

Dialogue Sessions:  
Water for Basic Needs  
Energy for a Sustainable Future

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8<sup>th</sup> Informal Meeting of Environment Ministers, Bergen, Norway



## Foreword

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An important multistakeholder dialogue between Environment Ministers from all parts of the world, high - ranking UN officials, and leading civil society representatives took place in Bergen, Norway, on 15 September 2000. As host and initiator, it gives me great pleasure to introduce UNED-FORUM's comprehensive report from this event.

The dialogue session preceded the eighth in a series of informal ministerial meetings that have taken place since 1993 to discuss environmental issues of global concern. The topics that were discussed at the meeting in Bergen 16-17 September included sustainable energy, the Rio+10 Summit and global environmental governance issues. A Chairman's Summary of the Ministerial Meeting can be found on the Internet at <http://odin.dep.no/md/engelsk/>

Many of the key messages that came out of the dialogue with civil society were echoed and developed further at the Ministerial Meeting. At that meeting we all felt that the sharing of experiences, and the frankness and informality of the discussions between Ministers from North and South, could be valuable in the upcoming negotiations on global environmental challenges, in particular on global warming. We identified a number of problems and possibilities for action on each of the issues discussed. An important emphasis throughout that meeting was the need for more transparency and stakeholder participation and responsibility.

The stakeholder dialogue in Bergen was a step forward in this direction, and Norway will continue to support such efforts. Ten years ago, the pre-Rio regional meeting for Europe that also took place in Bergen broke new ground by seeking active contributions from representatives of civil society, and by basing important parts of the intergovernmental discussions on the suggestions which these groups had put forward. That innovation was then carried forward in the preparations for the Rio Earth Summit itself, and has been extended further in the annual meetings of the UN Commission on Sustainable Development in New York. The 2002 summit and the preparatory process provide a unique opportunity for furthering the multistakeholder approach to sustainable development

It is important to highlight that this report is more than a summary of an interesting meeting. It is also the result of a thorough preparatory process that involved a range of civil society groups from all regions of the world. The final papers that were put forward as a basis for discussion were elaborate and broad-based, and helped increase our understanding of the multi-faceted nature of global water and energy issues

I would like to thank UNED-FORUM and the civil society participants that came to Bergen for their valuable contributions to the meetings, and look forward to continued good contacts and cooperation in our common efforts for sustainable development.

H.E. Ms. Siri Bjerke, Minister of Environment, Norway.

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## Introduction from the Chair

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Ten years ago an important preparatory meeting for the Rio Earth Summit took place in Bergen. It broke new ground by seeking active contributions from representatives of civil society, and by basing important parts of the intergovernmental discussions on the suggestions which those groups had put forward. That innovation was then carried forward in the preparations for the Rio Earth Summit itself, and has been extended further in the annual meetings of the CSD in New York.

UNED Forum feels that the time is now ripe for a further step forward on this and that the 2002 process could provide the opportunity for achieving this. Many of the stakeholders, including business, trade unions, local government, NGOs, women's organisations and indigenous groups, have their own international organisations and processes, and are now developing their own programmes and actions to promote sustainable development as well as seeking to influence governments. It would therefore be appropriate and desirable to have these stakeholders participate in the 2002 preparations as actors for sustainable development in their own right. The 2002 event could be an occasion for joint review of programmes and achievements by governments together with other stakeholders: and the outcome could include joint commitments or recommitments to targets and objectives for the years ahead by both governments and stakeholders.

Against this background UNED Forum were delighted to accept the invitation of the Norwegian Government to facilitate a multistakeholder input and dialogue with ministers at the significant meeting of Ministers in Bergen in the year 2000 near the start of the 2002 process. The proceedings of this occasion are set out in this report. We hope that the Bergen meeting may prove to be the beginning of a deepening of multistakeholder participation in promoting sustainable development internationally, leading up to the 2002 Earth Summit.

Derek Osborn, Chair, UNED Forum.

## Note on process

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In recognition of the need to advance participatory discussions at the international level, the Norwegian government decided to incorporate a dialogue session at the 8th Informal Meeting of Environment Ministers in Bergen. It was the first time that civil society participation had been allowed at this annual series of meetings. UNED Forum coordinated the 3-hour session and worked together with umbrella organisations representing the stakeholder groups. The Major Groups approved for this meeting were limited to:

- Business & Industry - coordinated by International Chamber of Commerce (ICC) and the World Business Council for Sustainable Development (WBCSD).
- Trade Unions - coordinated by the International Confederation of Free Trade Unions (ICFTU).
- Local Government - coordinated by International Council for Local Environmental Initiatives (ICLEI).

The final group was rather unusual in that it incorporated three Major Groups, NGOs (coordinated by UNED Forum), Women (coordinated by UNCSD Womens Caucus) and Indigenous Peoples (coordinated by UNCSD Indigenous Peoples caucus).

The Steering Committee membership consisted of representatives from each of these bodies. Their individual details are credited on the cover of this report. Their first task was to identify the overarching theme and topics for the dialogue according to the following criteria:

- Manageable in 90 minutes and to be cross-sectoral.
- Relevant to each of the stakeholders with potential for common ground and collaboration.
- Relevant to issues on the agenda for CSD9 or the Rio+10 process.

It was considered crucial that poverty is properly addressed by environmental policy makers and must be integrated into the Rio +10 process. As this dialogue session was with environment ministers, the idea was to discuss the social dimension of sustainable development through the lens of natural resource management. From an initial list of energy, climate change, food security, freshwater, global governance and oceans and seas; energy and freshwater emerged as the favoured topics for dialogue. Both are fundamental resources for poverty eradication as well as being crucial environmental issues across the globe. Strategically, conducting a ministerial dialogue on energy and water complements preparations for other international policy processes. The 2nd World Water Forum demonstrated the political complexity of freshwater and water is emerging as a top priority for Rio+10. In any event there will be the International Freshwater Conference in Germany 2001. Energy is scheduled for discussion at CSD9 and will be the subject of multi-stakeholder dialogue sessions at that meeting.

The issues were further narrowed to: Access to Energy for a Sustainable Future and Access to Water for Basic Needs. They were carefully framed to provide focus for a short dialogue to be cross-cutting and inclusive in scope so that each stakeholder group could make a positive contribution. A common methodological framework was agreed upon for writing the background papers so that the positions of each group could be usefully compared. Although the Business and Trade Union groups diverged somewhat from this framework, it was still possible to make a comparative summary of the different papers, reproduced here at page 38. These tables highlight the areas of divergence and convergence and provide a good basis for further multi-stakeholder dialogue.



The background papers and summary tables were circulated to all participants and ministers in advance of the meeting. The coordinating bodies were responsible for producing the background papers, consulting with their fellow stakeholders and appointing the delegates for the dialogue. For the NGOs, the first draft of the energy paper was written by the southern coordinator of the UNCSD NGO energy caucus and the first draft of the freshwater paper was written by UNED Forum drawing on NGO discussion papers from the 2nd World Water Forum and chairing of the Rio+8 NGO Forum ([www.rio8.dk](http://www.rio8.dk)). Both papers were circulated widely for consultation, through the UNCSD NGO freshwater and energy caucuses. The Womens group did not make an individual submission, but following on-line consultation, their comments were integrated into the main NGO paper. Unfortunately, due to limited time and resources, the Indigenous Peoples caucus were not able to make written submissions to supplement or modify the NGO background papers. However both these Major Groups had a delegate at the dialogue session itself.

The dialogues were well attended by Ministers of the Environment and senior representatives of almost 30 countries, senior officials of the United Nations and multilateral organisations. The transcripts of the presentations made by civil society are reproduced in this report together with a summary of the interactive dialogue. The spirit of the discussion was encouraging with ministers keen to contribute and to use the opportunity to question civil society representatives on their own policies and commitments. Given just 90 minutes for each session, no weighty outcomes were achieved on the issues of energy or water, although paragraph 11 of the chairpersons conclusions (page 74) details several areas of consensus between the participating stakeholders. Overall the meeting was successful for several key reasons:

- It was a valuable co-operative learning experience for the civil society participating groups and will feed into their preparations for other multi-stakeholder initiatives, international policy processes and their own campaigns.
- Ministers questioned afterwards said they found it a useful and worthwhile session, it was a further precursor to strengthening multi-stakeholder processes and formalising a transparent link between multi-stakeholder dialogue and inter-governmental decision-making.
- The stakeholder groups demonstrated that they can work productively together and are willing to share the responsibility for the transition to a more sustainable and equitable society.
- The dialogue sessions preceded ministerial discussions and highlighted that the poverty-water, poverty-energy nexus are in need of urgent action and international cooperation.

The remainder of the Ministerial Meeting was closed to civil society and press. The chairpersons conclusions from the dialogues were written overnight and distributed to the meeting the following morning. These stakeholder conclusions, together with the conclusions from the Ministerial Meeting, which are available on the internet <http://odin.dep.no/md/engelsk> form part of the official conclusions of the 8th Informal Meeting of Environment Ministers.

Danielle Morley, Project Coordinator, Bergen Dialogue Sessions.

## Background Papers of the Stakeholders Groups NGOs and Women - Access to Water for Basic Needs

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Access to water and to energy is indispensable for the satisfaction of basic needs and is intrinsically linked to poverty. People living in poverty spend relatively more in money or time obtaining energy and water, with the burden often falling on the labour of women. The statistics demonstrate that about 2 billion people live without access to modern sources of energy for cooking or lighting and even more live without access to safe drinking water or sanitation services. Policies, which directly address the creation of opportunities for people living in poverty to improve the level and quality of their water and energy services, are central to poverty eradication but policy makers have neglected the water-poverty and energy-poverty nexus.

Conditions of access must be acceptable and affordable to local people and conform to environmental objectives. As well as socio-political and economic instabilities, common constraints in both sectors are low levels of consumption, low levels of income and decentralised populations, making it harder to bridge the gap between supply and demand. Without access to water or energy, socio-economic disparities will become more widespread throughout societies. Further more, to stabilise global population growth at low rates of mortality and fertility, depends on such goals as improving the household living environment (water, sanitation, fuel for cooking), and enabling women and children to invest their time on education rather than survival tasks. Again, this cannot be achieved until people living in poverty have access to reliable, affordable and safe supplies of water and energy, key natural resources that must be supplied and consumed in a sustainable manner. For as long as people are marginalized in the process of development, they will remain poor and sustainable development goals will only be achieved in conjunction with a redistribution of power and resources through institutional reform.

### *Context*

Freshwater is a precious resource, essential for all forms of life and a common heritage of humanity, yet its future is far from secure as humans continue to destroy the ecological base of the water supply. Water is considered a basic human right and the link between poverty and access to water is clear. Poor people spend a very high proportion of their time or income obtaining water to meet their basic needs, and thus effectively subsidise the water use of the rich and powerful. A growing scarcity and competition for water, in quantity and quality, threatens advances in poverty eradication, public health and food production. Poverty persists in water scarce areas. The effects of pollution and over-exploitation of groundwater aquifers have disproportionate impact on the poor and socially vulnerable. Water for basic ecosystem requirements is essential for supplying water for sustainable human development. Water management has a strong gender dimension; women deal with utilising and conserving water resources on a daily basis but are often excluded from decisions regarding its management.

The reasons for the water crisis are mainly socio-economic and geo-political. International trade in food, energy, tourism and other commodities affects water resources and the hydrological cycle. Globally and nationally, there are vast social disparities in the quantity and quality of water consumed. Inequitable resource allocation means that poorer nations, communities and people have the greatest difficulty in establishing their claims to adequate supplies of clean water, when and where needed.

## *The Challenges*

**Financial:** Access to water for basic needs requires increased investment throughout the water sector, but financial inflows must respect national development priorities and investment policies must always take into account the value of environmental goods and services supported by freshwater ecosystems. The positive externalities associated with improved access to clean water will benefit society at large. Governments must ensure the integral involvement of civil society in defining and monitoring the use of resources through transparent, democratic and gender balanced participatory mechanisms. More funds need to be disbursed directly to those at the local level who will manage the resource.

Capital budgets should prioritise for adequate and reliable water services delivery to the poor and the landless, most of which are women. In developing and transitional economies the public sector is the major capital investor. Public investments will invariably require securing a loan agreement, which should preferably be water-specific. Funds could also be realised if governments honoured existing initiatives, such as the agreement to contribute 0.7% of GNP to ODA and the 20/20 initiative and by cancellation of the bilateral and multilateral debts of the developing and in particular the LDCs.

Private sector investment in water is increasing, but is unlikely to directly improve coverage for poor people. Foreign private sector capital is concentrated in urban and industrial areas and in middle-income developing countries, with Sub-Saharan Africa accounting for less than 1% of total investment. Private capital investment usually bypasses the poor because their demand is relatively lower, costs of provision higher and they cannot pay for water. The various types of private sector activities must be critically assessed in the local context and used to inform policy developments. For example, in many situations it will be appropriate to recognise and support the role of the existing informal private sector that already provide local water services within their locality. Privatisation as a conditionality of aid or a public loan is not acceptable. However, if water services are delegated to the private sector, companies must be made accountable to all water users through regulations, which ensure adherence to any national sustainable development objectives. Regulations must have been developed with the participation and approval of all stakeholders through democratic and gender-balanced mechanisms. Privatisation presupposes a strong capacity within the public sector to develop and enforce regulations. As a matter of course, foreign investors should be legally obliged to integrate national water and development objectives into their business plans.

It is crucial to address public sector reform and to promote innovative partnerships between public, private and community organisations for the delivery of water services. Informal and community/household investments are very significant in many regions, but this sector is as yet little understood or recognised as important within the mainstream of decision makers.

The linkage between poverty eradication and water security, including water for ecosystems, needs prioritising and funding by international development agencies and intergovernmental organisations. Funding policies currently favour large-scale projects, whereas in accordance with the principle of subsidiarity, donor agencies should target micro-scale water projects that offer good models of successful participatory water resource management and service delivery.

**Institutional:** To the extent that political economy considerations rather than purely market forces drives the allocation of resources, explicit recognition of and respect for water as a basic right is institutionally important. More equitable systems of land tenure and institutional support are needed to improve the accessibility of water, especially for women. People need a reliable source of affordable quality water close to their place of residence.

Cooperation and participation is the key. While the State has primary responsibility to ensure access to water for basic needs, it cannot shoulder the sole responsibility. Access and control over water resources is essential for livelihood security. The experience of NGOs shows that motivated and empowered communities manage their own water projects well, but the mechanisms to ensure involvement of citizens and institutional representation of the user group need to be created. The principle of subsidiarity, whereby public water supply and management occurs at the most available local level was approved at UN CSD6 and enthusiasm for participatory watershed management is growing. Local points of entry to participatory decision making need to be regularly reviewed and openly discussed. Participatory management should be an iterative and strategic process that results in improved quality of services for poor people and women. It requires the legal provision of full, free and equal access to information and decision-making and other democratising measures to create an enabling environment. NGOs and other community based and womens organisations can cooperate to provide better access to information.

As recommended in Agenda 21, each country should adopt a national water policy. A legislative framework, if developed in partnership with all stakeholders at all levels, would be a good basis for proper river basin management and could formalise effective civil society participation. The cross-sectoral nature of water means that national and international policies need to be coherent and coordinated, and water impacts should always be taken into account.

