

# The UN SG's Rio-istic

## Assessment: How well are we doing after 10 years?

Stephen Peake, 21 March 2002

This note extracts points from the review of progress on Implementing Agenda 21: Report of the Sec. Gen.

### General points

- There is undoubtedly an implementation gap
- despite initiatives by Governments, international organisations, business, civil society groups and individuals to achieve sustainable development, progress towards the goals established at UNCED has been slower than anticipated and in some respects conditions are actually worse than they were ten years ago
- Financial resources for Agenda 21 have not been forthcoming
- Lack of mutually coherent policies in areas of finance, trade, investment, technology and sustainable development
- Policies and programmes at both national and international levels have generally fallen far short [of required level of integration]
- Political Will, Renewed Spirit of Global Cooperation and Solidarity are keys to success

### Unsustainable Consumption and Production

- No change on patterns of unsustainable consumption and production losses continue to occur
- More than 11,000 species listed as threatened with extinction, More than 800 already extinct with 5,000 more species threatened
- Half of all marine capture fisheries are fully utilised and another 25% are over-fished
- Deforestation at 14.6 million ha per year - mostly in tropical developing countries
- 27% of coral reefs estimated to have been lost directly or indirectly impacts and effects of climate change
- A further 30% of coral reefs may be functionally destroyed in next 30 years
- New and stronger evidence that much of the global warming observed over the last 50 years is attributable to human activities
- World consumption of energy increased by 10% 1992-1999

Today:

- 15% of world's population responsible for 56% of total consumption
- Poorest 40% account for just 11% of consumption

- Consumption expenditure of average African household is 20% less than it was when we met in Stockholm in 1972

### Economy

In the 1990s (c.f. 1980s):

- Average annual growth rate of GDP for developing countries was 4.3% (2.7%)
- Average annual growth rate of GDP for developed countries 2.3% (3.0%).
- EITs GDP fell at annual average rate of 2.3%
- Global exports grew at an average rate of 6.4% to reach \$6.3 trillion
- Developing countries exports grew at average annual rate of 9.6%
- Africa's share of trade declined from 2.7% in 1990 to 2.1% in 2000

### Poverty

At best limited progress in reducing poverty

- Poverty rate (\$1 per day) declined from 29% in 1990 to 23% in 1998
- Total number of people in income poverty declined from 1.3 billion to 1.2 billion
- Substantial progress in reducing poverty in East and South-East Asia
- No progress in Sub-Saharan African - where half population live in poverty
- In the most optimistic World Bank scenario total number of people living on less than \$1 per day will decline to about 750 million persons by 2015

Some progress on health but HIV/AIDS is a major problem:

- Greater progress in health care, child and maternal mortality, hunger reduction, access to education and access to safe drinking water and sanitation
- 1 billion people lack access to safe drinking water and 2.4 billion to adequate sanitation
- More than 8% of children in developing countries die before they are 5 years old
- 113 million primary school age children in developing countries still not in school
- 777 million of the estimated 815 million people who are undernourished live in developing countries
- Goal of reducing hunger by half by 2015 will not be met with current trends

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# The Environment Agenda Needs a Push

*Over 90 ministers of environment gathered in sunny Cartagena, Colombia for UNEP's 7th special session of the Global Ministerial Environment Forum (GMEF) and UNEP's Governing Council (12<sup>th</sup> - 15<sup>th</sup> February). Stakeholder Forum's Rosalie Gardiner reports.*

It was also the final meeting of the Intergovernmental Working Group on International Environmental Governance (IEG). At the outset there was a clear division on interests. More controversial areas included the role of UNEP, finance, and membership of GMEF. The stalemate was largely between the G77, Russia, and the US (amongst others), who generally wanted to maintain the status quo, vs. the EU, Canada, Norway (including others) who sought commitments to change. However, progress was partially made on the topics up for debate. Some of the key outcomes included:

**Multi-lateral Environment Agreements (MEAs):** There were differing views about how to do it (regional, thematic and/or functional clusters). However piloting of thematic groupings, such as a Chemicals cluster, was supported. Capacity building, technology transfer and provision of finance for facilitating compliance of MEAs was seen as important but no specific actions were agreed. Simplified reporting, co-location of secretariats, and back-to back meetings were encouraged. Compliance mechanisms should utilise voluntary guidelines produced by UNEP.

