

Report on the Working Group Sessions

The First working group convened its morning session yesterday to discuss and consider the principles, vision and strategy embodied in the introduction of the Chair's paper.

In response to calls from Hungary, Spain, Switzerland and Venezuela the chair suggested to consider a restructuring of the introduction into a much longer document that could include more of the principles and post 1992 agreements.

Hungary stated that the paper needs further structuring as there are many repetitions and it is currently difficult for the 'lay person' to understand. The Chair's paper must give a much more concrete plan of action to be followed. It needs to be made clear in introduction that there are three pillars to sustainable development. It was also suggested that there must be a stronger reference of governance within the introduction.

Spain indicated that at the end of the 1st paragraph in the introduction other post 1992 agreements should be included. Also they recommended that there should be elements of the following areas: poverty eradication; and sustainable production and consumption; management of ecosystems; and following in the introduction, the importance of the private sector and facilitating a situation in which private sector promotion of sustainable development can take place, including north-south private sector collaboration.

Switzerland suggested that they would like reference to good governance in the introduction (or perhaps elsewhere). This could be identified within a new paragraph in introduction after paragraph 3. Switzerland also put in a call for stronger wording of the last sentence of introduction: 'the gap must be bridged...to promote sustainable development at all levels.'

Venezuela would like to see a major restructuring of 1st paragraph in the introduction. They suggested a new paragraph 2, as again like Hungary, there should be a reference to the three pillars of sustainable development. Alongside this the introduction should make it clear that poverty eradication is integral to the paper. They were also keen that there should be mention of women and other vulnerable groups.

The Second working group convened during the afternoon addressed the text outlined within part 5, chapter 18 (Sustainable Development in a Globalizing World) of the chair's paper.

The chair asked the delegations to comment on proposed improvements to the text for each section, "a-p", but without going into too much depth.

There seemed to be near consensus on a few areas, in particular issues relating to sections "a-h" beyond promoting coherence and close cooperation among the UN, Bretton Woods institutions and the WTO, and the promotion of corporate responsibility and accountability through initiatives, such as the global reporting initiative, but with the inclusion of reference to the Global Compact within section "e".

Within the second section of part 5 of chapter 18, from "h-p", there was little agreement and the chair closed the session with a reminder to keep in view the need for concrete international deliverables relating to "development in a globalising world", along with concrete actions as well as identifying sources of finance for effective implementation.

By the time that the Third working group session was able to commence the day was short of time and found itself having to look to the following day to meet any substantive conclusions. Never the less, within the time that was spent on considering the text relating to "how to deal with good governance" it was decided that it was essential that all views of the delegates are reflected within the text.

There were a number of suggestions that strengthening Sustainable Development governance is key to overseas development and that form follows function. There seemed to be a need to have a global, regional and national level framework. The chair indicated that the text will not address good governance aside from international governance.

Governance along with multi stakeholder dialogues were also stressed as being a crucially important element to achieve the implementation of agenda 21 through strategic partnerships and initiatives.

Given the time that was available for this session, positive discussions were initiated on the topic of governance and the hope is that this may continue when the session reconvenes later in the week to cover all the delegations views for inclusion within the text.

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THE JOHANNESBURG WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT

THE UBUNTU VILLAGE

CONTENTS

Situated 5km from the United Nations venue, the UBUNTU Village will perform critical functions in providing a central hub for the Johannesburg Summit where people of the world can unite on common ground to stimulate dialogue and maximize partnership opportunities. Its proximity is ideal since it is close to major transport routes, venues and hotels.

The Best Practice Exhibition on Sustainable Development, referred to as the UBUNTU Exhibition will provide a forum for Governments, Inter-Governmental Organisations, Major Groups and Civil Society to profile practical solutions, partnerships, technologies and the implementation of Agenda 21.

The UBUNTU Exhibition will showcase exhibits of Best Practice from around the globe through Multi-stakeholder participation.

The exhibition will be housed in Tensile One, the largest portable event venue of its kind in the world. It is designed to deliver maximum height at the eaves, being 10 000 sqm in size and 3 storeys in height.