Although governance in the sector is changing, many government institutions still lack adequate human and financial capital to manage the reform. National governments need to develop a clear strategy to guide the selection of water-related projects and to assist in proper monitoring and evaluation.

Service providers must invest in unlocking the water needs and demands of all people. Few examples of large-scale private sector investments have achieved this, as it is perceived to be time-consuming and costly. Whereas, community managed programmes, water users associations and small private enterprise offer users the chance to drive the process of defining and meeting their own needs and are often the best integrators of social, economic and environmental objectives.

Infrastructure development is a critical step in inclusion/exclusion of access to water and investors have a constructive role ensuring equitable access and inclusion of the water conveyed and not to merely reinforce existing local power elites.

**Operational:** Appropriate indicators, sensitive to differences regarding gender, ethnicity and place of residence, should be developed and used to monitor the links between access to water and poverty levels. Governments in co-operation with other stakeholders should begin to formulate benchmarks in the area of water supply and sanitation.

Equity and social justice should guide and inspire the mechanisms for bearing collectively the costs of water services to safeguard the quality and quantity of water for all life, whilst providing affordable water for the poor. Greater water efficiency might be achieved by charging for water use, but the price must relate to the nature of consumption and account for the environmental cost of water use. Suitable mechanisms need to be developed for full cost transparency and classification of water price. The socio-economic implications of subsidies, full cost recovery policies and compensatory mechanisms must be addressed in full and open public debate, and for this debate to lead to policy development. The locally experienced impacts of different demand management tools urgently need to be assessed.

The locally experienced water impacts of production and consumption patterns need to be critically and frankly reviewed in all regions, and used to inform good practice and policy reform.

**Water Resource Management:** The primary goal of river basin management and restoration should be to enable rivers and watersheds to perform their many ecological functions and to benefit people who rely on them for their basic needs. This should be integrated into any National Environmental Action Plan or National Strategy for Sustainable Development. Governments need to develop institutional means to ensure equity and efficiency in water use and allocation within the river basin and improve resource access for all. Greater transparency of the aims and method of land and water use planning is needed for local participation in river basin management.

Human activities cause many of the world's floods and droughts, which affect water supplies - e.g. deforestation, soil erosion, large dams, climate change, and avoidance of these anthropogenic threats must become a priority at all levels.

Groundwater overexploitation for food production is a growing crisis in many semi-arid regions. It leads to depletion and pollution of the water table (e.g. salinisation, arsenic, fluoride pollution), posing a serious threat to the environment and people, particularly the poor. More research and political will is needed to address the issue of recharge and demand management, whilst providing a basic level of supply for the poor.

Inter-sectoral allocation of water must prioritise access and provision of water for people's basic needs over and above broader economic interests. Improving the water use efficiency of manufacturing, agriculture and tourism should support this. Increasingly, water-intensive agriculture competes with urban as well as rural water needs, meanwhile traditional water efficient technologies are being abandoned and lost to history. Poor people need financial and institutional support to achieve a higher livelihood per drop of water. Access to irrigation water is crucial for small scale and poor farmers in rural and peri-urban areas, and requires widespread access to affordable appropriate technologies.

Pollution of water from urban, industrial and agricultural development is growing throughout the world and with it the risk of water related deaths and morbidity. Prior social, health, environmental and water impact assessment of water resource management projects as well as any large scale economic activity in the river basin is vital and must be made mandatory, giving full respect to community rights. Credit export agencies undertaking large-scale infrastructure projects have a particular duty to act.

**Technology and know-how:** De-materialisation, use efficiency and overall demand side management are key issues as the demand increases in all sectors and regions. Public policy needs to facilitate institutional changes and adopt technologies that will increase the ability of poor people to access water for their basic needs. However, strategies must always be tailored to the physical, cultural and socio-economic environments and it should be acknowledged that customary law and practices have an important influence in many regions.

Greater attention needs to be paid to learning from the local experiences and scaling up successful micro-projects, based on traditional as well as new methods of water harvesting and management. The efforts and experience of NGOs, CBOs and Women's groups are a valuable resource in this regard.

Fostering local competition will be important so that local industries can deliver low cost technologies appropriate for the small farmer or for community water supply and sanitation programmes. Technologies for rainwater harvesting and for recycling household grey water should be improved and used in both developing and developed countries, based on successful traditional methods wherever possible.

Simple soil and water conservation practices can improve infiltration and retention of water, reduce soil crusting and erosion and so provide some protection from drought. Vegetation cover and particularly tree cover in the watershed is important and these explicit linkages need to be explained clearly to the public. Properly planned, afforestation provides carbon sequestration services and other environmental and social objectives.

#### *Possible Partnerships*

All stakeholders should cooperate with governments to develop national, regional and international water policies and do their utmost to ensure that landless, women, indigenous and poor people are fully included and respected at all stages of the policy process, from design to implementation and evaluation.

Stakeholders and government agencies should cooperate to improve access to information on water issues and to create easily accessible information systems that will enable effective, gender balanced participation in decision-making and management. The macro-level must be connected to the micro level. NGOs and womens organisations, should collate information on small-scale water supply or conservation projects as well as documenting the impact of other large-scale development projects.

With respect, patience and flexibility, governments and NGOs can be effective partners in delivering community water supply, sanitation and irrigation programmes. NGOs, Womens groups, CBOs and governments can collaborate on hygiene education work and other water-related public education initiatives, such as the importance of vegetation cover in the watershed. NGOs can assist governments to formulate and monitor standards at the national level. Programmes that support the capacity of local NGOs to monitor the water quality of aquatic ecosystems using indicator species can also be very successful.

Regional and international networks of environment and development NGOs should be set up to work together on water policy, good practice and monitoring.

The private sector can work with local NGOs to uncover the water needs and demands of local communities and to inform the design of appropriate technologies. NGOs can also enter into partnerships with the private sector for the actual supply of water services and sanitation. All sectors should work together to increase research and development and dissemination of affordable appropriate technologies among poor people and communities.

Water users can form associations for the management of their own water supplies; these have proved most successful when women have taken the lead.

NGOs and government should work together to educate all stakeholders on the importance and meaning of participatory water resource management and to improve all peoples awareness of their rights and the existence of participatory policies. There might be a need to develop common frameworks of participation and multi-stakeholder processes.

Greater integration between local national and international levels of governance are necessary, particularly because the environmental and economic impacts of water are experienced locally but relate to national and international issues of governance and policy.

UNEP could begin to create technology transfer and good practice databases in water resource management and map information on populations without access to safe water. Data collection and analysis must always be sensitive to gender, ethnicity and place of residence.

**Precautionary Principle:** International political commitment is required now to prevent a water crisis of unmanageable proportions. Policies must be supported by a commitment to action.

**Democratic Accountability:** Global and regional institutions operating in the water sector must be made more accountable to people.

**Institutional Coordination:** A strategy must be developed to prevent a fragmented approach. It will be more productive to have proper cooperation between major institutional players whose work impacts on access to water. The UN should develop a harmonised approach to water through the UN system.

**Integrated Policy Making:** The crosscutting nature of water requires integrated policymaking. Governments are urged to ratify and implement RAMSAR, Convention on Biodiversity, Convention to Combat Desertification, the Kyoto Protocol and other relevant conventions and regional agreements.

**Regional cooperation:** Regional cooperation is essential to mobilise political and financial support and for the practical aspects of managing transboundary river systems, floods and droughts.

**Agenda 21, Chapter 18:** The International Conference on Freshwater (December 2001) should be used to critically assess progress meeting the agreed objectives and consider how to follow through with a more action-orientated approach.

**Water-Poverty Nexus:** The water-poverty nexus should be prioritised on the international political agenda and Rio+10 Summit provides the appropriate political context. In preparation, governments can organise national and regional multi-stakeholder consultation processes.

**Finance and Resources:** International financing must be re-orientated towards increasing locally initiated processes and supporting small-scale projects that offer the best chance of integrating sustainable development objectives.

**A Global Code of Conduct and Enforcement Strategy:** For water management and water pricing should be developed, particularly with regard to industrial pollution of freshwater.

# Background Papers of the Stakeholders Groups

## NGOs and Women - Access to Energy for a Sustainable Future

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### *Context*

Hundreds of millions of households over the world either do not have access to modern energy sources or are dependant on energy that is unsafe and expensive. The disproportionate amount of time and money spent on energy by poor households means that the substitution for safer and more efficient energy would confer sizeable gains in household purchasing power.

Access to energy has several important gender related aspects. In most countries, women are responsible for household tasks such as cooking, heating and washing. Lack of access to energy creates huge burdens of workload and costs for women, who are the majority of the poor. Lack of access to energy is an obvious constraint on transport facilities for poor people and for women. The goal should be to achieve equitable access to sustainable energy for all.

In general, sources of energy are either accessible to everyone and undervalued by the policy makers (e.g. biomass) which has resulted in the tragedy of the commons (e.g. deforestation, soil erosion) or are governed by market sources which make it unaffordable to poor communities. People need access to a diverse supply of energy sources that reflects difference basic needs requirements.

The relationship between access to energy and poverty are complex. Poverty is characterized by low energy consumption. If poverty is defined as a limited realisation of entitlements, access to energy interventions should be designed to expand the opportunities to consistently realize these entitlements, however, without the means to translate access to energy into tangible economic benefits or better quality of life then there is a need for focussed interventions that translate the access to increased utility. Energy is also one of the prime contributors to the environmental problems faced today and it is imperative that energy is produced, distributed and consumed sustainably, with minimum impacts on the environment or human health within the environmental space available to communities, nations or regions.

### *Challenges and possible strategies*

Current energy strategies are based on supply and directed primarily by large fossil fuel, nuclear or hydro energy companies. Such strategies are untenable in the long term as they are environmentally unsound, socially inequitable and economically inefficient. The transition to a more sustainable future requires political vision, long term planning and full community involvement at all stages of planning and implementation.

**Financial:** Solutions must respond to the needs of poor people. Lack of adequate financial and technical resources and inadequate funding mechanisms are among the stumbling blocks acting against universal access to energy. As discussed in the NGO background paper, Access to Water for Basic Needs, debt burdens act against government programmes aimed at widening access to energy. Bilateral and multilateral ODA has to be substantially increased while more financial resources have to be mobilised so that existing resources can be used more effectively.

Multilateral financial mechanisms need to focus on extending access to energy in developing countries. However structural reform programmes (e.g. to facilitate private sector investment) must only be taken up after ensuring that there are enough social safety nets. To create an atmosphere amenable for financial inflows, governments can use public loans, but domestic energy policies

must strongly advocate for universal access and thus define and influence all related activities.

The question of subsidies is complex and requires participatory cross cutting analysis and open debate with all stakeholders. In general, subsidies for polluting energy technologies should be phased out. Cross-subsidises among rich and poor user groups may be needed to support access to energy, although well-targeted support programmes can be more effective.

**Institutional:** Institutional factors can make or break any well-meaning energy policy having the goal of universal access. The absence of an investor-friendly climate (including government policies) hinders development of the energy sector and in turn affects access. Absence of proper regulatory mechanisms, or properly functioning financial and legal systems, often breeds corruption and inefficiencies in the production and distribution of energy.

In the energy sectors of many developing countries there is a need for setting up of independent regulatory mechanisms and large scale regulatory reforms.

Regulatory reform should however strike a fair balance between incentives to producers/suppliers on the one hand and passing on of benefits (cost savings) to consumers on the other. Regulatory authorities should consult regularly with consumers, women, indigenous people and other stakeholder groups and prioritise the problem of access. There is also a need to increase public awareness about all aspects of access to energy including importance of energy conservation and energy efficiency.

Improving access to energy will markedly improve welfare if adequate infrastructure is already present. Energy policies should take into account this fact. Governments also have a responsibility to lower transaction costs for individuals, communities and other private entities that are willing to invest in infrastructure.

One strategy is to commission large power projects, however they serve to reinforce existing inequitable socio-economic power structures and have unacceptable environmental impacts. Additionally developing countries often don't have the systems management capacity to handle such projects.

An energy market where a number of institutions offer a range of services and where stakeholders have enough scope to rally participate in the decision making process, would be a goal worth pursuing. Therein consumers would be free to choose the kind and quality of service they need.

In order to reach communities living off-grid requires a decentralised, integrated, community based approach in which local people participate directly in the management of energy resources and there is collaboration and participation of stakeholders at all levels.

**Operational:** There is a big gap between the energy needs of people and the proposed solutions that ignore local demand. One of the prime constraints is the lack of availability of good demand data, which has a negative effect on access. Designing appropriate energy services involves understanding patterns of energy use, energy technologies suitable to convert energy into a useful service for local people and the type and amount of energy consumed. Policies and projects that obtain and analyse this information need urgent support and integrated cooperation at all levels and requires a real commitment to work with people at the local level, in a transparent, gender balanced and problem solving orientated manner. Service providers must invest in unlocking the needs and demands of all members of communities. Few examples of large-scale private sector investments have achieved this, as it is perceived to be time-consuming and costly. Community managed programmes however offer users the chance to drive the process of defining and meeting their own needs and are often the best integrators of social, economic & environmental objectives.

The economic and technological energy model employed in industrialized nations is too dependent on fossil fuels, nuclear and large-scale hydropower sources of energy. These are not viable strategic options for a sustainable and equitable future and should not be relied upon due to the many negative environmental, social and health impacts. The dominance of these fuels undermines support for cheap local energy resources, (e.g. biomass, plant oils) and renewable fuels for energy production and so constrain the process of extending access. Demand driven services would assist diversification of energy supplies and technologies. Traditional labour intensive technologies could be improved and combined with modern, capital technologies. The aim is to achieve effective social solutions, which benefit those living in poverty.

Questions of access must obviously address inefficient energy use in production, distribution and consumption in all sectors, particularly water, energy, agriculture, tourism, transport and manufacturing industries. Energy lost in these systems detracts from energy that could augment access for those living in poverty, assuming adequate supply/distribution. Consumption and consumer behaviour patterns need to be examined more closely to develop appropriate information strategies and initiate behavioural changes. Economic incentives are not the only measure to impact energy consumption and in many instances is not viable.

Access to renewable sources of energy is the optimum goal, but the relative expense is excluding many countries and people. Governments, multilateral financial institutions and the private sector must invest in the development and distribution of these technologies so that they become cheaper in the long run. Also financial support (e.g. micro-credit) should be forthcoming for small businesses and other initiatives, which promote sustainable renewable energy technologies. This would also help in the establishment of a level-playing field.

Until social and environmental costs of energy production and consumption are reflected in pricing mechanisms, the price of energy will remain distorted. The energy sector in all countries should internalise such social and environmental externalities. Proper pricing of energy will help in the gradual shift to a sustainable fuel mix. This would also help in deepening access because if prices reflect real costs it will be found that sustainable forms of energy are cheaper in the long term. Also many sustainable forms of energy are easier to produce (e.g. Micro-hydro is simpler and easier than large hydro, bio-mass plants are simpler than gas turbines or coal-fired power stations) and the lower associated infrastructure costs improves accessibility to the poor. Subsidies similarly should be taken into consideration when calculating real costs. If full cost recovery is implemented, cross-subsidising that guarantees access for poor people would be essential, although targeted social programmes often serve that purpose better.