**Environment Management Group:** It was agreed that EMG should take a stronger co-ordination role for environmental activities throughout the UN. The EMG will report annually to GC/GMEF. On a related issue it was decided that UNEP should join UN Development Group.

**GMEF:** GMEF was opened for universal participation, to look at universal membership of governments at the 22<sup>nd</sup> session of the GMEF/GC. The role of GMEF will include: analysis of the environment; providing policy advice; promoting international cooperation; assisting development of international environmental law; enhancing inter-linkages between MEAs; and reviewing reports of the EMG. They also called for the establishment of a new Intergovernmental Panel on Global Environmental Change (its mandate and modalities to be decided).

**Capacity building and technology transfer:** Stronger capacity was recognised a requirement for developing countries to participate actively in policy formulation and implementation. Governments called for establishing arrangements to transfer environmentally sound technologies to developing countries, as well as an inter-governmental strategic plan for technology support and capacity building. This will be assisted through strategic relationships between UNEP, UNDP and GEF, amongst other institutions.

**IEG/UNEP:** It was recognised that environmental governance should be consider international but also regional, national levels. Although some governments called for the establishment of a world environment organisation or UNEP to become a UN Agency, op-

tions were left open. Wider ministerial representation was called for in dealing with environmental issues that go beyond the environment agenda.

**Finance:** The final decision states adequate, stable and predictable finances are needed to strengthen UNEP. For the administration and management of UNEP it was agreed that UN General Assembly would consider provision of funds. UNEP's Environment Fund was more controversial. Governments agreed to continue making voluntary contributions. An Indicative Scale of Assessment (using the UN assessed scale) would be encouraged, but governments retain an opt-out clause, allowing them to contribute to the Environment Fund through "any other basis identified by a member state". Additional voluntary contributions would be sought from the major groups, particularly the private sector. On the Global Environment Facility (GEF), governments called for greater tie-in between GEF/UNEP through strategic partnerships (also involving the World Bank and UNDP).

**Participation:** there was considerable variation in the use of "civil society" and "major groups" terminology, but the decision supports their wider engagement in GMEF and UNEP. It allows for formal oral and printed statements, as well as for a civil society forum to meet alongside the GMEF/GC meeting. Additional finance for capacity building and participation from organisations in developing countries was not addressed.

**Future perspective:** The Global Environment Outlook (GEO) 3 report, released in May 2002, will be UNEP's major contribution to the WSSD. Priority areas for WSSD included: strengthening of the scientific basis of decision-making; Utilise the WTO Doha meeting as a constructive basis for discussion on globalisation; Poverty and preservation of environmental goods and services; Support for Africa and the New Partnership for African development (NEPAD); Technology transfer for clean production and education; Health and environment; Sustainable energy networks; Governance; Implementation and enhancement of MEAs and the Montevideo Programme III on Environmental Law; building a regional approach including UNEP regional offices; partnerships with major groups.

The South African Minister Mohamed Vali Moosa indicated that GC/GMEF meeting was "a very positive and forward looking meeting, with a strong spirit of cooperation and search for consensus". Whilst pleased with the IEG process he felt that further reorganization would be necessary to empower Developing Countries and increase accountability. He was less positive about the financing for UNEP, which had produced little by way of firm commitments. He pointed out "you can't talk about strengthening UNEP without more predictable and adequate finances". The priority environmental issues to be addressed at the Summit would "need to focus on actions...in the context of a broader Global Programme of Action on poverty eradication and sustainable development".

# From Words to Deeds...

**By Margaret Wallstrom, European Commission  
DG Environment**

Ten years on from the Earth Summit in Rio the world knows a lot more about what it takes to bridge the gap between rich and poor, about the long term costs of unbridled growth and about the need for more integrated policy making if we are to achieve sustainable development. In Johannesburg in a few months time world leaders will have an opportunity to build on lessons learned and to show that the developed and developing countries can work together to build a better, common future.