Closing date for Expressions of Interest to participate at the UBUNTU Exhibition will be on the 10th April 2002.

VISITOR PROFILE - ACCESS

All UN accredited delegates to the World Summit on Sustainable Development (WSSD) and holders of the South African Welcome Card will have access to the UBUNTU Village at all times, thus allowing delegates transport to all venues within the transport grid. In addition, some 5 000 South African citizens will visit the Village a day.

The Welcome Card has been developed to permit delegates to access the infrastructure developed specifically for the Summit such as transport. The card can be purchased on arrival in South Africa.

Please come and visit the Johannesburg World Summit stand between the Vienna Café and the lifts to find out how you can become part of the energy of the World Summit on Sustainable Development.

You can look forward to an update on the operation and logistics of the summit in next week's addition (Tuesday, 2nd April 2002).

TNC's & THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT

One of the main missing elements of the Rio outcome was substantial action to address the role of corporations. One of the main concerns of the wider public in the years since has been the process of corporate globalisation. Yet the issue remains controversial despite the clear need for action.

There is a great deal of PR positively spinning the role of the private sector. Indeed, Johannesburg itself is likely to see a great deal of feel-good PR as business makes its case for light regulation and stakes its claim as a partner in sustainable development. But the power of the corporate sector has grown in recent years – many corporations are now bigger economies than some of the countries where they operate. They also have the ability to threaten to relocate leaving countries less willing and able to regulate to secure better practices. Corporations too have avoided accountability for their actions. Instead they have pressed, successfully, for governments to roll back regulation and instead put forward voluntary initiatives as the way forward. The rights secured by multinational corporations through processes such as the WTO have not been matched by responsibilities and obligations.

NGOs and nearly all other major groups made it clear at Prepcom 2 that they wanted to governments take action to address questions of corporate accountability. At stake are issues relating to the rights citizens and communities need to hold companies who affect their lives to account. Duties on companies to address social and environmental concerns and the practices of companies. The financial and other liabilities of corporations also need to be addressed and many groups have identified the issue as crystallizing their concerns about bad corporate behavior reflect the experiences of communities around the World.

Some governments have indicated they want to see voluntary codes take root and be given further official sanction. But such codes are insufficient and anyway often represent practices that many feel corporations should adopt as a matter of course.

FOEI is calling on governments to address the corporate accountability question seriously. At the core is a growing concern about the influence of corporations over governments and the UN and the ignoring of the voices of citizens around the world who are challenging this process. The issue of corporate power and the lack of corporate accountability is unlikely to go away which makes it imperative for governments to seek a solution that meets the needs of the wider public for a robust binding framework for corporate accountability – not just good behavior at the whim of chief executive officers.

Enhancing Global Economic Governance for Sustainable Development: The Challenge

The debate over the benefits and costs of the contemporary wave of 'globalisation' of trade, technology transfer, communications and mobility highlights a fundamental problem of governance. Economic globalisation has developed at a striking rate over the last 20 years, bringing with it increased influence for transnational corporations and complex social and environmental impacts, yet we still lack a political framework to help manage the process and tackle the problems it can generate.

We have a sophisticated set of international institutions: the UN and its specialist agencies, the WTO, the IMF and World Bank, and the summits and conventions, which frame global economic issues. But these organizations have a number of basic limitations. *First*, they lack a democratic dimension. To whom are institutions, such as the IMF accountable for their decisions on financial support for client states—decisions that have massive implications for the social policy and economic make-up of developing countries? *Second*, they lack coordination across policy areas. For example the WTO has been heavily criticised for failing to fully take account of the environmental implications of their policy decisions. *Third*, the regime lacks basic mechanisms for legal enforcement. International institutions have been effective at imposing economic conditions on vulnerable Southern governments, but not in ensuring that the more powerful states live up to their commitments in international treaties. The international system also lacks regulatory frameworks - considered essential at national level- for example, bodies to regulate competition policy. There is a lack of common systems for natural resource accounting and auditing to allow comparison over time and between countries. *Finally*, the current regime is dominated by the perspectives of Western policy makers and specialists, and by Western economic policy which gives priority to individual consumption over *community level* consumption decisions and valuations.