Public monopolies supplying energy are generally insensitive to the needs and demands of user groups. Significant differences exist between women and men, social groups and different income level, place of residence and education. If energy service companies can act in a responsible and responsive manner to the needs of poor households, they should replace public monopolies. It is hoped that greater competition in the energy market will improve the quality, cost and conditions of energy access. However, a liberalized energy sector must be properly regulated so that the private sector is made accountable to all stakeholders through regulations which ensure adherence to national sustainable development objectives and which have been developed with the participation and approval of all stakeholders through democratic and gender-balance mechanisms. This presupposes a strong capacity within the public sector to develop and enforce regulations. As a matter of course, foreign investors should be legally obliged to integrate national development objectives into their business plans.

**Technology and know-how:** Technology transfers to developing countries are often not accompanied by necessary skill transfers, which prevent the full utilisation of the new technology at minimum costs. Sharing good practice and results of case studies might encourage companies or governments in developing countries to take a risk on new technologies. Joint ventures with companies, public utilities and community based organisations in developing countries, would assist technology transfer. Closer collaboration and trust between partners from the North and the South is needed in the future.

New efficient and renewable energy technologies such as solar cells, micro-turbines, fuel cells and other devices are beginning to trickle into the commercial market. They can provide energy of a low capacities, which is therefore better matched to the scale of need of poor households. They allow for decentralised, low environmental impact and a more easily managed energy system, which can be scaled up as the need arises. Collaboration is required between manufacturers in industrialized countries and local stakeholders in developing countries to ensure that product development meets their needs.

Over-specification of technical and quality standards in developed countries has meant high costs of electrification. This acts as a constraint, preventing further expansion of network services and design standards suitable for areas with low electrical loads can appreciably bring down the cost of supplying electricity in developing countries. The simplification of wiring codes and using load limiters rather than consumption-based meters (for low consumption areas) can significantly reduce installation, billing and collection costs. Such cost savings can act as incentives for improving access.

Barriers to the adoption of energy-efficient technologies in the production and consumption needs targeted interventions (e.g. awareness raising, government incentives, information-sharing), supported by national government programmes and multilateral funding mechanisms like GEF. If successful these will result in better management of the demand-supply gap and improve access.

Existing low-cost sustainable energy technologies suitable for remote areas and small user groups need to be publicised and supported. There should be a clearinghouse of information about such technologies, their costs, records of success, applicability etc and governments and private institutions should take an active interest in making these technologies popular and widely using the same to extend access.

The technologies used to generate energy in the future should be increasingly be based on renewable and be sustainable in the long run. This would mean a shift away from nuclear, fossil fuels, large scale hydro-power to bio-mass, small hydro, wind, passive solar and the like.

#### *Possible Partnerships*

There are immense possibilities and opportunities for partnerships at all levels. Alliances need to be forged between user groups, civil society, women, indigenous people, industries, utilities, scientists and governments. Civil society can catalyse these partnerships but they need high-level support. To ensure that discussions are translated into action, a multi-stakeholder approach offers the best way to build consensus and achieve commitment for successful implementation. Appropriate, democratic multi-stakeholder fora at all levels to debate, discuss, innovate and improve upon these and come up with new ideas and means for achieving the common goal of universal access.

**Regional Collaboration:** For effective and coordinated mobilisation of political and financial support, there must be greater commitment for sub-regional, regional and continental cooperation.

**Energy-Poverty Nexus:** International political and financial support to target access to energy as a means to fight poverty in all countries, North and South, prioritising demand management, renewable energy and locally initiated action.

**Renewable Energy:** International political support to agree to promote renewable energies and to phase out the dependence on fossil fuel economy.

**Kyoto Protocol:** The Kyoto Protocol must be ratified and emissions reduction commitments must be met.

**Rio+10:** This Summit should be used as a catalyst for horizontal and vertical multi-stakeholder discussions on the issue of energy, based on careful identification of stakeholders and conducted in a democratic and gender balanced manner with transparent links to decision - making, implementation and evaluation.

#### *Integrated conclusion*

The guiding principles of sustainable development have been laid out in the Rio Declaration. For the UN CSD process and preparations for Rio+10, it will be important to strengthen the social and economic aspects of sustainable development and to analyse and acknowledge the contribution of inclusive, transparent and democratic participatory processes, where they are transparently linked into the decision making processes, at all levels, including inter-governmental considerations.

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# Background Papers of the Stakeholders Groups

## Local Government Major Group - Access to Water for Basic Needs

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### *Context*

The protection of water resources and provision of water and environmental sanitation services is a fundamental requirement of any global effort to eliminate poverty. In spite of extensive water and sanitation investments made over the past decades, 1.2 billion people in the world today still are without access to safe drinking water, and three billion people are without proper sanitation.

For this reason, the international community is in the midst of a comprehensive review of world-wide approaches to water resources management. Specific mechanisms for this review include the Global Water Partnership and the recent World Water Vision exercise. Related to and supporting this process is a variety of new initiatives, including a new program launched by the worldwide community of local government, called The Water Campaign. The Water Campaign, which will be managed by the International Council for Local Environmental Initiatives-ICLEI, will actively engage local governments and their local stakeholders in the design and implementation of workable, “bottom-up” water resources solutions.

### *Challenges*

The World Water Vision recognizes that water is a resource with complex social, economic and ecological aspects that are distinct to each society, each locality and each ecosystem. For this reason, sustainable water and sanitation solutions cannot be designed and provided according through top-down Fordist approaches. After many billions of dollars of donor investments-often involving the export of advanced technologies to the developing world-the international community has realized that sustainable, effective water and sanitation solutions require a bottom-up approach. As concluded by the 1998 UNDP-World Bank Water and Sanitation Program in its report *Learning What Works*: “The provision of services is no longer seen as a construction job to be hired out to the most cost-efficient contractor, but as a contribution to the economic, social and human development of people, including their skills, knowledge, and organizational capacity. The success of these processes-not the technical perfection of systems-ultimately decides whether services are used, are sustainable, and have an impact on health and quality of life.”

Acting on this conclusion will require dramatic changes in the way that water resources and water and environmental sanitation services are valued, planned, managed and used. In the 1980-90s, a dominant role for the private sector was prescribed as a panacea. But privatisation, when introduced as another top-down solution to a unique local challenge, has produced new problems of equity, governance, and security. For this reason, the international community is now calling for multi-stakeholder partnerships, integrated water resources and services planning approaches, and a more prominent role for local communities in selecting technologies and devising local service solutions.

### *Problems and Solutions*

**Governance:** One of the greatest threats in the fight against poverty is the degradation or depletion of available water resources. Private control of these resources or unaccountable, monopolistic public control, without regulatory frameworks that define and protect socio-cultural and ecological values, is a major cause of resource depletion, degradation and inequitable service.

While water resources are amenable to public, community or private management, they need to be controlled, secured and governed by accountable public authorities or recognized indigenous or traditional authorities. However, public authorities must not assume sole responsibility for water resources. Rather they must govern these resources within a framework of shared responsibility. Shared responsibility involves an obligation on the part of all people and institutions, both individually and collectively, to value and protect these resources.

In order to promote responsible water governance, governments must support the participation of all stakeholders as partners, with full information, in protecting watershed areas and in determining the water and environmental sanitation services that they receive. This will require new institutional mechanisms, new policy frameworks and civic rights, and new procedures for designing, approving and implementing water and sanitation projects and investment programs.

**Financial:** In addressing the financial aspect of poverty and water management, discussion should not focus exclusively on bringing more money into the sector, but rather should address the urgent need to make better use of the money that is available. Even in the United States, water and wastewater management systems face an estimated annual funding gap of \$23 billion. This example alone should be sufficient to illustrate that the traditional donor or private sector finance and export of Western water and wastewater technologies to developing world economies represents a serious misallocation of international resources. The scope and scale of the financial resources needed to build, operate and maintain these centralized systems over time is too much for developing economies and their service users to absorb. A dramatic change in investment patterns is needed.

New approaches to water supply and sanitation must be developed for both rich and poor countries. These must be locally affordable. Financial institutions and donor agencies need to become ardent supporters of alternative technologies, such as solar powered water pumps, rainwater harvesting technologies and ecological sanitation devices. On an international scale, a \$200 million investment in an alternative technology would have much greater benefit to society than an equivalent investment to construct wastewater treatment facilities in one city that would be unable to afford the associated, long-term operation and maintenance costs. Where external financial resources are required, local authorities and utilities will require access to flexible sources of financing that encourage community involvement and consultation.

A new water resources economics must be established and supported by progressive public policies and regulations. Charges for water and related services must, in aggregate, reflect the true value of water resources and consider both the current and future cost of service provision. Water should not be wasted, and the waste and/or pollution of water must bear an economic cost. The financial responsibility for water must be both collective and individual. Prices for water and sanitation services must be structured to permit all people to secure their basic human water needs.

The only way that this new “water economy” can be established is to employ a wider selection of technologies, a more balanced use of both supply-side and demand-side management solutions, and a variety of local-specific economic instruments (e.g. fees, rates etc.) to transform water users into informed economic actors. As happened in the energy sector, government support for the development of alternative technologies has the potential to generate new expertise, markets and employment opportunities.

**Institutional:** To reflect the social, economic and ecological dimensions of water in this new water economy, water management institutions must be thoroughly transformed. The water management institutions of the future must include cultural and social workers, economists and policy planners in partnership with engineers and technicians. Ultimately, these institutions must

be viable and accessible local agents, working in partnership with local authorities and the other local stakeholders who together define local consumption patterns, preferences and behavioural norms.

Both poverty and water issues are mostly directly experienced at the local level, and local authorities will need specific capacity-building support to provide a consistent governance and management foundation for water and sanitation services. Empowering local governments to address the issues of poverty and access to water and water services in their communities involves a commitment on the part of higher levels of government to be responsive to locally developed needs and priorities. Once these local priorities are established, national and sub-national policies may need to be reviewed to remove impediments caused by these policies to cost-effective local initiatives.

The water supply and sanitation sector has shown that widespread consultation and involvement of the community is needed to design effective systems. However, gaining public, private and community support takes time, energy and resources, and requires supportive regulatory frameworks and the skills of trained facilitators.

Special attention needs to be given to building the capacity of local authorities and public water utilities to engage effectively with the private sector, particularly where private finance and ownership issues are involved. Guaranteeing transparency and accountability in water and sanitation services contracts is fundamental to creating a peaceful and secure management structure for these services. The financial benefits and income of private partners should be limited due to the monopolistic nature of the services being provided and their social aspects.

**Operational:** Constraints posed by the expense of providing water and sanitation services to local populations will become less severe with the increased involvement of citizens in determining the type of services they receive. Involving the community educates them about the expenses involved in water and sanitation service delivery. The poorest of the poor may always require assistance in the form of subsidies that allow them to meet their basic needs for water and sanitation services, however.

Supply management of water resources will play an important role in securing year round access to water supplies for local populations. This will be particularly important in the coming decades as the impact of global climate change becomes more pronounced. Supply management techniques will have to focus additional attention watershed protection and on managing the impact of severe weather events and extreme variations in water supplies.

Demand management will remain a key element of modern water management systems. It addresses the requirements of those who lack sufficient water services to meet their basic needs and reduces the demand for water of those who use an excess amount of this valuable resource. Demand management induced reductions in water use can be achieved without sacrificing the quality of life of urban residents by placing an increased emphasis on the efficient use of water and by making a significant dent in the amount of water that is currently lost through leakage.

In order to provide water and sanitation services in an effective way, water resources management, in and of itself, is no long sufficient. The concept of integrated water resources management, integrated urban water management in towns and cities has become the predominant framework for current discussions in this area. IWRM is defined by the Global Water Partnership as: "A process, which promotes the coordinated development and management of water, land and related resources in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems".

Focusing on social welfare and poverty alleviation puts added emphasis on the need for an integrated approach that takes a broad look at the complexity of water and sanitation issues.

Inter-sectoral debates regarding the allocation of water and upstream/downstream issues are best dealt with within a watershed, or catchments, based unit of management. Watersheds are recognized as the most appropriate units of organization for the management of water systems. Local water resource information is most effectively organized using watershed, or catchments, boundaries. Watershed management strategies promote stakeholder involvement in designing appropriate and acceptable local solutions. From a local tributary to an international river basin scale, watershed plans can be 'nested' within one another to achieve complementary management schemes for very large systems.

*Possible Partnerships - Strategy for International Cooperation - up to 2002 and beyond*

Local governments are well placed to initiate a dialogue between local stakeholders about new approaches to the management of water and water services in their communities. This effort may build on Local Agenda 21 forums, where they exist. The support of a representative cross-section of society is needed to provide a stable framework for water resource management decisions. The empowerment of the poor is a key element of this strategy. Increasing opportunities for water managers to share their practical experience and expertise with their peers will speed the acceptance of new approaches to water and sanitation services.

The local government community, supported by the Global Water Partnership, has launched its new Water Campaign as a worldwide framework for coordinated local action to implement the World Water Vision. Within this framework, partnerships are presently being prepared with numerous multi- and bi-lateral institutions, professional associations and NGOs.

# Background Papers of the Stakeholders Groups

## Local Government Major Group - Access to Energy for a Sustainable Future

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### *Context*

Energy is fundamental to socio-economic development, poverty alleviation, and social change. Fuels and electricity are not demanded or needed for their own sake, but for the services they provide to fulfil basic human needs including food, health, shelter, education, employment. An energy strategy focused on human welfare will focus on the demand side of the energy equation. The “demand side” measures - conservation, efficiency improvements, renewables are seen as alternative means for supplying services, and emerge as the key to energy and environmental security in both the short and long terms.

Poverty is not caused by low energy consumption, but by inadequate energy services. The poor tend to use energy inefficiently, primarily because the technologies available to them are so inefficient. The goal for a sustainable future must be to increase the efficiency of energy production and use and to strengthen energy services in order to reduce poverty and improve the standard of living, while reducing the negative impact of consuming and producing energy on the natural and human environment. This applies especially to urban areas and to related transport, industrial production, and energy generation activities. The urbanisation process creates substantial increases in energy consumption per capita and related health-afflicting pollution problems.

The consumption of energy is linked to one of the gravest environmental challenges facing humankind today: climate change. Climate change will have its most severe social and economic impacts on the poorest nations, which will be most handicapped in adapting to climate-induced natural disasters and impacts on health, food and water supplies.

### *Challenges*

Improving access to energy and supporting climate change mitigation will require policies that significantly change the ways in which societies produce and consume goods and services. This can be achieved by resolving the tension between enhancing energy services and limiting total energy consumption and by breaking the present linear relationship between energy demand and carbon. By acting at the demand-side at the local level, local governments have many tools at their disposal to influence local energy use. In some countries local governments exert even greater influence on energy use than national governments. By increasing energy efficiency and decreasing fossil fuel consumption in their communities local governments can improve air quality, create jobs, save money, and enhance the quality of life in their communities. However, in most countries the ability of local governments to pursue these opportunities is constrained by policies that favour large-scale, centralised energy solutions and that subsidise carbon-based fuels.

