiveness, and equity.

SESSION 4. Identification of Opportunities and Potential Public-Private Partnerships in Support of Good Governance for Sustainable Development

Speaker: Olga Sauma, *Asociación Empresarial para el Desarrollo* [Enterprise Association for Development], Costa Rica



Topics discussed:

The following topics were discussed in this session:

- National context (the example of Costa Rica). Principal statistics; economic, social, and environmental aspects.
- Impact (economic, social, environmental) of businesses on wealth- and employment-generation.
- Management systems that foster corporate social responsibility (CSR), reporting, and external certification. Responsible competitiveness for sustainable development. Strategic purpose of CSR in risk management.
- National partnerships such as the Automation for High Performance Program (PIAD). Development and expansion of the system. Development of local public-private partnerships.
- Regional partnerships. Central American integration through corporate social responsibility. Development of a joint vision among different entities that addresses the issues of energy, small and medium enterprises (SMEs), and safety.
- Global challenges in aspects of poverty, climate change, population, and globalization.

RECOMMENDATIONS:

The participants issued the following recommendations for consideration by the representatives of the OAS member states in the preparatory process to the Ministerial meeting:

1. Facilitate and promote greater dissemination and knowledge of norms. Make efforts to standardize technical language and promote the proper use of terms and concepts.
2. Facilitate the adoption of CSR policies.
3. Promote personal and public responsibility in the area of sustainable development.
4. Promote long-term planning policies in the public sector, as well as the development of management and information systems.
5. Promote coordination of the different areas and programs of the public sector related to sustainable development.
6. Prioritize the development of appropriate legal and regulatory frameworks; promote measurement by impact and not results.
7. Promote an integral culture of CSR in the private sector, encouraging personal responsibility and the transfer of capacity and knowledge in management issues.
8. Develop long-term sustainability strategies in the private sector, seeking the commitment of all actors and the strengthening of public policies.



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Other Matters:

The participants appointed Mr. Pedro Olaechea, President of the *Sociedad Nacional de Industrias del Perú*, to represent the private sector at the Second Meeting of Ministers and High-level Authorities on Sustainable Development, and Mr. Henri Le Bienvenu, Executive Director of *Perú 2021*, as alternate representative.

List of Appendixes:

Appendix I: Program of the Meeting

Appendix II: List of Participants



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APPENDIX I:

PROGRAM

“TOWARD SUSTAINABLE DEVELOPMENT IN THE AMERICAS”

CONSULTATION WITH THE PRIVATE SECTOR

Place: SOFITEL ROYAL PARK LIMA, Av. Camino Real 1050, San Isidro, Lima, Peru.

Date: Thursday, September 16, 2010

Organizer: OAS – Department of Sustainable Development / Department of Economic Development, Trade and Tourism/ Ministry of Environment of Peru

BACKGROUND

The General Secretariat of the OAS has launched an effort to put active participation by the private sector and public-private dialogue on the inter-American development agenda through OAS Private-sector Forums. Resolution AG/RES. 2244 (XXXVI-O/06) of the OAS General Assembly invites the member states to continue the dialogue to explore linkages with the private sector and strengthen programs and initiatives within the OAS framework, especially those that, with private-sector participation, will contribute to the integral development of the states of the Hemisphere. This resolution, moreover, urges the General Secretariat to provide technical support for private-sector participation in activities and projects carried out within the framework of the OAS.

Within the framework of the process preparatory to the Second Inter-American Meeting of Ministers and High-level Authorities on Sustainable Development, to be held shortly in Santo Domingo, Dominican Republic, the Department of Sustainable Development (DDS) is engaging in consultations with civil society and pertinent social actors such as the private sector. With a view to identifying potential areas for collaboration with the private sector, representatives of its trade association were surveyed, resulting in the identification of key aspects of the public-private dynamic that affect the sustainable development of the Hemisphere.



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These aspects include the challenges facing the private sector in the areas of climate change and risk management, as well as the industries most affected; the need for a shift in production and consumption patterns toward sustainable development; challenges and opportunities for the private sector in regulatory, financial, and institutional areas; and the opportunities for building public-private partnerships to promote sustainable development.

EXPECTED RESULTS

The purpose of the consultation with the private sector in the process preparatory to the Second Inter-American Meeting of Ministers and High-level Authorities on Sustainable Development is therefore to:

1. Share experiences on the challenges of sustainable development confronting the private sector in the member states.
2. Facilitate dialogue in order to identify and create public-private opportunities and agreements that boost national and regional capacity to tackle the challenges confronting the Hemisphere's private sector in sustainable development, climate change, and risk management.
3. Evaluate the successful experiences of corporations, trade associations, or industries in the areas that will be discussed during the meeting.
4. Elicit specific recommendations from the private sector and representative trade associations for consideration at the Second Inter-American Meeting of Ministers and High-level Authorities on Sustainable Development

Thursday, September 16, 2010

8:30–9:00 a.m. Registration

9:00–9:20 a.m. Welcoming remarks

- David Morris, OAS Representative in Peru
- Ambassador Luzmila Zanabria, Under-Secretary for Multilateral Affairs, Ministry of Foreign Affairs of Peru
- Dr. Antonio José Brack Egg, Minister of the Environment

9:20–9:30 a.m. Presentation of the Declaration of Santa Cruz + 10, the Inter-American Program for Sustainable Development (PIDS), and the Agenda of the Second Inter-American Meeting of Ministers and High-level Authorities on Sustainable Development

- Enrique Bello Rebagliati, Chief, Technical Unit
Department of Sustainable Development, OAS (Buenos Aires)



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- 9:30–9:45 a.m. Common Challenges for the Private Sector in Sustainable Development, Climate Change, Risk Management, and Vulnerable Sectors and Industries**
- Pedro Olaechea, President, *Sociedad Nacional de Industrias del Perú*
- 9:45–10:15 a.m. Open Discussion**
- 10:15–10:30 a.m. Coffee**
- 10:30–10:45 a.m. Changing Production and Consumption Patterns: Challenges and Opportunities**
- Roberto Herrera, President, *Red Nacional de Apoyo Empresarial a la Protección Ambiental*, Dominican Republic
- 10:45–11:15 a.m. Open Discussion**
- 11:15–11:45 a.m. Regulatory, Financial, and Institutional aspects: Role of Public and Private Actors; Challenges**
- Santiago Perry, Executive Director, *Corporación para el Desarrollo Sostenible de los Pequeños Productores (PBA)*, Colombia
- 11:45–12:15 p.m. Open Discussion**
- 12:15–1:15 p.m. Luncheon**
- 1:15–1:30 p.m. Identification of Opportunities and Potential Public-private Partnerships in Support of Good Governance for Sustainable Development**
- Olga Sauma, *Asociación Empresarial para el Desarrollo*, Costa Rica
- 1:30–2:00 p.m. Open Discussion**
- 2:00–3:30 p.m. Recommendations and Dialogue**
- Session moderated by Henri Le Bienvenu, Executive Director, *Perú 2021*



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3:30 p.m.

Closing Remarks

- David Morris, OAS Representative in Peru
- Ana María Gonzáles del Valle, Vice Minister of Environmental Management, MINAM Peru



APPENDIX II:

LIST OF PARTICIPANTS
CONSULTATION WITH THE PRIVATE SECTOR
“TOWARD SUSTAINABLE DEVELOPMENT IN THE AMERICAS”

Lima, Peru
September 16, 2010
8: 30 a.m. to 3:30 p.m.

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Peru

6. Antonio José Brack Egg
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Ministry of the Environment



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