## **Partnerships for Action**

Already the UN Commission on Sustainable Development has circulated an ambitious draft text seeking ways of eradicating poverty, changing unsustainable patterns of consumption and production, protecting and managing our natural resources, promoting health and sustainable development for Africa. The challenge of the coming months is to turn these ambitions into an action plan which sets out realistic objectives and provide the means to achieve them. We must prepare the ground so that in Johannesburg world leaders can cement partnerships for action. While much preparation has been done a successful outcome from Johannesburg cannot yet be guaranteed. Major efforts will still be necessary to secure commitments from all stakeholders to adapt policy and practice to the pursuit of sustainable development. The work of the preparatory committee between 25 March and 5 April will be important in determining the level of our ambition for Johannesburg and, even more importantly, the means which we are prepared to pledge to meet that ambition.

Europe is committed to sustainable development, at home and abroad. At their meeting in Goteborg last year, EU leaders adopted a strategy for sustainable development. Since then, our commitment to ensuring that both trade and finance serve as tools for sustainable development has resulted in progress in Doha and Monterrey.

In Johannesburg we want to bring all of these elements together. Through our development programmes, we are committing significant financial and human resources to poverty eradication, to improving health standards and to the protection of the environment. But we want to commit more than our money. We want to work in partnership with developing countries to share our experience and expertise with countries which are wrestling with similar problems. Therefore, in the run up to Johannesburg, we are working on initiatives in areas such as water management, energy and governance which will embody this partnership approach and help promote integrated policy making and implementation.

Lets take water as an example of what should and can be done. To the existing Millennium target of halving, by 2015, the number of people who do not have access to clean water, the Commission

wants to add that of halving the number of people with no access to clean sanitation, by the same date. Reaching these combined goals would make a huge contribution to improving health and living standards in the developing world.

To reach these goals the European Commission is advocating an integrated river basin approach which strikes the right balance between the needs of the environment and of man. We are ready to share our experience in the management of large international rivers such as the Rhine and the Danube, for example, with Africa, which has more than 50 international river basins and where moves are being made to set up a conference of African Water Ministers. Moving to sustainable and co-operative river basin management will require action on governance to develop new legislation, regulation and implementing mechanisms, which can be supported through technical assistance and capacity building. It will require need large scale investment which will require innovative approaches to financing, including the development of public-private partnerships, as well as more traditional forms of development assistance.

We are ready to work with UNEP, with the African Water Ministers conference and bilaterally to mobilise the resources necessary for this ambitious undertaking. Many of Europe's towns and cities are prepared to participate directly in this initiative, twinning with cities in Africa and elsewhere, to share experience and provide expertise.

Everyone wants growth for the benefits which it can bring but we must also heed the warning signs of depletion of the resources on which we depend, the social and political consequences of overcrowding in unsanitary slums and of the growing gulf between rich and poor. Our world is now so interdependent that we cannot afford to let the current negative trends continue. Our world is now so interdependent that we must work together to find ways of continuing to grow and develop which are sustainable and add to our quality of life so that it can be enjoyed by future generations.

## **An Agenda for Change**

The European Commission will go to Johannesburg with a clear agenda for change. We will not ask others to take on commitments which we do not implement ourselves but we will urge others to join us in setting clear targets and agreeing the means to implement them. One of the main reasons why Agenda 21 has not fully delivered on its promise is that it lacked the means to implement its ambitions. This time around, in Johannesburg, we must make integrated decisions – setting ambitious goals and deciding on the means to implement them. There is a lot at stake in Johannesburg. We are determined to rise to the occasion.

# Implementation Conference

Johannesburg, 20-23 August 2002:

## Stakeholder Action For Our Common Future

*Stakeholder Forum has since autumn 2001 been developing a programme for creating stakeholder partnerships, which can actively contribute to the implementation of sustainable development agreements.*

Within the framework of type 1 & type 2 outcome documents for the Johannesburg Summit, the Implementation Conference: Stakeholder Action For Our Common Future (IC) is seeking to develop type 2 outcomes: partnership initiatives to further the implementation of the sustainable development agreements.

The IC process is laying the foundations for collaborative stakeholder action, involving various groupings of business, NGOs, trade unions, women's groups, farmers, youth, local authorities, media, as well as intergovernmental organisations and governments. Based on analyses of existing agreements, we are identifying priorities for stakeholder action, and, among those, the issues and challenges that would benefit most from joint stakeholder action. The idea is that partnerships should be developed where they can add real value: increased quality of work due to engaging the wider expertise of different stakeholders; increased credibility due to the integration of different interests; and the opportunity for wider outreach due to the networks that different stakeholders bring.