### *Problems and solutions*

**Financial:** Energy efficiency and renewable energies require a change in investment patterns. A financial barrier is the short payback period required for many demand-side investments compared with those for energy production. Especially for local governments, the up-front investment costs are a major obstacle. Compounding this is the fact that in some places the deregulated privatisation of the energy market has resulted in significant energy price reductions that make energy efficiency and renewables seemingly no longer affordable. The development of the cogeneration of heat and power is currently at a standstill in many places because of the low prices on the electricity market. Privatisation of the energy market must acknowledge that the high

initial investment required for renewable energy and the conservation and rational use of energy is recuperated over the life of the system through the reduced operating cost.

The establishment of energy prices that reflect the true costs of energy (internalising external costs) is crucial to efficient energy use and the further introduction of renewables. Also important is the reform of subsidies for energy and of fiscal policies to ensure consistency between economic and environmental objectives, including the further introduction of carbon taxation in order to shift the composition of fuels to non-fossil sources.

Within such a framework of supportive macro-policies, local governments can and should make use of a number of mechanisms, including:

- Innovative approaches to self-financing such as revolving energy efficiency funds and third party financing (energy service contracting).
- Aggregated purchases of advanced energy-saving products and renewable technologies to promote their demand and bring costs down.
- Economic measures such as taxes and fees to internalize the full costs of energy consumption.

National governments should give priority in their public infrastructure investments to local projects locally that reduce energy use, save money, create jobs, stimulate the economy locally, and make communities more liveable.

Local authorities in developing countries need to have access to the programmes and funding of international monetary institutions with the aim of building local capacity in promoting sustainable energy. In this context the Clean Development Mechanism (CDM) as provided for in the Kyoto Protocol to the UNFCCC will be a key vehicle for promoting energy efficiency and renewable energy in the developing countries. Local governments in those countries should have access to the public funds made available for CDM projects for their sustainable development activities.

**Institutional:** Strong, transparent and accountable institutional frameworks are required to meet the multifaceted challenge of sustainable energy provision and climate change mitigation. This requires engagement of different levels of governments and multiple stakeholders from an early stage to share information and ideas, learn from experience, build consensus, and to take action.

As the key institutional mechanism for energy service provision, public utilities must be transformed into energy service companies offering a full spectrum of energy services, including centralised and decentralised supply options and energy efficiency solutions.

Towards this end, information, labelling, and training programmes must be implemented to strengthen the foundation for the energy service industry.

Integrated energy planning must be promoted involving a participatory process in which all affected parties—including users, producers, workers, professional, enterprises, and local, regional and national interest groups—take part and make decisions. Local authorities can set up “energy roundtables” within their Local Agenda 21 processes to provide a forum for expression of the various interests and to gather input from the relevant stakeholders. For smaller jurisdictions, which may not have the technical capacity and expertise for integrated energy planning, regional centres could be established to leverage technical, managerial, financial and program delivery capacity through partnerships.

National governments should accord local authorities larger jurisdictional powers and responsibilities to enhance their capacity to reduce local energy use, promote decentralised and renewable technologies, and reduce net greenhouse gas emissions. By setting national targets for cogeneration and renewable energies, national governments can provide the necessary impetus to drive innovation in energy resources and technology.

Energy companies must not deny local authorities access to energy data for their communities as a consequence of privatisation.

**Operational:** There must be a shift from centralised large-scale remotely sited energy facilities to more decentralised units located closer to users and using dispersed sources of energy. Decentralised technologies, such as household combined heat and power units, are preferred over centralised technologies because the centralised technologies tend to allocate benefits to one end of the transmission line or pipeline and costs to the other. Furthermore, technologies and energy options for a sustainable future do not allow wastes, risks, and costs to be passed on to future generations.

Energy service companies must fulfil customer needs through a mixture of new demand and supply options. Energy must be sold in the form of commodities that the customer wants efficient heating and cooling, lighting and power - not in kWh. Energy services must be provided at the least cost, consistent with social, environmental and other objectives.

New minimum efficiency standards must be specified for buildings, vehicles, and other equipment. Energy and environmental improvements must be encouraged within urban legislation. Local building codes should be promoted which give emphasis to options that reduce the energy and environmental impact on urban settlements. Urban planning must provide innovative solutions in zoning and securing land tenure in serviced areas of cities, thereby decreasing energy and environmental pollution related to urban transportation. Mobility management must be aimed at reducing the need for travel, especially by the private automobile, while ensuring access.

**Technology and Know How:** Wide arrays of technologies for energy efficiency and renewable energies have already been proven and are available on the market. However, public policies bias the market against these technology solutions. Furthermore, adaptation of new technologies requires institution - and professional capacity building. Training and certification on the use and maintenance of energy-efficient technology is needed. State-of-the-art technology must be transferred to developing countries to eliminate the lack of access to efficient, cost-effective solutions.

#### *Partnerships*

Possibilities for partnerships to promote energy efficiency are endless, between national, regional, and local levels of government, private enterprises, financial institutions, associations, unions, networks, citizens groups and various combinations of the above.

Joint technology procurement in the form of buyers clubs and joint ventures can stimulate demand for new technological solutions. Establishing networks of committed institutions (e.g. cities, companies) and providing recognition for best practices can be a motivation for action. Sustained and targeted stakeholder information campaigns can change misconceptions among consumers about energy services and sources, and their related costs in financial and environmental terms.

*Strategy for International Cooperation up to 2002 and beyond*

International co-operation is necessary to help share ideas, learn from national experience, and build confidence among stakeholders. In the globalised world, with a growing decentralisation of power and expansion of the private sector role, cooperation becomes even more crucial.

Key to the success of the Clean Development Mechanism (CDM) in fulfilling the objectives of improved local services, urban liveability, and economic growth will be the capacity of all stakeholders, and in particular municipal governments and local authorities, to be engaged in the development, implementation and monitoring of CDM activities. Twinning or sister city relationships between cities in the Annex I and non-Annex I countries will strengthen the latter's capacity to participate in and benefit from the CDM.

International co-operation activities are critical elements in promoting energy efficiency. An example would be harmonised efficiency standards for internationally traded goods and services.

An integrated strategy is needed that involves all levels of government, all sectors of the society, in both the industrialised and developing countries to meet the challenge of the rapid growth of energy demand and growing threat of climate change. The strategy must consist of pursuing efficient production processes and reducing waste, using fuels more efficiently, and relying more on renewable energies.

Concerted efforts must be made to ensure the environmental integrity of the Kyoto Protocol and its early ratification so that it is ready to enter into force by 2002.

# Background Papers of the Stakeholders Groups

## Trade Unions - Integrated Paper

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### *Introduction - Poverty elimination and worker engagement*

Since the 1992 Rio Earth Summit, trade unions have focused on poverty elimination and employment as key elements of sustainable development. During Annual Sessions of the Commission on Sustainable Development, as well as with other inter-governmental organisations, we have also promoted the role of workplaces, workers and trade unions in sustainable development as contemplated in Chapter 29 of Agenda 21.[1]

**Understanding the Social Dimension:** Trade unions have joined a growing number of organisations to demand that the social dimension [2] of sustainable development be recognised, measured and reported along with environmental and economic aspects. Employment and job creation must be central, not peripheral to this dimension, as they address the issue of access to essential goods and services, as well to the environmental effects of population increases [3] (e.g. by addressing factors contributing to fertility rates). Rio-plus-10 must reinforce the principle that policies and strategies related to water, and energy are to be measured against employment specifically, and social indicators generally, in addition to their environmental implications.

**A Focus on Workplaces:** It is crucial, as well, that Rio-plus-10 focuses on the worlds workplaces, as they are at the hub of production, and major consumers in their own right. Effective change in the workplace can only be achieved with the full “engagement” of workers and trade union, however. Our capacity for training and education, as well as our expertise in occupational health and safety can be effectively utilized in such strategies as “Workplace Assessments for sustainable development generally, and wiser uses of water and energy, specifically.

**Sustainable Consumption Among Workers [4]:** The quantum of change required to achieve Agenda 21[5] requires that workers become more responsible consumers of water, energy and other resources. Programs must not only improve workplace performance; they must also impact on personal and domestic consumption of workers, and the community.

**Creating Positive Attitudes Towards Change:** Major barriers to worker involvement must be addressed, as identified by the ILOs Socio-Economic Security Program [6]. Socio-economic security policies, for example, can pave the way for poverty elimination through secure employment, as a cornerstone of sustainable development, as well as by enhancing the engagement of workers in workplace and social change. Workers are prepared to support change, but only, if they believe that transition programs will provide retraining, re-employment, compensation, or otherwise continued livelihood. The close relationship between poverty, population increases and incomes [7] makes the development of social and employment transition plans a necessity. It also depends upon respect for internationally recognised core labour standards, above all the freedom of association, and the right to organise.

### *Socio-Economic Security: Addressing Poverty and Worker Engagement Issues [8]*

**Labour market security:** Adequate employment opportunities, through high levels of employment ensured by macro-economic policy.

**Employment security:** Protection against arbitrary dismissal, regulations on hiring and firing, imposition of costs on employers, etc.

**Job security:** A niche designated as “occupation or “career”, requiring clearly-identifiable skill levels, craft boundaries, job qualifications, restrictive practices, etc.

**Work security:** Protection against accidents and illness at work, through safety and health regulations, limits on working time, unsociable hours, night work, etc.

**Skill reproduction security:** Widespread opportunities to gain and retain skills, through apprenticeships, employment training, etc.

**Income security:** Protection of income through minimum wage machinery, wage indexation, comprehensive social security, progressive taxation, etc.

**Representation security:** Protection of a collective voice in the labour market, through independent trade unions and employer associations, with state protection of rights, etc.

*Workers, trade unions and the sustainable development of water*

**Water, Sanitation & Health Services, Basic Needs:** Clean water is one of life's most essential substances. As clean and affordable drinking water relates closely to sanitation, and human health issues, access to the three must be considered a fundamental human right and a crucial sustainable development objective. To treat water purely as an economic commodity runs counter to the 1992 Earth Summit declaration that “all peoples have the right to access to drinking water in quantities and of the quality equal to their basic needs.” Trade unions endorse calls by Ministers of the Environment, UNEP, the OECD and others for immediate action on water.

**Special Challenges and Target Groups:** The GEO-2000 Outlook delivered a clear message that the world water cycle is unlikely to cope with future demands. One-third of the world's peoples already experience moderate-to-high water stress, which is expected to double in the next generation. Moreover, developing countries suffer more from this stress and there are severe regional, gender and age disparities with respect to accessing water, sanitation, and health services even in industrialised countries, where specific groups are particularly vulnerable and in need of attention (e.g. children and women). In addition, over-exploitation and pollution of groundwater, subsidence, contamination of aquifers, and other problems are making water an increasingly scarce resource as stated in the 1992 Dublin Statement on Water.

**Making Change Through “Workplace Assessments”:** That focus on the following:

- **Water used in Workplace Production:**  
An initial assessment would identify areas relating to (i) water consumption in: the production of goods and services; operations relating to upkeep and maintenance; and provision of human support services (e.g. sanitation, food, beverages and personal consumption at work); (ii) waste management: reduction of consumption and clean-up of production, minimise waste and promote recycling, etc, and natural resource accounting and auditing. Target retained waste water in all its forms (e.g. tailing and settling ponds as well as deep well injection sites or storage facilities etc); and waste discharges in all their forms, which impact on natural water.
- **Water used in production or delivery of material and resources to the workplace:**  
Input materials are produced and delivered at a substantial water cost. Full accounting would indicate changes to purchasing policies, and staff training, etc. by considering water costs of: (i) Resource and material inputs; producing and transporting raw materials such as steel, coal or agricultural inputs as well as manufactured products; (ii) Labour as an input into production: Workers personal and domestic consumption of water (and other essential resources) as they

travel to and perform work. Workplace-based education can develop appreciation of water costs related in both personal consumption and in production.

- **Community water and waste treatment:**  
Supply and treatment of water is typically a community responsibility, to be accounted in workplace production. The key role of government, public policy initiatives and research bodies in protection, supply and delivery must be appreciated, as must their full employment implications. Workplace assessments would integrate targets and programs with those of the community.

#### *Trade Unions Propose Water Code*

The Public Services International (PSI), an international trade secretariat for over 20 million workers in public sector unions, is asking companies and public sector providers to Sign up for Clean and Safe Drinking Water and Fair Labour Practices in Water Services to signify a commitment to drinking water of high quality, and safe treatment and disposal of sewage and other contaminated effluents. The Water Code proposes that these rights be protected, monitored and enforced by public authorities in the communities in which suppliers operate. “Water Services” include: construction and maintenance of water facilities; construction and maintenance of distribution and supply networks, sewage and waste treatment; and, protection/enhancement of the water environment, including rivers, lakes, coastal waters, underground sources, reservoirs and oceans. The delivery of a quality service, furthermore, presumes skilled employees and good industrial relations. Trade unions for water workers are asked to work collaboratively to address public service obligations, democratic regulation, environmental standards and fair labour practices. The following principles are featured in the PSI Water Code:

- Whether under public or private ownership, or a mix, water services must retain the character of a public service; i.e., nobody deprived of access because of ability to pay, a social tariff policy, and effective control and accountability to the public interest.
- Full public accountability maintained by public authorities with standard setting, regulation and enforcement, and capacity-building to ensure well-trained and resourced supervision.
- Local decision-making and control based on authentic stakeholder involvement at local, national and international levels.
- Continuous improvement of quality and quantity of water services, with funding to ensure renovation and modernisation of water supply and waste facilities.
- Research and development, with new industries fully examined before approval is granted. Bodies responsible for international aid to be integrated in the process.
- Increased involvement and awareness of the importance of water services.
- Integrated water management by responsible public bodies, with increased scientific research, the training of specialists, public awareness campaigns.
- A social tariff policy to promote access to water services with sufficient resources to finance investments, operating costs and long-term planning.
- Involvement of workers and their trade unions in water services and associated administrative bodies in standard setting, monitoring and reporting.

- A standing committee of the International Labour Organisation (ILO) to deal with water services alongside those of electricity and gas.

*Trade unions in a transition to sustainable energy*

Workplace assessments may be applied to energy [18] in much the same manner as for water. An agreement by workers and employers to reduce energy consumption in such areas as transportation of workers, for example, would impact directly on all transport habits (e.g. travel to and from work), as well as raising awareness of the implications of other personal consumption choices relating to energy. Integrated workplace assessments could ultimately address all workplace resource use; however, water and energy also provide a nexus around which other workplace targets could be set. Agriculture is one area where a joint water-energy focus could realise important dividends.

**Climate Change & Social Impacts:** Climate change strategies reveal problems associated not just with energy, but also with attempts to implement Agenda 21 generally. While a few national and regional reviews have been conducted on social and employment impacts of climate change (or its mitigation), overall effects have yet to become a priority in international discussions. Although jobs are sure to be lost and created in any climate change scenario, there has been no significant attempt to ascertain the extent of these casualties, globally.