Rethinking the Global Market System: We need urgently to consider how to democratise and bring coherence to existing global institutions. The 'contagion' crisis of 1997–8 and the failure of the 1999 WTO summit in Seattle underline the need for global economic actors to incorporate ecological and social justice factors in decision making. Some TNCs have begun to report on their environmental and social impacts, and adopt corporate policies to promote sustainable development. However voluntary approaches are unevenly spread and lack consistent standards. There is a need to promote faster progress in this direction. This means, defining the conditions for operating the market economy, and ensuring it supports the international agreements on environmental and social protection. It also requires definition of a set of values shared by humanity, and regulation of the market economy to ensure it is directed towards humanity's needs rather than individual demands.

Enhanced Institutional Coordination: While not a panacea for every problem, enhanced coordination between international agencies could generate real benefits. We need better coordination between the UN and other bodies, and within the whole UN system. There is also a need for the international agencies to engage in more open and challenging dialogue with other sectors which play a pivotal role in changing attitudes and policies on resource use - across the stakeholder groups.

New Development Models: In the West there is growing recognition of the need for new models of development, taking full account of sustainable resource use and ecological constraints. This needs to be reflected in the programmes and priorities of international agencies. There is also a need for development models *appropriate* to local conditions and capacities, in North and South alike. Top-down economic development neglects the perspectives of local communities and their expertise. We need more recognition and support for *alternatives* for development, linking social and economic development with resource conservation. There is also a need to create more productive partnerships between North and South for resource management in individual sectors. Locally we need urban and rural models for regional and local development.

Transitional Plans: An important task is to identify *transitional steps* to better global governance. Transitions to new patterns of production can be difficult: for producers and harvesters, and also for consumers. The need for careful support to provide alternative livelihoods and preserve social 'capital' of communities is especially pressing. Another key element should be the precautionary principle. We should take 'insurance' action to avert damage, even in the absence of definitive scientific confirmation of the threat. This should be applied in the light of the *proportionality* principle, where precaution and preventive action needs to be proportionate to the scale of risk identified, so that precaution does not block innovation which could support sustainable development, or divert resources from where they could benefit society.

Market Operation: Presently most Western consumers do not receive price signals which reflect the fragility of resources, or which provide any incentive to conserve and use resources efficiently. An obvious step is to phase out 'perverse' subsidy arrangements, such as the US\$800,000 million spent annually worldwide which support environmentally damaging farming practices. We need to establish viable market pricing systems which better reflect the true values of resources and cost recovery, as well as to use discount rates which value longer-term solutions. There is an urgent need for the global institutions to collaborate with TNCs, NGOs and leading academic researchers in *reviewing best practice and using it to build a common set of valuation tools*, acceptable in

North and South.

Global Institutional Framework: Perhaps the biggest task is to clarify the roles of global institutions in the development of policy on sustainable management, workers' rights, and environmental protection. There is a need for a global governance audit to identify gaps in institutional roles, to put forward modifications, and to propose new institutional architecture which balances North–South interests, and economic, social and environmental concerns. The outcomes of such an audit is likely to include recommendations for stronger integration of environmental policy into project appraisals and the strategic policies of the WTO, IMF and World Bank. There is also a clear case for strengthening UNEP and increasing the Global Environmental Facility. This should include enhanced frameworks for integration of sustainable resource management into mainstream policy and goals of the WTO, World Bank and IMF. One outcome might be a biennial joint 'State of the World' report by key UN development and environment agencies, and the economic institutions.

Funds for sustainable development: Existing funds for support of sustainable development in the developing world are far below what is needed. There is an urgent need for a large *global sustainable development fund*, to support the transition to more sustainable technologies, governance and resource use. There is growing support for a fund - to be financed by a global tax on financial transactions and other global transactions, such as airline flights and currency trades. Taxes could be levied by national governments and pooled by agreed brokers, such as UNEP and UNDP. Funds could be paralleled by regulations designed to restrict backing of unsustainable projects.