Building partnerships takes time and a lot of communication, consultation, consensus-building, seeking out the appropriate partners, ensuring proper balanced between interests, and creating action plans that enjoy strong commitment from everybody involved. Participation, equity, transparency and integration builds ownership and commitment. And that's what we need to ensure that partnership initiatives will indeed be implemented. The IC process therefore includes extensive preparations. As such, the major event itself, to be held in Johannesburg during the week before the Summit, 20-23 August, will be a stepping-stone in a long-term process, which we started in the autumn of 2001.

After consultations with the International Advisory Board, including over 45 organisations of different stakeholders, four issue areas have been selected, namely Energy, Food Security, Freshwater, and Public Health & HIV/AIDS. Aiming to mainstream cross-sectoral issues into the sectoral ones, all of these issues are addressed with a view to poverty eradication, social inclusion and empowerment, good governance, gender equity and corporate / stakeholder citizenship.

Multi-stakeholder Issue Advisory Groups are guiding the developments on each of the four issues, identifying possible collaborative action plans and potential partners. A few months into the process, draft action plans have been drawn up and are being considered by

the advisory groups. The process is now moving to identify appropriate partners for implementation as well as sources of financing the partnership initiatives.

Between one and two hundred participants per issue are being invited to take part in the preparatory process and attend the conference.

The objective is that, by the end of the conference, stakeholders will commit to concrete, agreed and owned collaborative action plans aimed at implementing the Sustainable Development Agreements in the four issue areas. These outcomes will be made available to the Summit itself – possibly to be included in the type 2 outcomes - and a follow-up process will be launched.

Particular attention is being paid to the means by which the action plans are to be financed. The action plans may be self-financing, that is financed by the partners involved; the plans may be commercial in nature and be able to access commercial funding; alternatively the plans may require financial support of some kind and steps will be taken to identify and secure that support.

The process draws heavily on Stakeholder Forum's years of experience with coordinating multi-stakeholder roundtables, dialogues and other mechanisms that bring stakeholders together in a neutral space that allows them to communicate constructively. For example, the Stakeholder Dialogues at the Informal Environment Ministers Meeting in Norway, Sept 2000, and the International Conference on Freshwater in Bonn, Dec 2001). More recently, Stakeholder Forum developed a methodological framework for multi-stakeholder processes, which led to the book *Multi-stakeholder Processes for Governance and Sustainability: Beyond Deadlock and Conflict* (Earthscan 2002) by Minu Hemmati and others. This includes a set of principles for conducting multi-stakeholder processes as well as a check list of questions for those who are involved in their design. More information at [www.earthsummit2002.org/msp](http://www.earthsummit2002.org/msp)

For the Johannesburg Summit process, it will be essential to achieve close linkages between the type 1 and type 2 outcomes. Partnership initiatives of stakeholders need to be taking the lead from international agreements, they need to be prepared and designed in a way that supports and strengthens democratic, legitimate institutions. In other words, vision and leadership needs to come from governments. Rio, as many say, developed a joint vision. To put it to action, we need leadership. While stakeholder participation and collaboration provides much of the bottom-up, practical side of things, governments and the international institutions are the ones who provide the lead and the permission to act.

- Average life expectancy increasing, child mortality rates declining. Notable progress in eliminating diseases such as Polio
- HIV/AIDS is a major problem
- Malaria endemic in 101 countries and causes more than 1million

- deaths per year
- Global food production continues to expand faster than world population

### Environment

# UNEP Finance Initiative Annual Roundtable Meeting

*Financial institutions from around the World will gathered in Rio de Janeiro, Brazil, on March 14 -15 for the UNEP Finance Initiatives 2002 Global Roundtable.*

This meeting, coming just five months ahead of the Johannesburg World Summit for Sustainable Development (WSSD), was a critically important opportunity for the finance sector to highlight its achievements, lessons learned and challenges ahead prior to the landmark event in South Africa.