**Social Dimension of Sustainable Development:** Indifference to the social impacts of climate change reflects a general lack of attention to social dimensions of sustainable development, a deficiency that Rio-plus-10 can correct. Full social impact assessments must become the norm, to be fully integrated with environmental and economic assessments. There is no alternative, as it will affect attempts to address barriers to worker involvement, to engage in planning, or to garner public support for the huge financial commitments that will be required. Theoretical prediction models must pave the way to real-life assessments of impacts.

**Preparing For Energy Transitions:** Social and employment transition programs to insure full worker/union collaboration with employers, environmentalists, and governments must also be a focus for Rio-plus-10. Social & employment transition measures must ensure a continued livelihood and orderly conversion for workers and affected communities, with minimum income protection, access to new jobs, educational assistance and social programs to ensure uninterrupted access to basic needs and services. It must also be integrated with the development of alternative energy scenarios, which incorporate “green job” promotion.

**Understanding Financial Flows in the Energy Sector:** Furthermore, as few employers can sustain the cost of transition on their own, transition issues must be addressed within sectors or across borders, and provide equitable distribution of the costs or benefits. Given the substantial financial flows the global energy sector generates, it could hold the key to the financing of successful transition programs. A full range of financial and economic instruments must be accepted by corporations in return for profits society has allowed in the past; i.e., a combination of special funds, pricing strategies, charges and taxes, marketable permits, deposit refund systems, etc. Redirecting, traditional energy financing toward improving transition should take place in concert with the alternative energy scenarios.

**Looking at Transportation Support and Subsidies:** Rio-plus-10 must respond to growing demands for a review of subsidies. A recent OECD [23] study, *Reforming Energy and Transport Subsidies*, for example, proposes that many transport subsidies work directly against the goal of sustainable development, and that their removal would result in substantial reductions in CO<sub>2</sub> emissions and stimulate economic growth. Choices exist; i.e. subsidy reform does not necessarily mean removal. Where subsidies and fees exist for sound policy reasons, such as employment, a

solution might be to convert subsidies into local incentives for employment, or grants for home insulation, or for improving facilities for non-motorized and public transport.

*The "Water Energy Nexus" and implications for RIO+10*

**Effective Partnerships for Sustainable Workplaces:** Rio-plus-10 can provide the much-needed impetus for a renewed commitment to workplace programs for water and energy that involve workers and trade unions. This would provide a tremendous boost to a planet searching for answers to a rapidly deteriorating situation. We propose the following elements:

**A new workplace culture of cooperation:** Cases compiled by the trade union movement. Show that such preconditions as the "right-to-know", "whistle-blower" protection, the right to refuse dangerous work, and the right to participation are important. Above all else, however, they show how crucial it is to recognise workers as human beings, not just as factors of production. The purpose of recognising these rights is to provide tools of workplace engagement. Within this context, industrial relations should be examined as a possible tool for sustainable development. There are about 3.3 million collective agreements in the world, which derive from worker/employee cooperation at the workplace.

**New workplace approaches to education and public awareness:** Trade unions have developed extensive educational capacity; indeed, in many countries, they are the foremost providers of adult education. This capacity must be harnessed to the goal of changing unsustainable habits and attitudes and deeply ingrained habits.

*International Agreement Reached over Labour Standards & Environment*

The International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM), representing 20 million workers, has signed an agreement with German-based Freudenberg that recognises union rights, workplace equality, health, safety and the environment, a ban on child and forced labour, full cooperation and consultation with workers and unions as the best way to further the interests of the company and its shareholders.

Freudenberg and its subsidiaries worldwide employ about 30,000 people in 41 countries in production of auto and engineering components, lubricants, etc. with worldwide sales of DM 7 079 million in 1999. All are covered by the agreement negotiated in cooperation with the ICEM-affiliated German union IG BCE, and gives ICEM regular meetings with the company and rights to monitor and verify the Code which Freudenberg already had in place.

The emphasis in the global cooperation specifically cites are relevant ILO Conventions; as a minimum, #s 87 and 98 on freedom of association and collective bargaining; #135 on non-discrimination against union reps; #s 100 and 111 on equal opportunities and treatment; #s 29 and 105 on forced labour; and # 138 on child labour. The agreement also acknowledges the right of the employees in the Freudenberg Group to freely join trade unions of their choice, to elect workers' representatives and represent their interests in negotiations concerning collective agreements. "Confidence and cooperation between management, employees and their representatives, innovation and flexibility in work organisation are the basis for the employees' future success and that of the Freudenberg Group,"

**Health & safety tools for the environment:** Occupational health & safety programs developed by trade unions should serve as a model for and be extended to encourage community workplace environmental action. These can be integrated into Workplace Assessments. The health and safety of workers should also be used as a barometer for public health, dealing with water, energy and other resource issues. Workplace Assessments can be made to identify production-related problems for joint worker/employer action.

**A central role for government, with provision for voluntary agreements:** Required changes presuppose a strong public sector and improved regulation, including their strengthening by voluntary approaches. Governments also have capacity in key fields, such as transportation, energy supply, waste disposal, water supply and sewage disposal, roads, communication and increasingly, and in information technology systems. Government inspections and inspection systems should be made to strengthen both regulatory compliance and the enforcement of voluntary measures. Workplace Assessments can also be made to work in concert with inspections and reporting systems for effective results of voluntary approaches.

*Strategies for international commitment to change*

**Promoting Sustainable Management of the Global Economy:** Concern is growing over the social impacts of globalization, the power of multinational corporations, and the consolidation of global economic governance represented by the WTO, IMF and World Bank, a concentration particularly evident in the energy and water sectors. While trade unions welcome recent shifts by the IMF and the World Bank to concentrate on poverty reduction, we believe a much greater co-ordination is needed with other international agencies; e.g., the World Trade Organisation, the UNDP, the UNCTAD and in particular, the International Labour Organisation (ILO).

**Adopting “Income-Poverty” & “Energy-Water”:** As nexus themes: for RIO+10. There is sufficient evidence that tackling these two themes, singly and in unison, could bear fruit in the form of effective implementation results. Workplace assessments could centre on indicators relative to these themes, especially if market and public policy measures are linked to concrete implementation programs to address hot spots and target groupings.

**Linking Water, Energy and Natural Resource Issues to Labour Policies:** We call for Rio-plus-10 to promote substantive energy and water policy cooperation between the WTO and the ILO to insure that social standards (e.g. for sanitation and health), including labour standards, become an integral part of all trade-producing activity. It is significant that the North American Free Trade Agreement (NAFTA) and the European Union (EU) have both endorsed this linkage. While the 1996 Ministerial Meeting of the WTO expressed the commitment of all WTO Members to adhere to core labour standards, and to work with the ILO to promote this objective. Labour is a factor that contributes to production of goods and services for trade, and deserves at least the type of consideration accorded to trade related investment measures (TRIMS) and trade-related property rights (TRIPS).

**Consensus Building with Multi-Stakeholders:** Rio-plus-10 can act on a broad consensus for public participation in global development of energy, water and other resources. The WTO has begun to engage civil society, but this engagement must define civil society in the fullest possible terms, distinguish business from civil groups, and include a wider range of NGOs and trade unions. This could be a precursor to multi-stakeholder cooperation in processes affecting the management of resources, generally.

**International Action and Agreements:** Rio-plus-10 can do much to bring national resource policies into the framework of international agreements and protocols, with mechanisms that allow consumers and governments to identify nations and suppliers that violate environmental and other sustainable development standards. This presupposes an increased role for international agreements, especially Multilateral Environmental Agreements [27], and support for the precautionary principle where innovations such as GMOs are introduced.

**Multinational Enterprises:** Rio-plus-10 should promote support for new OECD Guidelines for Multinational Enterprises, especially as they relate to sustainable development of energy and water. Trade unions are pleased that the Guidelines include implementation procedures as well as disclosure and performance rules for multinationals related to employment and industrial relations, health & safety, the environment, bribery, consumer interests, science & technology, etc. We look forward to participating in their implementation.

**Integrated Action In Relevant Public Policy Areas:** RIO+10 should integrate and take full account of agreements on poverty, water and energy issues achieved by the CSD since 1992, as well as such events as the Copenhagen Social Summit, WHO Ministerial, meetings of Environment Ministers, the Beijing Womens Summit, the Population Summit, and a number of ILO and OECD functions, including the ILO Declaration on Fundamental Principles and Rights at Work. A broad-based consensus on issues and policy has begun to emerge; it is time for Rio-plus-10 to translate it into action.

# Background Papers of the Stakeholders Groups

## Business & Industry - Integrated paper

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### *Context*

About 20% of the world's population, slightly more than one billion people living in industrialized countries, consume nearly 60% of the total energy supply. The remaining five billion people in developing countries consume just 40%. In the case of water supply, 25-35% of people in developing countries still do not have access to safe drinking water. The situation is even worse with regards to basic water sanitation. Business as usual will not meet the needs of those currently unserved, let alone the 2.5 billion new individuals expected within the next 25 years.

These dramatically uneven resource distributions support the argument that the number one priority in sustainable energy and water development today - for all decision-makers in all countries - is to extend access to commercial energy services and safe water to the people who do not have it now and to those who will come into the world in the next two decades, largely in developing countries.

Business and industry, with its store of managerial, financial, and technical expertise and experience, are prepared to play a leading role in assisting communities, societies, and economies adapt to and adopt a sustainable growth path. Coupled with cooperation from governments to create stable and predictable investment conditions, we can begin to implement investment programs and achieve our goals for sustainable access to energy and water.

For energy, the broad goals are: accessibility to modern, affordable energy for all; availability in terms of continuity of supply and quality of service; and acceptability in terms of social and environmental goals. It is critical to overcome energy poverty wherever it occurs, to enhance the quality and reliability of delivered energy, and to minimize the negative environmental and health impacts of energy development.

For water, the world must work towards water security as an overarching goal, where every person has access to enough safe water at affordable cost, while ensuring that the natural environment is protected and enhanced. Our objectives should be to provide access to hygienic sanitation facilities; provide access to adequate quantities of affordable and safe water; increase water productivity for food production; and implement national standards to ensure the health of fresh-water eco-systems.

### *The Challenges*

**Future Investment Needs:** To achieve these overarching objectives, various investment estimates have been put forward - none of which carry a small price tag. As much as \$15 trillion will need to be invested in the energy sector alone-two-thirds of which is needed in the developing countries. The total annual investment in water in developing countries is currently around US\$70-80 billion per year, with necessary investments increasing to US\$180 billion per year in 2010. However, contrary to the current distribution needs for global resource investment, over 90% of all Foreign Direct Investment (FDI) takes place between OECD nations or with 13 other rapidly developing nations - effectively leaving a small portion of global FDI for the majority (and largely lesser-developed) nations.

Despite these imbalances, there is an abundance of capital in developed markets and business will go wherever there is an opportunity for profits. Historically most this investment has been

domestic where business leaders are very familiar with the framework conditions, including laws and regulatory requirements. Reasons why many countries have been unable to attract foreign direct investment, include not only the fact that markets may be too small to earn a reasonable return, but because there may be social or cultural restraints inhibiting a secure and predictable environment necessary to attract private capital investment.

**The Case for Investment:** Investment is the direct path toward tackling the global resource challenges for energy and water. Accessibility and affordability will be dependent upon investment in new infrastructure, introduction of new technologies, and maintenance of deteriorated systems.

**Investment policies should be guided by three principles:** Rehabilitating rather than creating new investment when possible; Selecting cost-saving technologies suited to particular conditions; Developing a participatory approach.

There are a number of energy technologies that offer the potential to assist progress in rural areas. They span generation, transmission, storage, metering and billing, and include lower capacity limited-current supplies, Single Wire Earth Return systems, gasifiers, certain hybrid systems and, longer term, small gas turbines and fuel cells. Energy investment should be directed toward providing modern energy service either as connection to a reliable, affordable electricity supply, or as stand-alone energy sources which are not necessarily grid-based, such as renewable energy systems or other forms of distributed generation.

Water investment should be directed toward developing new distribution infrastructure, improving the efficiency and productivity of irrigation services, cleaning up contaminated waters, and protecting surface waters through the treatment of municipal and industrial discharges to water-courses or aquifers. In doing so, we can provide access to hygienic sanitation facilities and adequate quantities of affordable and safe water.

**Investing in Energy:** The energy industry is obviously the key provider of wider accessibility to commercial energy services, of the availability of uninterrupted supply, and of more socially and environmentally acceptable energy products. The speed, scale and nature of these developments depends in part on enabling frameworks, the wishes and support of other social actors, and the deployment of the required technologies and financing.

Lack of awareness, education and commitment relating to clear energy policy goals, as well as the basic requirements for achieving them, are among the largest barriers to success. These barriers affect policy-makers, public authorities, industry and the general public. They increase the reluctance to support innovative policies geared to promoting more sustainable energy development. They discourage consumers from changing attitudes and habits. They inhibit shareholders and other investors from supporting change.

Measures needed to secure additional and more effective private investment include: - continued market reforms (liberalization, trade, privatisation); open up energy service (within effective regulatory frameworks); undistorted price signals; international trade and investment. Substantial and lasting benefits will result if national and regional markets are stabilized through basic public rules that respect specific local, national and regional circumstances and apply to all the players involved in them. These rules should be set and overseen by independent regulators with minimal political interference.

Ultimately, market criteria must prevail in the development of all energy resources. As such, it will be necessary to keep all energy options open in order to balance the development of new (renewable) energy sources with, for example fossil fuels, large hydro, and nuclear energy - which will remain important components of the near to mid-term energy mix.

**Investing in Water:** It is crucial that water be treated as an economic good and financial practice is realigned accordingly. Sound and fair financial management - based on full cost pricing - is needed to improve the efficiency of services, provide additional resources for reinvestment, encourage demand management, and promote pollution control and prevention. Governments must introduce pricing of water and pollution charges to support investments in water resources, while protecting the poorest citizens. Where water is scarce, this will also require the formalization and clarification of property rights for water. Government should attempt to put these mechanisms in place as soon as possible but not later than 2015 in order to establish full cost pricing for water services in all countries.

**Measures needed to secure additional and more effective private investment include:** Strengthen national institutions, with donor support for developing countries, to attract and benefit from private funds; water pricing and a stable investment framework are precursors to attracting private finance; Introduce economic instruments (charges and tariffs), and use micro-credit and other innovative financing mechanisms to encourage investment at community level; Develop guidelines for good practice and support capacity building, training and pilot programs for new efficient management; Establish, in partnership with international organizations, a private sector led International Research Foundation or Water Innovation Fund to carry out research and training

#### *Access to Energy*

As the scale of continuing rural energy poverty makes clear, very limited progress has resulted from all the well-intended efforts made to date. A better way forward must be found for the effective use of scarce development resources, in particular:

- Energy development must be accorded higher priority by policy makers. Hoping that improvement will “trickle down” from more advanced sectors of the economy or that rural energy poverty can be solved by a “technical fix” is untenable.
- Energy development must be decentralized to place rural people themselves at the heart of planning and implementation. Biomass supply and demand, for example, is inherently local in nature and is best understood by the local people. They also have the best insights into rural needs and priorities. Bottom-up, people-led development shows the best promise of achieving sustainable development.