Ownership, Access and Property Rights: A fundamental issue for resource management is the allocation of rights of access and use of natural resources. Open access systems, e.g. fisheries, tend to lead to a race for resources, overexploitation, and marginalisation of the weak with largely inequitable results. However, outright privatisation of resources also has problems, offering no guarantee of sustainable use, and it can entrench inequitable patterns of use. There is an urgent need for a global conference on ownership and access rights, to clarify the options and spread good practice and innovative solutions. A potential way ahead is to identify mechanisms that have proved successful in allocating shares to resource users and allowing trade of shares between users. In such systems there needs to be a recognized 'owner' of the resources – a respected and accountable public agency, mutual co-operative, or multi-stakeholder partnership – with transparent and equitable means of allocating user rights and trading principles. This is already a system used in many fisheries, and it is emerging as a favoured mechanism for reducing pollution and trading of greenhouse gas emissions. It could be applied to water management and use of bioresources.

International Conventions: Governments should prioritise ratification and implementation of existing conventions and promotion regional resource management organisations focusing on innovative solutions to conservation problems. There is also a need to further develop, via the WTO and other agencies, a global regulatory framework for the operation of TNCs. This would set global standards for environmental and social performance, and extend corporate liability to cover environmental damage. Ratification and im-

plementation of global conventions cannot be left to governments. There is a need to further establish global 'civil society conventions', such as the Marine and Forestry Stewardship Councils, to promote sustainable harvesting of fisheries and forests.

Building Networks and Changing Values: Managing the 'global public goods' of water, fisheries, biodiversity, and also of atmospheric quality, requires 'joined-up action' on a global scale. Sustainable use of resources can only work if private organisations, individual citizens and key governmental institutions support and have a stake in it. Networks which connect governmental organisations to civil society are vital to effective learning, debate and consensus building. The legitimacy of such organisations depends on their political acceptability, and a broad consensus on the need for such mechanisms. Education and communication is vital to the development of this consensus.

Action networking should be fostered by governments: This means promoting links between sectors to generate practical action for sustainable development. Governments need to forge more partnerships between the various stakeholder sectors, and to link local (e.g. Local Agenda 21) to national action (through national strategies for sustainable development), and ultimately to global action.

Conclusion

It is unlikely that the deep problems of resource management at the international level will be successfully tackled unless we have radical reform of the global architecture. Such reform will not be enough on its own to put us on a sustainable development path, but is an essential ingredient of the wider mix of policies.

Action is needed now. Action to radically improve the systems we have for governing the use of global resources. The action that is needed is of two kinds. *First*, to make our existing institutions (governments, agencies, markets and laws) work much better than they currently do. *Second*, innovations in governance—new market mechanisms, systems for regional management, information and education and better linkages between government departments and across sectors. Because conditions vary so much, there can be no top-down blueprint, which is imposed on others. We need open experimentation and innovation, and mechanisms for learning across sectors and cultures. Key issues that need to be addressed within the reform process includes the need for:

- q Debate on the mechanisms by which we value the environment;
- q Policies to rest on a democratic basis of meaningful dialogue and involvement of stakeholders;
- q Fostering of consensus and conflicts to be tackled with the assistance of independent organisations beyond State control, political parties and business, capable of commanding trust, expertise and resources for impartial research;
- q The need for debate and learning to be informed by a shared ethic of resource conservation and equitable access to resources.

The full WHAT report is available from:

www.earthsummit2002.org/governance/governance

Taking it from the Top

Outreach presents two opinion pieces from two prominent individuals from the last 10 years of sustainable Development as we start to look forward over the next 10 years. Margaret Brusasco-McKenzie, formerly head of the EC DG Environment followed by Bedrich Moldan, CSD 9 Chair report

The Chairman's text as it emerged from the 2nd Prepcom is rather comprehensive, useful and interesting. It will provide a good basis for the work of the next Prepcom, where we must all cooperate to find common ground, and raise our sights to produce a text, which will be more visionary, and will at the same time provide much more specifics and detail. This, needless to say is easier said than done, because there are widely divergent views amongst Governments on both the vision and the detail, not to mention other strongly held views of other stakeholders.