Some 300 plus finance executives, government representatives, civil society opinion formers and leading NGOs gathered just a stones throw from Sugar Loaf Mountain for two days of rigorous discussion dissecting the complex finance-sustainability nexus. The event was hosted by the Development Bank of Brazil (BNDES), with additional support from the Corporacion Andina de Formento (CAF), Deutsche Bank AG, ABN-AMRO Asset Management and Business Action for Sustainable Development.

UNEP FI choose Rio as the location for its 2002 annual roundtable as a symbolic gesture to remember the spirit of the 1992 Earth Summit ahead of WSSD in South Africa. Recommendations from the private sector finance community generated in Rio in mid-March will be taken on to WSSD and to the United Nations Financing for Development (UNFfD) meeting taking place in Monterrey, Mexico, immediately following the UNEP FI roundtable. The UNFfD meeting which started on March 18 and featured a UNEP FI panel event to deliver the Rio Roundtable recommendations to governments.

Michael Hoelz, of Deutsche Bank, a Co-Chair of the UNEP Financial Institutions Initiative (FII), explained: "We relived the spirit of the 1992 Rio Earth Summit at our meeting and then take it on to Johannesburg in late August for WSSD. The finance sector is proud of its achievements during the decade since Rio 1992 but we are aware of the formidable tasks ahead. Our UNEP FI Roundtable will enabled us to focus on next steps and thereby allow us to deliver strong and realistic messages in Monterrey and Johannesburg."

Carlos Joly, of Storebrand, recently elected chair of the UNEP insurance industry initiative, commented: "After a decade of significant work by many insurers and asset managers we need to take stock to see what we have accomplished and, most importantly, what still needs to be done. Significant breakthroughs have been made in some areas, for example, environmental standards for real estate property we own and also portfolio management that seeks to take environmental factors into account. But much still needs to be done, particularly in the area of insurance underwriting. We also want to motivate more companies in our field to take environmental challenges seriously. This will hopefully serve to guide us forward."

The Rio Roundtable follows UNEP FI regional outreach meetings in Asia-Pacific, Latin America and the Caribbean, an Africa, held between April 2001 and January 2002. This global UNEP FI rolling road show enabled financial institutions from around the world to provide their unique sustainability perspective as part of UNEP FI's preparations for WSSD. The one outstanding regional UNEP FI event will take place in Budapest, Hungary, in June 2002.

Jacqueline Aloisi de Larderel, Director, UNEP Division of Technology, Industry and Economics, said: "UNEP FI brings the diverse financial services community from around the world together. Private finance will play a critical role in the realization of sustainability. UNEP FI, as the Rio Roundtable shows, is a powerful mechanism to both engage the finance sector and understand the important role our leading institutions play in bringing development which respects the Planet, People, Prosperity ethic."

During the Roundtable itself KPA, Sweden, a pension fund with \$1.5 billion in assets became the latest signatory to the UNEP FI Statement of Environmental Commitment by the Insurance Industry Initiative, a commitment by companies to incorporate environmental principles into their internal and external business activities. An official signing ceremony was held during the Global Roundtable in Rio de Janeiro last week.

KPA becomes the ninety-first member of this rapidly growing group of leading insurance, reinsurance and pension fund companies from twenty-seven countries that have pledged to achieve a balance between economic development, human welfare and the environment.

At the signing ceremony, Jacqueline Aloisi de Larderel said, "Insurers increasingly recognise that taking environmental considerations into account in their daily business operations not only enhances shareholder value but also makes good business sense. The financial services sector has an important stake in promoting sustainable development and if companies like KPA, Sweden are joining our initiatives it is because they find added value in this partnership with UNEP."

Environmental degradation and ecological catastrophes threaten the very basis of the insurance industry, which depends on being able to manage and reduce risks. The UNEP insurance industry initiative enables exchanging information on best practices, the possibility to engage in a neutral dialogue with NGOs, discussions on themes of common interest, and access to other networks in which UNEP is engaged. UNEP encourages all financial institutions, insurance companies, including life, health and property insurers, to sign either of its two Statements of Environmental Commitment.