#### *Three Energy Strategies:*

- **Reduce Political Risk of Key Energy Project Investment.**  
Capital investment in energy has two important components: A first component (without foreign technology) is the mobilization of national savings for the investment in energy infrastructure (e.g. electricity). Domestic financial markets, bonds and shares, should be developed and guaranteed by strong regulations; A second component (requiring the transfer of technology) depends on Foreign Direct Investment. There is a need to protect FDI against “political” risk. It shouldn't be more expensive to develop and invest in projects located in poorer countries. Schemes to lower this risk and/or to increase the resources of developing countries need to be created.
- **Price Energy to Cover Costs and Ensure Payment.**  
End-user prices are the most important determinant of the level of energy supply and quality of service. Unless such prices reflect all costs (variable, maintenance and extension costs), including in some cases the cost of well-identified externalities related to energy security or environmental protection, they will distort individual behaviour to the point that the whole

economy in which they occur may be unsustainable. The gradual removal of all hidden subsidies that artificially depress fuel and removal of cross-subsidies should be a priority together with the establishment of a consistent energy taxation system.

- **Promote Greater Energy Efficiency**  
Energy efficiency programs are an important component of strategies to reduce the consumption of and damage to existing natural resources, while also allowing the economy to grow. Industry and government can work together to implement energy efficiency programs that save energy and money and improve air quality by increasing customer awareness of how to use energy wisely and facilitate wise energy use by increasing the distribution of energy-efficient technologies. A major element of achieving improved energy efficiency depends on the development and diffusion of cost-effective technologies, and therefore the introduction of minimum legal standards in energy equipment and service is critical. Energy efficiency policies that use direct or indirect price mechanisms (e.g. removing subsidies, incorporating externalities) are the most effective in lowering energy consumption trends. However, even without changing the overall price environment, energy efficiency policies should be pursued to correct market failures.

#### *Access to Water*

The basic elements sustainable development of water resources will require full value-pricing to include compensation for all costs and risks associated with finding processing, conserving and delivering water to and from end - users. Governments must accept that there are certain risks that only they can absorb. The private sector does not have the authority or capacity to accept them, for example:

- Acquisition of land and rights of way for the installation of pipeline, and plants at an economic cost.
- Efficient performance by Government-owned distribution companies under contracts to purchase water processed by private sector water resources companies.
- Costs of the impact of drastic changes in the values of local currencies received by private water companies, which have invested hard currencies in water facilities.

#### *Three Water Strategies*

- Improve the awareness of the value of water resources and their use for sustainable development.

Without reliable water supply and sanitation services, sustainable development cannot succeed. The Second World Water Forum in The Hague - March 2000 - included a Framework for Action plan to meet current and future water needs. The business community supports this plan and is prepared to enter into public private partnerships to put this plan into action. Business cannot solve these problems unilaterally. However, business can be an important partner with governments, environmental NGOs and the public to improve water management everywhere.

- Formulation and Implementation of sub-national, national and regional strategies

Countries should be encouraged to formulate sub-national or national strategies for the water sector. These strategies should meet requirements for integrated water resources management (IWRM) and include adaptation and modernization of institutional, legislative and regulatory

frameworks, improvement of knowledge of resources and uses, and training in service management and equipment maintenance. The Global Water Partnership has already initiated a series of regional Technical Advisory Committees (TACs) to address IWRM issues. Business supports this initiative.

- Mobilization of Financial and other Resources.

Countries should mobilize national and local resources and provide incentives to improve water resources use and protection, pricing and financial, as appropriate. Ways and means to facilitate a gradual transition toward full cost recovery should be explored and should be transparent. Subsidies for specific groups, particularly poor people, might be considered in some countries as well. Governments should facilitate access to credit and encourage micro-credit development, and provide public or private investors with appropriate risk guarantee schemes for the financing of investments. Governments could also set up user-pays pricing systems that cover direct or indirect costs of services with costs billed to users who can afford to pay. Additionally, external resources should be mobilized: bilateral and multilateral donors should assist countries in formulating and implementing integrated water resources management strategies.

#### *Conclusions: Access to Energy*

Energy resources are plentiful and not expected to be the limiting factor in global economic growth, but their regional endowment and the pace at which they are developed and distributed may not be entirely satisfactory. Increasingly, energy companies rely on market mechanisms and decentralized decision-making to channel investment and technology into developing energy resources. However, market signals are not always efficient in ensuring that all energy needs are met and environmental priorities are respected.

Many believe that the energy sector is not currently on a sustainable path while others believe that, if the energy sector is evolving on a sustainable path, it could move along it more quickly. Both opinions converge in a strong consensus that new policy departures and remedial action are needed. Although we expect no major problem in providing the energy that will be necessary to sustain the rates of economic growth that one might realistically expect in the coming decades, the current situation is characterized by distributional inequalities and detrimental impacts on the global, regional and local environment and on human health.

#### *Conclusions: Access to Water*

The myriad components of these water-related problems need to be addressed by governments and peoples acting together. Without such action, our children and our children's children may confront a planet running dry. Business as usual is not an option. Alternative approaches are needed - approaches which deploy both tried and experimental solutions in a visionary, dynamic and courageous way. The range of actions needed is as diverse as the problems large and small, and the settings in which they are found. Innovation is needed in institutional arrangements, in technologies and in financing. To plan and implement these actions requires a dramatic change in attitudes governing water-related policy and decision-making, and in the availability and application of investment funds.

#### *Conclusions: Finance*

Increased reliance on free enterprise, open markets and competition implies less detailed governmental regulation. At the same time, an orderly, stable society able to prosper economically from private entrepreneurship requires a framework of essential rules administered impartially

by strong, efficient and transparent government - the “essence of good governance”. Governments and business must work closely together to design the multilateral rules for the rapidly emerging global marketplace.

Clearly, there are a great number of challenges for providing sustainable access to the world's energy and water resources. In the context of a secure and predictable investment framework, business and industry will be able to furnish not only financing, but also creativity and ideas necessary for building a sustainable future.

**Key Conditions for Investment:** In order to marshal significant private (as well as institutional) investment funds, a basic framework to ensure security and predictability of the investment must be in place. This framework is generally outlined as:

- Political and economic stability to provide reasonable predictability for making business decisions and mitigate unacceptable levels of risk.
- Governments which basically facilitate doing business, and eschew harassment and arbitrary intervention.
- Presence of a functioning legal framework and process, security of property and persons, enforceability of contracts, and reliable dispute settlement frameworks.
- Sound economic and financial frameworks, including currency convertibility, freedom to remit dividends and other investment proceeds, rational price, tax and subsidy policies, and a regulatory regime, which is independent of the political process.
- Make Ethics a Strong Component of Energy System Governance - Fundamental business ethics, including honesty and the avoidance of corrupt practices, are essential, but the need for ethics goes beyond these. Voluntary energy and/or environment audits, their widespread publication in civil society, common standards for safety, performance, best industrial practices, and respect of energy workers should be fostered in all plants in all countries in which a company operates.
- Capacity to supply technical skills, goods and services, and a trainable workforce.

Equally, the domestic governments needs:

- Confidence that private companies will not exploit them. While foreign direct investment in developing countries has often had highly beneficial outcomes, there is good understanding of the risks of being a small component in a multinational company's portfolio of activities. This anxiety affects investment in utilities too.
- Mechanisms to ensure that social objectives including protection of the poor from unaffordable tariffs are met. As such, it may be necessary for governments to accept responsibility to absorb part or all of the sunk costs of energy infrastructures needed to serve the poor; design cost-reflective price signals for baseload power at low cost for essential service; and favour decentralized renewable energy systems for rural areas where their lifecycle cost is comparable to or lower than the extension of the grid.

It will be incumbent on governments and international organizations to implement this secure and predictable investment framework. If these elements can be achieved, we will begin to see capital outflows toward developing nations increase sharply during the next decade.

### *Possible Partnerships*

Forging new and innovative partnerships will be the key to creating investment in effective project solutions, and as such a broad range of institutions will have a supportive role to play. Various investor roles and partnerships could include:

**International Private investors:** Direct investment, participate in public-private partnerships, and develop consumer services markets.

Develop standardized concession agreements and other balancing mechanisms to reduce private sector investment risk to acceptable levels.

Foster financing partnerships linked to environmental goals eg: mechanisms, like the Kyoto Clean Development Mechanism (CDM), which have the potential to stimulate capital flows.

The Clean Development Mechanism (CDM) is a unique opportunity to assist developing economies in achieving sustainable development and lower carbon emissions growth. Private investment can be leveraged for climate-friendly projects across the developing world. However, unless governments take responsibility for clarifying and implementing an effective policy framework, the CDM process will be deprived of its opportunity.

**Donors:** Build government capacity, underpin basic human needs and social requirements, support ecosystem integrity, and public health; foreign aid should focus on capacity building and on projects that can be developed as longer-term replicable programs.

**Government and public sector:** Invest in policy-making, institutional, legislative and regulatory frameworks; support equitable access for the poorest.

Create competitive, transparent, and level playing fields whenever possible, coupled with sound rules of the game administered by impartial regulators free of short-term political interference.

Provide direct government guarantees for World Bank or EBRD loans; provide financial support (seed funds particularly).

Provide back-up education and maintenance requirements in co-operation with local communities.

Promote broader regional (energy) markets operating within the same harmonized regulatory context.

**Domestic private sector and communities:** Direct investments in services, micro-industries and manufacturing; provide service repairs; Non-governmental organizations can assist in articulating and communicating the needs of the people to government and in putting programs and projects into effect.

**International Joint Ventures:** Joint ventures could be formed between multinationals, international financial institutions and NGOs to increase the international business community's understanding of a particular country's sustainable energy and water challenges.

Public-private partnerships and the promotion of business concepts like eco-efficiency and voluntary instruments like the ISO 14000 standards can help improve environmental management practices.

Joint ventures between governments (and governmental organizations) and commercial energy organizations to replace/upgrade technology, install new renewable energy systems, and extend distributed generation capacity are a priority.

Co-operative ventures could be effective in developing smaller-scale distributed energy conversion options, especially for rural energy.

Innovative partnerships like Build-Operate-Transfer (BOT), where business and government work in locally based partnerships to finance projects and then transfer assets and experience to the home country.

*Postscript*

This business perspective on Access to Energy and Water for a Sustainable Future is a global perspective not only in addressing resource challenges throughout the world, but as it draws from a diverse range of views, positions, and ideas derived throughout the global business community. In consolidating these many and diverse positions into this paper, the fundamental understanding should be the indisputable commitment business and industry are willing and able to contribute toward creating a sustainable future for energy and water.

This paper draws heavily on the work of the International Chamber of Commerce, the World Business Council for Sustainable Development, the World Energy Council, and the Global Water Partnerships - the guidance and insight of whom we are greatly appreciative.

# Comparative Summary of the Background Papers

## Access to Energy for a Sustainable Future

This is a UNED FORUM summary of issues raised in the stakeholder background papers, created for the preparatory process only. To be read in conjunction with the full papers, submitted by the stakeholder groups.

### Context

Local Government	Trade Unions	Business and Industry	NGOs and Women
Inadequate and inefficient energy services are fundamental poverty issue.	Strengthen the social aspects of sustainable development, especially for employment as means of addressing poverty issues.	Access to energy is a priority for addressing poverty.	Energy-poverty nexus is fundamental, complex and has a strong gender dimension.
<p>Priorities: Provide strengthened, demand driven energy services.</p> <p>Reduce negative environmental and social impact of energy consumption/production.</p> <p>Make linkages to transport, industrial production, urbanisation and energy generation.</p> <p>Challenge of climate change.</p>	<p>Priorities: Emphasis on Workplace assessments for energy efficiency in production and personal consumption of workers.</p> <p>Social and employment dimensions of energy must be understood &amp; measured.</p> <p>Transition planning for energy through job creation and social programs</p> <p>Respect for core labour standards and freedom of association to promote worker participation.</p>	<p>Priorities: Accessibility to modern, affordable energy.</p> <p>Reliable service acceptable to social, environmental goals.</p> <p>Overcome energy poverty.</p> <p>Enhance quality of delivered service.</p> <p>Minimise negative environmental and health impacts.</p>	<p>Priorities: Goal is to achieve equitable access to sustainable energy for all.</p> <p>A need for diverse supplies of energy that reflects different basic needs requirements.</p> <p>Conditions of access must be acceptable and affordable to local people and conform to environmental objectives.</p> <p>Close the demand - supply gap.</p>
Local governments can be powerful agents of change, but are constrained by large scale centralised energy services and fossil fuel subsidies.		<p>Foreign Direct Investment is constrained by risk in countries where majority of worlds population reside.</p> <p>Transition to wider accessibility of more socially and environmentally acceptable energy products relies on enabling frameworks and support of all social actors. This is constrained by lack of awareness &amp; commitment to clear energy goals.</p>	<p>People have been marginalized in the development process.</p> <p>Energy is either accessible to everyone and undervalued (e.g. biomass) or supplied centrally and governed by market sources, making it unaffordable to poor people.</p> <p>Barriers to adoption of energy efficient technologies need targeted interventions.</p>
Need to focus on demand side improvements (conservation, efficiency, renewables).	Water-Energy and Poverty-Employment Nexus themes proposed for Rio+10.		Need to focus on demand-side improvements & crucially on unlocking local needs.

## Finance

Local Government	Trade Unions	Business and Industry	NGOs and Women
Reform subsidies to be consistent with economic & environmental objectives.	<p>Reform subsidies to achieve social and environmental objectives, especially for transportation.</p> <p>Where subsidies exist for sound policy reasons, maybe convert them to local incentives for employment, or improving non-motorised transport.</p>	Gradually remove hidden subsidies that artificially depress fuel prices and cross-subsidies.	<p>Issue of subsidies is complex. Requires participatory cross cutting analysis and open debate with all stakeholders.</p> <p>Generally subsidies for polluting energy technologies should be phased out.</p> <p>Cross-subsidies may be needed to guarantee access for poor people.</p>
Introduce carbon tax.	Companies must accept financial taxes or other economic tools designed to encourage transition to a sustainable energy sector:	Establish a consistent energy taxation system.	Economic incentives are useful tools for managing energy consumption, but may not be always viable behavioural changes are important too.
Price of energy should reflect its full social cost.	Cost & benefits of transition to sustainable energy sector must be equitably distributed.	Price energy to cover costs of supply &, in some cases, the cost of well-identified externalities related to energy security or environmental protection.	Social & environmental costs must be reflected in price of energy.
Change investment patterns to encourage demand-side investment.	Changes must be made relative to social employment indicators.	Key conditions for investment: Political and economic stability; Governments that facilitate business, rather than make arbitrary interventions; Legally functioning frameworks and reliable dispute mechanisms; Sound economic frameworks; Independent regulatory regime; ethical governance & business practices and mechanisms to ensure social objectives and protection of the poor.	Solutions must respond to needs of poor people.
In a deregulated energy market, the initial high level of investment for energy efficiency and renewable technologies are comparatively very expensive. Need policies that recognise their long-term cost effectiveness.	Measures to reform regulation must take place to improve compliance, strengthened by voluntary approaches. Verification must be reinforced by inspections systems.	Continue market reforms (liberalisation, privatisation) within regulatory framework.	<p>Structural reform to facilitate private sector investment must only be taken after ensuring adequate social safety nets in place.</p> <p>Domestic energy policy must advocate for universal access &amp; thus define all investment activity.</p>
Initial high level of investment for demand-side management & renewable energy is a major constraint.			Relative expense of renewable energy is prohibitive. Need to invest in development and distribution now so cheaper in future.