The existing text is very strong as it should be on Poverty Eradication and Conservation of Natural Resources, with very good passages on fisheries, agriculture, disaster prevention, mining, biodiversity and cooperation between the financial and trade Institutions.

So we have much to build upon, if little time to do it! If the Summit is to be the success that we all hope for, Governments must manifest more clearly their wholehearted commitment to Sustainable Development. Surely they have more success stories that they can showcase now and at Jo'burg, and build upon in cooperation with other Governments and other partners? Let us hear some more about these and what they intend to bring to WSSD as their contribution. It is not only Governments who have responsibilities; all the stakeholders should contribute.

In the Type II outcomes we all have the chance to create something original and concrete which should be followed by sustainable projects that will make a real difference, preferably for the most in need, ie the poor in developing countries. The Monterrey Conference has made a start on one of the most essential and also most difficult parts of the Sustainable Development equation. If we are serious in our desire to bring it about and assure water and food security for developing countries, if we wish to take up the challenge of Health and the Environment, it is clear that the developed countries must provide much more ODA.

While assistance from business or other sources of financing may well be welcome, it is ODA which must play the main role here. So the Monterrey targets must be built upon and rapidly. The recipient countries in their turn must commit themselves to ensuring that such ODA does reach those who need it most, and is used to set up sustainable systems of agriculture, health, water supply, etc.. Which brings us to the troubled topic of Governance. This is a many faceted debate, governance within the UN and its institutions, good governance by suppliers of funds and by recipients, etc. Many days were spent before Rio in such discussions. For WSSD we have little time left, so let us not get too bogged down in such discussions at this stage, we have to get the substance right first.

That said, we would, I believe all like to see a strengthening of UNEP and of the Sustainable Development institutions of the UN as one result of WSSD. Similarly, in all financial transactions for

development, we would all like to see that finance goes only for Sustainable Development, that it is delivered generously and honestly, and that it is received and distributed in the same way.

If WSSD is to be a success, it must result in a strong political declaration by the Heads of State and Government, it must build on Monterrey and provide more money for development, especially for the poor, in relation to water and food security, and health. It should see the coming into force of the Global Climate Change Convention, and commitments to make emission reductions a reality, it should address governance issues as described above.. Hopefully it will also give rise to a large number of concrete partnerships between all stakeholders, and leave some of these behind as sustainable projects in the host country, South Africa.

WSSD: A Historical Perspective -Bedrich Moldan

It may be helpful to see the World Summit on Sustainable Development in a historical perspective. We certainly start in Stockholm 30 years ago when, on June 5, the UN Conference on Human Environment started. It focused on "Only one Earth" as the Conference's motto stressed. It was able to identify the most important environmental problems at different levels and their immediate causes. The ultimate drivers of environmental degradation were not an issue at the Conference (perhaps with the exception of a passionate plea of Indira Gandhi who spoke about "poverty pollution"). However, in about the same time these questions were put on the table by the powerful message of the Limits to Growth published in March of the same year.

During the time period that followed the world community tried hard to find the answer to the question posed by the Limits: Is it possible to reconcile the economic progress with the urgent need for environmental protection? Since the Brundtland Report, we know the answer at a general level: make development sustainable. Trying to operationalize this concept, Rio did a great job as well as the UN Commission on Sustainable Development in subsequent years. But still the task is unfinished.

In my opinion, it is the unique opportunity for the WSSD to do exactly this. The only way ahead is the full recognition – and reconciliation – of all the three pillars of sustainable development. As the anti-globalization protesters more and more often and with growing strength remain as, there is no real development possible without embedding it, fully and positively, ecological and social concerns. These must become a constituting part of all policies in all sectors at all levels. They must not be something we "also" take into account, among several other things. They must be considered from the very beginning, not after the basic concepts are already firmly settled.