Some progress on Environment...but

- Forests and grasslands reduced and wetlands lost - reducing biodiversity and other environmental goods and services. Soil degradation affect as much as two thirds of the world's agricultural lands
- Natural disasters, the trend is negative
- Despite some positive trends in the number and extent of protected areas widespread biodiversity

## Events Diary

<b>Tuesday 10am - 1pm</b>	Meetings of Working Groups I & II. Conference Room 1 & 4
<b>1.15 - 2.45</b>	Indigenous Peoples' Proposals for WSSD. TEBTEBBA Foundation. Conference Room 4
<b>1.15 - 2.45</b>	Essential Elements of Good Governance. Environmental Law Institute. Conference Room 6
<b>3 - 6</b>	Meeting of Working Group 3. Conference Room 1
<b>3 - 6</b>	Informal Meeting on Partnerships/Initiatives. Conference Room 5
<b>6.15 - 7.45</b>	Precarious Balance Between Environment & Development: Search for an Integrated Approach. International Research Foundation for Development. Conference Room 1
<b>6.15 - 7.45</b>	World Development Report 2002/2003. The World Bank. Conference Room 4
<b>6.15 - 7.45</b>	White Water to Blue Water - An Initiative for a Crosscutting Approach to Oceans & Coastal Ecosystem Management. US Government. Conference Room 6
<b>Wed. 10am - 1pm</b>	Meetings of Working Groups I & II. Conference Room 1 & 4
<b>1.15 - 2.45</b>	International Environmental Governance: Proposals for Reform. UN University. Conf. Room 1
<b>1.15 - 2.45</b>	Sustainable Human Settlements: Issues of Good Governance. NGO Committee on Human Settlements. Conference Room 4
<b>1.15 - 2.45</b>	The Rural Energy Challenge: Meeting the Needs of the Poor. UN Ad Hoc Inter-Agency Task Force on Energy. Conference Room 6
<b>1.15 - 2.45</b>	Developing Human Resources for the Future. Worldwide Organisation for Women. Conference Room B
<b>3 - 6</b>	Meeting of Working Groups I & II. Conference Rooms 1 & 4
<b>6.15 - 7.45</b>	Linking Poverty Reduction & Environmental Management: Policy Challenges & Opportunities. UNDP/UK DFID/European Commission/The World Bank. Conference Room 1
<b>6.15 - 7.45</b>	Gender Perspectives in Sustainable Development. UNDESA/DAW. Conference Room 6
<b>6.15 - 7.45</b>	The Role of the Mining Sector in the Transition to Sustainable Development. IIED. Conf. Room B
<b>6.15 - 7.45</b>	Nordic Experiences on Sustainable Consumption & Production. Governments of Sweden & Finland. Conference Room 4

## A diary by A DSD Senior Advisor

Today was another waste of time. The precom starts this week and we still haven't had the delivery of paperclips. What a way to run an intergovernmental meeting. The budget restrictions put in have had knock on effects throughout the organization and so in addition to the stop put on evening meetings in the UN it seems that we are to have no paperclips until after Bali. To get some I had to take an NGO out and buy him lunch so that I could claim the meal if he then went and spent the equivalent money on paperclips for me. Whoever said that there wasn't a reason for having NGOs around? It looks like we will need them to ensure that we get some basis services here – the rationing of toilet paper that the 38<sup>th</sup> floor is threatening could see a whole alternative economy start up.

I know that we are meant to be interesting the private sector in the Summit but I don't think giving the contract for the Vienna Café to Starbucks is going to go down well with the NGOs but maybe I am wrong they seem to spend so much time in the café that at least the coffee will be good.

It seems the Mark Moody Stewart action doll that the BASD are producing to raise funds for the industry contribution to the Summit has had problems in production. The eyebrows were being produced from sheep in the UK which it seems had Foot and Mouth and so US customs have compounded the eyebrows.

To save money for the Bali Precom, and get around the eight hour flight limit in coach, and to ensure we don't get upgraded to Business Class we are all going to a retreat in Hull in England for a few days before going on to Bali. It seems that Hull is the Constituency of the UK Deputy Prime Minister. I understand that he represents the Seafarers Union and he is going to take us all on a fishing trawler.– This is, I understand, the Director's idea of getting us back to nature.

The day ended with a visit from 'he on high' there is a problem with type 2 outcomes. It seems that BAT have applied to showcase their work on biodiversity and WHO have complained. After suggesting a thousand flowers bloom it seems that we now need to create a criteria that allows us to refuse certain partnerships. So now we have to work out when a partnership is not partnership.