Local Government	Trade Unions	Business and Industry	NGOs and Women
		Keep all energy options (fossil fuels, large hydro and nuclear) open in near to mid-term to balance with development of renewable energy.	Encourage shift away from the unsustainable dominance of fossil fuels, nuclear and large hydro, which undermines support for alternatives.
International programmes & funding should become accessible to local authorities to promote sustainable energy.			ODA has to be increased substantially to support universal access.  Government commitments to cancel debt burdens must be honoured.
National government should prioritise investment for local projects that deliver integrated sustainable development objectives.			Foreign companies should be legally obliged to integrate national development objectives into their business plans.
Aggregate purchasing of energy efficiency products & technologies reduces costs.			
		Governments may have to absorb infrastructure costs to serve poor; and favour decentralised renewable energy systems where extension of grid too expensive.	

### *Institutional*

Local Government	Trade Unions	Business and Industry	NGOs and Women
Engage in multi-stakeholder processes at all levels of governance.	Strengthen industrial relations and workplace cooperation, as means of improving production and personal consumption of workers.	Bottom-up, people led development is best.	All stakeholders to be given political space to participate in decision-making & define kind and quality of service they require.
Shift to decentralised units of supply using dispersed sources of energy.		Decentralise energy policy to place rural people at heart of planning and implementation.	Off-grid requires, decentralised, integrated community based approach developed and managed in collaboration with all members of society.
	Regulation must presuppose a strong public sector:  Government inspections strengthen regulatory compliance and verification of voluntary approaches.	Encourage investment by stabilising national/regional markets through rules, which respect local circumstances and are independently regulated with minimum political interference.	Encourage investment through proper regulatory mechanisms, and functioning legal systems. Absence leads to corruption and inefficiency.  Set up independent regulatory mechanisms and regulatory reform.  Regulations must balance incentives to investors with benefits to consumers.

Local Government	Trade Unions	Business and Industry	NGOs and Women
			Regulators must consult on issues of access with all stakeholders.  Regulations must make private sector accountable to stakeholders.
Strong transparent institutional framework.		Strong, transparent rules based institutional framework to foster investment.	
Utilities should become energy service companies offering a range of services for consumers to choose, both centralised and decentralised.			Aim is to have number of institutions offering a range of energy services for consumers to choose.
Integrated energy planning, using participatory decision making.			
If lack of local capacity, use regional centres to leverage expertise through partnership.			
National government should increase power of local authorities to deal with energy, driven by national targets for renewables and cogeneration.			
			Access to energy will improve welfare only if adequate infrastructure exists to realise those benefits.

### *Operational*

Local Government	Trade Unions	Business and Industry	NGOs and Women
Need greater public awareness and targeted information campaigns.	Use workplaces for education and public awareness.	Need greater public awareness and education.	Need more awareness raising.  Consumption and consumer behaviour patterns need to be examined to initiate behaviour change.
Demand-side approach must be developed. Privatised energy companies must not deny access to local energy data.			Prime constraint for improving access to energy is lack of good demand data to design a useful service.  Differences between men and women, social groups, income, place of residence.

Local Government	Trade Unions	Business and Industry	NGOs and Women
Shift to energy service companies that offer a range of commodities that the consumer wants (i.e. lighting rather than kWh).			Transition to energy service companies that act in a responsible and responsive manner to needs of poor households.
		Promote energy efficiency programmes.	
	Use workplace assessments to reduce energy consumption. Integrated with health and safety programmes.		Inefficient production, distribution and consumption of energy represent lost resources that could be distributed to people living in poverty.
	Prepare social & employment transition programmes to ensure continued livelihood during transition of energy sector.		

### *Technology and Know How*

Local Government	Trade Unions	Business and Industry	NGOs and Women
Introduce minimum efficiency standards (e.g. for buildings and transport) and integrate energy with urban planning.	Perform social & employment assessments on innovation & technological change and transfers.	Introduce minimum legal efficiency standards in energy equipment and service to encourage development & diffusion of cost-effective technologies.	
New efficient & renewable technologies are available commercially, but public policies bias the market against them.			New efficient & renewable technologies are commercially available. They allow for decentralised easily managed system, which can be scaled up if required.
		Increase distribution of cost-effective energy efficient technologies.	Publicise & support low-cost sustainable energy technologies. Make a clearing house of information.
Use of new technologies requires institutional and professional capacity building and skills transfer.			Technology transfer needs to be accompanied by skills transfer.
Network of organisations providing recognition for good practice.			Sharing good practice and experience might encourage companies or governments to take a risk on new technologies.

### Possible Partnerships

Local Government	Trade Unions	Business and Industry	NGOs and Women
Many opportunities for partnerships.	Build consensus through workplace assessments that are linked to community targets and reporting.	New and innovative partnerships are key.	Many opportunities for partnerships and multi-stakeholder approach to build consensus.
Joint buyers clubs, joint ventures to stimulate demand for new technologies.		International Joint Venture: between multinationals, international financial institutions & NGOs to inform on local context.  Public-private partnerships.  Promote eco-efficiency and voluntary initiatives.  Tripartite public-private-community partnerships.  Build-Operate-Transfer partnerships.	Joint ventures with companies, community organisations and public utilities to assist technology and skills transfers.
		New partnerships are key to creating new investment.	
		Donors: should build government capacity; underpin basic human needs, support ecosystems & public health. Foreign aid should focus on capacity building and projects that can be replicated.	
		Governments: Create competitive transparent level playing field and rules based trade system. Provide seed funds and guarantees for World Bank or EBRD loans. Education.	
		International Private: Develop standardised concession agreements to reduce risk.  Foster financing partnerships linked to environmental goals e.g. Clean - Development Mechanism.	
		Cooperative ventures to develop small scale distributed energy, especially in rural.	

Local Government	Trade Unions	Business and Industry	NGOs and Women
		Domestic private: NGOs can articulate local needs. Direct investments in services, micro- industries & manufacturing, repairs.	NGOs and womens groups can assist companies unlock local needs.
		Government and business to work together to design multi-lateral rules for emerging global market.	
	Develop workplace agreements for environmental change and link them to labour standards and collective bargaining.		

### *International Cooperation*

Local Government	Trade Unions	Business and Industry	NGOs and Women
Ratify Kyoto Protocol.			Ratify Kyoto Protocol.
Clean Development Mechanism will be important tool, if all stakeholders are engaged in development and implementation.		Clean Development mechanism is unique opportunity. Governments must take responsibility for clarifying and implementing policy framework.	
	Consensus building in global policy development through multi-stakeholder processes.		Acknowledge contribution of nclusive, transparent and democratic participatory processes linked to decision making.
	Link energy to social and employment policies through WTO and ILO.		Strengthen the social and economic aspects of sustainable development.
Cooperation to promote energy efficiency e.g. harmonised efficiency standards.			
Integrated strategy involving all levels of government, sectors of society.			
	More coordination between global institutions to tackle social impacts of globalisation.		
	Integrated action in relevant public policy area, particularly review and integrate all agreements on poverty and energy since 1992.		
	Support new OECD guidelines for multinationals.		

Local Government	Trade Unions	Business and Industry	NGOs and Women
			Regional collaboration for coordinated mobilisation of political and financial support.
			Energy-poverty nexus must be acted upon in all countries.
			International support for renewable energy and phase out of fossil fuel dependency.
			Rio+10 as catalyst for multi-stakeholder debate on the issue.

# Comparative Summary of Background Papers

## Access to Water for Basic Needs

This is a UNED FORUM summary of stakeholder background papers, created for the preparatory process only. Please read in conjunction with the full papers submitted by the stakeholder groups.

### Context

Local Government	Trade Unions	Business and Industry	NGOs and Women
Water Services should contribute to economic, social and human development of people not just technical perfection or cost efficiency.	Emphasis on Workplace assessments to improve water uses in production & personal consumption of workers.	Goal is water security where every person has enough affordable clean water and ecosystems are protected or enhanced. Investment is identified as the most direct route.	Conditions of access must be acceptable and affordable to local people and conform to environmental objectives. Water has a particularly strong gender dimension. Integrated global resource allocation means poorer countries and communities have most difficulty establishing a claim to water.
Action requires a bottom-up approach, multi-stakeholder partnerships, integrated water resources and services planning.	Focus on social and employment assessments to tackle poverty & prepare for multistakeholder transition planning.		
Water poverty nexus fundamental.	Water-energy & Poverty-Employment as RIO+10 nexus themes.	Water-poverty nexus is a priority.	Water poverty nexus fundamental (Rio + 10).

### Finance

Local Government	Trade Unions	Business and Industry	NGOs and Women
Top - down privatisation leads to problems of equity, governance and security.		Private sector investment requires strong, efficient, transparent government, sound economic framework, independent regulatory regime and an orderly stable society.	Top-down imposition of privatised water services is unacceptable. Must always critically assess local needs & situation first.
		Risk management needs addressing.	Understand and support the existing informal private sector: Regulatory control of private sector is essential.
			Regulations to be developed through participatory, transparent, gender balanced mechanisms.
Focus on making better use of available resources.		Rehabilitate existing structures rather than new investments and use cost-saving technologies.	Financial inflows must respect national sustainable development strategies.
Centralised western model of water supply & sanitation are costly to maintain. Instead priority should be to employ a wider selection of technologies and locally affordable approaches.		Investment priorities are: - Distribution systems. Efficient irrigation services. Clean up of contaminated waters. Protect surface waters.	Priority is to deliver water & sanitation services to poor and landless. Focus must re-orientate to micro-scale projects and local level of management.

Local Government	Trade Unions	Business and Industry	NGOs and Women
<p>Full cost recovery supported, but must be both collective &amp; individual and structured to allow basic needs to be met.</p> <p>Waste &amp; pollution must bear an economic cost.</p>	<p>A social tariff policy to promote access to water services and finance investment and operating costs.</p>	<p>Gradual and transparent transition to full cost recovery for all countries by 2015 &amp; structured to protect the poor.</p> <p>Full cost pricing to improve efficiency, provide resources to reinvest, encourage demand management and promote pollution control and prevention.</p>	<p>Greater water efficiency might be achieved by full cost recovery but the price must relate to nature of consumption and be structured to protect the poor.</p> <p>Bear costs collectively.</p> <p>Full cost transparency, classification of water price and to account for environmental costs.</p> <p>Socio-economic implications of full cost recovery must be debated in public.</p> <p>Locally experience impact of demand management tools need to be assessed.</p>
<p>Flexible funding arrangements which encourage community involvement.</p>		<p>Supports participatory approach as a principle for investment.</p>	<p>Defining &amp; monitoring use of financial resources must be participatory.</p> <p>Emphasis on transparency, democratic and gender balanced mechanisms.</p>
<p>Donors must invest in appropriate technologies for long-term sustainability (e.g. solar pumps, rainwater harvesting).</p>		<p>Donors should assist countries with IWRM strategy.</p>	<p>Donors must make access to water a development priority.</p>
			<p>Debt cancellation necessary to release funds. Governments must honour existing agreements (e.g. 20/20 initiative).</p>
		<p>Governments should facilitate access to credit &amp; encourage micro-credit development for investment at the community level.</p>	
<p>Private profits should be limited due to monopolistic and social aspect of service.</p>	<p>Understand financial flows and introduce financial instruments to support transition.</p>		

## Institutional

Local Government	Trade Unions	Business and Industry	NGOs and Women
<p>Accountability and transparency must be guaranteed by a public authority or recognised indigenous authority.</p> <p>Regulations must define &amp; protect socio-cultural and ecological values.</p>	<p>Whether under private or public control, water must always retain the character of a public service.</p> <p>Public authorities must maintain accountability for water services and management.</p>	<p>Regulatory frameworks and dispute settlement procedures that encourage good governance will thereby promote private sector activity.</p>	<p>Private control of water must be regulated.</p> <p>Regulations must be developed in a participatory, gender balanced, transparent way.</p>
<p>Participatory management is key. Participation requires full information, Civic rights and new institutional mechanisms.</p>	<p>Involve workers in monitoring and reporting of workplace activities and in implementation.</p> <p>Stakeholder engagement at all levels.</p> <p>International Water Code as means of establishing consensus on water.</p>		<p>Cooperation &amp; participation are key.</p> <p>Review local points of entry for participatory decision-making.</p> <p>Participation should be iterative.</p> <p>Participation requires full, free and equal access to information and decision making.</p> <p>A legislative framework for river basin management could formalise civil society participation.</p>
	<p>Need to demonstrate to workers that the transition to sustainable development will improve their socio-economic security.</p>	<p>Improve awareness of the value of water resources and their use for sustainable development.</p>	
	<p>Access to water is a fundamental human right.</p>		<p>Access to water is a fundamental human right.</p>
<p>Local capacity building for local authorities and communities.</p>	<p>Local decision-making and control.</p>		<p>Local capacity building.</p>
		<p>Where water is scarce, government to formalise &amp; clarify property rights for water.</p>	<p>Need for more equitable systems of land tenure to guarantee for local access, particularly for women.</p>
	<p>Need for high level political commitment to respond to locally developed needs and priorities.</p>		<p>Need for high level political commitment to respond to locally developed needs and priorities.</p>
		<p>Formulate &amp; implement sub-national, national &amp; regional IWRM strategies.</p>	<p>Continue with Agenda 21 recommendations for each country to adopt a national water policy.</p> <p>National governments must develop a clear strategy to guide selection of water related projects.</p>

Local Government	Trade Unions	Business and Industry	NGOs and Women
Institutional reform to reflect crosscutting nature of water from the social, to economic to technical.			
Institutions must be accessible by local agents; working together with local agents to define consumption patterns.			
Capacity building needs time, resources, support and skilled facilitators.	Make transition plans for change.		
	Use workplace and TU capacity to educate for public awareness. Engage with workers to change workplace production and personal consumption.  Use public health and sanitation links with Occupational health structures & springboards to workplace action.		
	Improve coordination of policy making by global institutions.		Coordinate national and international policies & take water impacts into account.
	Establish a standing committee of ILO to deal with water (alongside electricity & gas).		
			Infrastructure development is critical for inclusion/exclusion & ensuring equitable allocation.

### *Operational*

Local Government	Trade Unions	Business and Industry	NGOs and Women
Demand Management, including efficiency and conservation is key.	Joint worker/trade union Workplace Assessments of water uses in the production of goods and services.		Service providers must unlock water needs and demand at local level.
Use local economic instruments (tariffs, charges) to transform water users into economic actors.	Assess water used in production or delivery of materials, labour & resources to workplace.	Use local economic instruments (tariffs, charges) to transform water users into economic actors.	Socio-economic impacts of demand management tools need to be assessed.
	Assess workers personal & domestic uses of water as they relate to performing their work.		Community managed programmes often best at defining and meeting own needs.