I think the motto "People, Planet, Prosperity" is a very appropriate one for our coming Summit. I especially like this ordering of the three pillars: The development is people centered. We should recall the absolutely important Principle 1 of the Rio Declaration, namely its first part: Human beings at the center of concerns for sustainable development. Then goes the Planet, as the second half of the principle says: They are entitled to a healthy and productive life in harmony with nature. Therefore, we must sustain our Earth. Prosperity, which goes last, is perhaps not an objective in itself but rather a means. A very important means, but not the ultimate goal.

Events Diary

Wednesday 1.15 - 2.45	International Environmental Governance: Proposals for Reform. UN University. Conf. Room 1
1.15 - 2.45	Sustainable Human Settlements: Issues of Good Governance. NGO Committee on Human Settlements. Conference Room 4
1.15 - 2.45	The Rural Energy Challenge: Meeting the Needs of the Poor. UN Ad Hoc Inter-Agency Task Force on Energy. Conference Room 6
1.15 - 2.45	Developing Human Resources for the Future. Worldwide Organisation for Women. Conference Room B
6.15 - 7.45	Linking Poverty Reduction & Environmental Management: Policy Challenges & Opportunities. UNDP/UK DFID/European Commission/The World Bank. Conference Room 1
6.15 - 7.45	Gender Perspectives in Sustainable Development. UNDESA/DAW. Conference Room 6
6.15 - 7.45	The Role of the Mining Sector in the Transition to Sustainable Development. IIED. Conf. Room B
6.15 - 7.45	Nordic Experiences on Sustainable Consumption & Production. Governments of Sweden & Finland. Conference Room 4
Thursday 1.15 - 2.45	Legal Rules, Common Future 2002: Principals and Best Practice of International Sustainable Development Law. Centre for International Sustainable Development Law. Conf. Room 1
1.15 - 2.45	New Partnerships for Africa's Development. South African Mission. Conference Room 4
1.15 - 2.45	Contributions of Industry to Sustainable Development. UNIDO. Conference Room 6
1.15 - 2.45	Global Governance Made Simple. LEAD. Conference Room B
3.30 - 5.30	Briefing for Delegates Organised by JOWSCO/South African Organising Committee. Dag Hammarskjold Library Auditorium.
6.15 - 7.45	Forging Partnerships for Sustainable Development for Water. National Resources Defence Council. Conference Room B

Diary of a DSD Senior Advisor

Everybody arrived for the PrepCom and no one seems to be ready to discuss the text yet, just endless meetings. How are we going to negotiate a Programme of Action in nine days when Rio took 10 weeks is beyond me. It looks like we will be back for informals before Bali. Big problems started as I arrived at the office, it seems that we haven't paid our paper bill to the Canadian Pulp Company. They have written to us over ten times and we haven't responded. In each case the letter was forwarded to the Forum on Forests by mistake. They have now refused to deliver of any paper for the Prepcom. 'He on high' had a great (?) idea: why not give the delegates the papers on computer disk so that they can print it off themselves? Somehow I don't think this is a good idea. We had a brainstorming meeting in the Division and it may be, at least for the first week, that we can produce the txt on post-it-notes to put on the wall between the UN bookstore and the Vienna Café. We were then going to do an anonymous SWOT analysis on the Summit within the Division, but unfortunately had run out of post-it's by then Someone suggested using our business cards, but this failed as nobody would put up any weaknesses.

Everyone seems to be asking where is the governments political backbone for Type I outcomes. The Director has instructed us to look for it. There is a rumour it has been seen in the Vienna Café. Personally I think it was left at the airport in Brazil in 1992.

We are all excited about going to Bali I've booked a villa near the ocean to chill out after the PrepCom. One of the few positive bits about the lack of funds for this processes means I was able to argue in the Division that it was cheaper leaving me in Bali and go to the workshop on WSSD in Malaysia than to come back to New York and fly back to Malaysia. I said I would take my laptop. Sure while getting a suntan and drinking tequila's.