Local Government	Trade Unions	Business and Industry	NGOs and Women
			Urgent political will to address demand management of aquifers used in food production.
Allocation decided on basis of watershed boundaries.  Watershed plans can be nested within one another to achieve a complementary management schemes for large systems.			Inter-sectoral allocation must prioritise access to water for basic needs, over broader economic interests.  Food production leading to groundwater depletion needs urgent political will to address problem.
Integrated Water Resources Management (IWRM) coordinated land and water planning to maximise social and economic welfare equitably without compromising ecosystems.		Develop national and sub-national IWRM strategies.  Supports the IWRM initiatives taken by the Global Water Partnership.	Primary goal of river basin management & restoration is to enable rivers & watersheds perform ecological functions & benefit those who rely on them for basic needs.  Integrate IWRM into National Strategies for Sustainable Development.
Supply management is important in coming years of water stress and climate change.			
			Recognition that human activities cause many of the worlds floods and droughts affecting water supplies.
			Indicators are useful to monitor progress must be sensitive to gender, ethnicity and place of residence.
			Review locally experienced water impacts of global production and consumption patterns.
			Prior impact assessments of water resource management projects or large-scale economic development on river basin. Credit Export Agencies in particular.

### Technical

Local Government	Trade Unions	Business and Industry	NGOs and Women
Emphasis on appropriate, small scale technologies.		Capacity building to supply technical skills, goods and services and a trainable workforce.	Learn from local experiences & scale up successful micro-projects based on traditional and new technologies.
	Measure innovation and technology transfer against social and employment indicators.		De-materialisation and use efficiency.
			Public policy must adopt technologies that assist poor people access water for basic needs.
			Foster local competition to deliver low cost technologies to farmer or for community water supply and sanitation.
			Simple soil and water conservation practices work. Including afforestation.

### Partnerships

Local Government	Trade Unions	Business and Industry	NGOs and Women
Local government to initiate dialogue between local stakeholders e.g. The new ICLEI Water Campaign.	New workplace culture of cooperation. Industrial relations as a tool for sustainable development.	New partnerships are key to creating investment.	Participation and cooperation is key.
Increase opportunities to share experience and expertise.	Adopt Workplace Assessments as means of developing partnerships among employers/trade unions & with surrounding communities, as means of evaluating progress.	Donors: should build government capacity; underpin basic human needs, support ecosystems & public health. Foreign aid should focus on capacity building and projects that can be replicated.	Stakeholders & government: Cooperate to develop policies and include landless, women, indigenous people in the policy making process.  Educate on importance and meaning of participatory water resources management. Develop frameworks for participation and multi-stakeholder processes.
Build on LA 21 processes where they exist.	Governments: Use inspectors and inspections systems to promote voluntary measures as means of strengthening target-setting, through regulation and standards.	Governments: Create competitive transparent level playing field; impartial regulators; rules based trade system. Provide seed funds and guarantees for World Bank or EBRD loans. Education.	Information Sharing: NGOs & Womens groups to collate information on small scale water projects. Document impact of large-scale projects. Connect micro to the macro.  All sectors should work together to increase dissemination of research.

Local Government	Trade Unions	Business and Industry	NGOs and Women
		International Private: Develop standardised concession agreements to reduce risk.  Foster financing partnerships linked to environmental goals.	Regional networks: Environment & development NGOs should network to work together on policy, monitoring & good practice.
		Domestic private: NGOs can articulate local needs. Direct investments in services, micro-industries and manufacturing, repairs.	NGOs & Business: Private sector can work with NGOs to uncover the local needs to inform design of systems & technologies. Also partners for service delivery.
	Promote OECD guidelines for Multinationals.  Water code as means of promoting partnerships.  Voluntary approaches must strengthen regulation and standards.	International Joint Venture: between multinationals, international financial institutions and NGOs to inform on local context.  Public-private partnerships.  Promote eco-efficiency and voluntary initiatives.  Tripartite public-private-community partnerships.  Build-Operate-Transfer partnerships.	Governance: Greater integration between local, national and international levels. Impact is local but driven by national and international processes.
	ILO and tri-partite constituencies: Should be involved in addressing social & employment implications.		UNEP: Could create centralised technology & good practice database and map information on populations without access.

### *International Cooperation*

Local Government	Trade Unions	Business and Industry	NGOs and Women
	More coordination between global institutions to tackle social impacts of globalisation. E.g. ILO, WTO, IMF, World Bank. UNCTAD, UNDP.		Institutional coordination to prevent fragmented approach.
	Integrated Action in relevant public policy areas, particularly integrate all the agreements on poverty and water since 1992.		Integrated policy making. Governments must ratify all related MEAs, in particular RAMSAR, CBD and Kyoto Protocol.
	Develop system of enforceability for the multilateral environmental agreements.		Regional cooperation is essential to mobilise political and financial commitment.

Local Government	Trade Unions	Business and Industry	NGOs and Women
	Energy-Water & Poverty - Employment as nexus themes for Rio+10.		Water-Poverty Nexus prioritised as a theme for Rio+10.
			Precautionary principle must be invoked now.
	Link water policy with social policies through WTO & ILO (e.g. sanitation) to become integral to trade related activities.		
			Assess progress on chapter 18, Agenda 21.
	Trade unions propose Global Code of Conduct.		Global Code of Conduct & Enforcement Strategy for water management & pricing.

# Summary of the Bergen Dialogue Session

## Access to Energy for a Sustainable Future

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The presentations made by the civil society representatives are reproduced with a summary of the interactive dialogue with Ministers.

Presentation for Business & Industry - Mr Fjell, Chief Executive Officer, Statoil, Norway.  
Ministers, Chairman, Ladies and Gentlemen.

It is a great pleasure for me to address you today on an issue of importance to us all and to my company, in particular being a major international oil and gas producer.

Norway is today one of the world's largest energy exporters with excellent access to oil, gas and electricity. With strict national control over our energy sector, the objective has been to secure the public a fair share of the revenues from the petroleum industry to provide local employment and competence and to stretch for the frontier of environmental practices. I believe this policy has been successful.

100 years ago, Norway was a port nation. In terms of per capita GDP, gradual industrialisation pulled our country up to an OECD average by 1970. This week a new report from the World Bank placed Norway among the wealthiest nations in the world, second only to Switzerland. Our energy resources have shaped today's Norway, and the oil and gas has been used to our common benefit also for the benefit of future generations.

Today Statoil is involved in more than 20 countries worldwide. We explore for oil in the Caspian, in Western Africa and in Venezuela. We market oil and gas in the USA, in Asia, in the Baltics, in Poland and in most of the EU member countries.

The business climate is very different from the mid-1970's when more emphasis was on nationalisation, self-reliance and the protection of the upstream sector. Exploitation of natural resources was considered a political and strategic issue more than a commercial one. The mindset was zero-sum, not win-win. The premise today is that international oil companies can make a valuable contribution to the expansion of production capacity without threatening national control of the petroleum resources.

### *Our global challenges*

The past half century has seen unprecedented economic gains. Still, setbacks to globalisation may occur, because benefits are unequally distributed; which you know better than most people. 1.2 billion people have to live on less than one dollar a day and 20% of the world's population consume nearly 60% of the total energy supply.

The priority of extending access to commercial energy should therefore be well supported. At the same time, total energy resources are quite plentiful, and can hardly be seen as a serious threat to the global economic outlook.

I feel that the tremendous growth in the gas industry should be seen as a promising trend in the current global setting. The reason is that natural gas is a cleaner fossil fuel, and the ongoing development makes it available to more and more people. Historically, associated gas has been flared due to the lack of available gas markets and low recognition by the industry of the industrial

potential in gas. Now we are finding ways to utilise the gas, converting it, or re-injecting it for possible future use. Governments and companies are about to introduce standards whereby gas flaring in general is seen as unacceptable. Gas flaring has never been allowed in the Norwegian continental shelf.

General poverty and energy shortage should be overcome wherever it occurs. Energy companies therefore have a vital role in the extension of commercial energy services to previously uncovered areas and people. I believe that the petroleum industry will be able to meet these challenges. We are not only making money for ourselves - we are also contributing to economic growth and improved welfare.

Foreign direct investments represent a boon - not a bane - to the developed and developing countries. This is particularly true for investments made by international oil companies and they tend to represent a long-term commitment of capital and competence. Oil companies involvement often implies large-scale investments on a horizon of 20 years or more. Therefore, oil companies take a social responsibility to act as good corporate citizens.

Wherever Statoil is operating, we focus on the importance of minimising the negative environmental and health impacts of energy development. The same principles apply both in Western Africa as the North Sea.

#### *Environmental Challenges*

Some would claim that the environment represents a particularly tough challenge for our industry. The core of our business activity is to extract non-renewable hydrocarbon resources. We also enjoy a rather dubious reputation as polluters.

In the Norwegian petroleum sector we take great pride in our high environmental standards. This reflects the success of a cooperative approach to issues of environment, security and strategy. Ambitious norms and practices have been adopted in close co-operation between government, industry and environmental NGOs.

We are addressing the climate change issue. Some people advocate a wait and see attitude. We firmly believe that precautionary action is needed. And we offer active support for the Kyoto Convention. Some uncertainty remains of the issue of climate change with regard to cause, effect and consequences. However, the precautionary principle leads us to take existing evidence and mounting concern fully into account.

Accordingly we have established an extensive internal programme to address climate issues. In combination with great achievements in reducing our emissions, this has placed Statoil among the worlds most eco-efficient producers and transporters of oil and gas. Our ambition implies a strong commitment to further improvements through skilful technologies and cost efficient means.

All over the world, governments are imposing new and stricter standards for fuel quality and vehicle emissions. As energy companies we deliver cleaner energy than ever before. Our role is to apply technologies to produce even cleaner fuels.

It is impossible to predict the next steps in detail, but it is highly likely that the mix of fuels used to produce energy will continue to change. The role of natural gas in power generation is increasing rapidly. The car industry and the energy industry are working closely together to produce cars with far less emissions.

Fossil fuel will dominate the energy scene for the foreseeable future, but new forms of energy are gaining ground. Governments and international regulators are helping alternative energy source to gain market shares, either through subsidies or regulations.

### *Conclusions*

We see a new kind of relationship - a new balance - developing between business, government and society. Companies like Statoil are supporting the UN Global Compact initiative. Embracing a set of care values in the areas of human rights, labour standards and environmental practices. As business people we realise the necessity of a commitment to key universal values.

The business worlds main motive for social responsibility is long term, educated self-interest, not altruism. Corporate social responsibility thereby becomes a strategy for gaining competitive advantage and a vehicle that helps business in the pursuit of strategic goals.

As an international energy company we aim at providing access to energy for a larger share of the worlds population without causing harm to our environment. It is our belief that this strategy also will maximise our contribution to sustainable development.

Thank you for your attention.

Presentation for Trade Unions - Cecilia Brighi, National Confederation of Trade Unions, Italy

Lack of access to water and energy is one of the main components of poverty, unemployment and a heavy burden for womens productive and reproductive work. If no urgent policies and programs are implemented, this situation will lead to more energy consumption for a group of people or countries not for all and contemporarily to an increase of the green house emissions of about 50 higher than today.

If the same right to access to energy is implemented for the 1.8 billion of the poorest people in the world: -

- Governments and international institutions should finally overcome the business as usual policies to enable them to have sustainable and equitable access to energy.
- These objectives can be implemented in developing countries and those in transition only through an increase and sustainability of ODA, which on the contrary has been dramatically decreasing in the last years.
- Industrialised countries to immediately effect measures and commitments to implement climate change strategies and Agenda 21 to overcome the adverse effects of a general increase in energy consumption.

### *International Financial Institutions and the promotion of sustainable management of global economy*

The adoption of synergistic coordinated policies between IFI, WTO, ILO, UNEP and ministers at country level needs to be adopted. Adequate financial resources to link economic growth and equitable distribution, social development and environmental sustainability.

To avoid social and environmental adverse effects of globalisation we need a new democratic framework, international regulations, committing to:

- Institutional reform for all stakeholders consultation to include trade unions in the decision making and implementation process.
- Social and environmental impact assessment of programmes.
- Respect for fundamental human rights and ILO Conventions.
- Gender and employment oriented actions.
- Primacy of social and environmental multilateral agreements and regulations.

We reaffirm these principles also because for example World Bank, despite launching the new strategy on poverty reduction is still promoting the old approach of structural adjustment models under the guise of poverty reduction. The World Bank country assistance strategy for Honduras notes the urgent need to rebuild infrastructures, including electric distribution networks destroyed by Hurricane Mitch and that WB International Financial Corporation could include Honduras in its electricity generation and distribution projects, but that such assistance could be provided insofar as the privatisation process continues. No indications are given on accessibility in terms of services and prices, energy conservation or obligations of producers as regards environment, workers rights or quality of energy production.

#### *FDI and Export Credit Agencies*

Social and environment conditionality for FDI and Export Credit Agencies need to be approved as defined by the Koln 1999 G8 Summit and reaffirmed at Okinawa.

Huge dams and energy production plants, financed by World Bank and Export Credit Agencies should be avoided for their environmental and socially negative impacts.

On the contrary new regulations for FDI and ECA should be urgently defined to grant transparency public control social and environmental sustainability of private and public energy investments.

Financial support should be given only to projects with social and environmental impact assessment, respect for fundamental worker rights, financial and insurance incentives for investments, which adopt cleaner projects and technologies and decentralised production.

Decentralised production should contribute to optimise the objective of access to people capacity building and job creation.

#### *Employment*

Since unemployment is a real international emergency, new sustainable access to energy would contribute to the promotion of new and sound jobs in the energy technology sectors and would favour the promotion especially with local communities of employment in small and medium enterprises.

Trade Union participation is crucial in the definition of environmentally sound employment policies in the implementation of climate change strategies to address the employment impact (positive and negative) of the implementation of Kyoto Protocol and to prepare effective

programmes for sound employment transition strategies that should include income protection and access to new jobs.

Social partners and governments in industrialised countries could play an outstanding role, using the knowledge economy not only to promote more effective systems of energy production and distribution but to invest in vocational training for new environmentally sound employment and diffusion of a new environmentally sound culture among employers and workers.

Many sectoral and territorial collective agreements provide for trade union consultation on industrial policies, eco audit and energy efficiency plans, and environmental restructuring at company and sectoral level.

Governments should develop mechanisms to ensure and monitor business accountability and eliminate unsustainable subsidies and tax breaks while using ecological taxation and incentives to promote sustainable investments. A great support should be given to the implementation of OECD guidelines on Multinationals which gives the opportunity to social partners and NGOs to play an outstanding role together with voluntary agreements, that if not used as a substitute of legislation can play a role to make companies more accountable to workers and society.

Finally governments clear support for joint employers and workers representative programmes could better help in implementing energy conservation, eco-efficiency in production and transport policies and even changes in family and community consumption pattern, through workers education.

Presentation for Local Government - Kaarin Taipale, Municipality of Helsinki, Finland & International Council for Local Environmental Initiatives.

#### *Context*

Traditional energy focus is on the supply-side, but any energy strategy focused on human welfare will focus on the demand-side.

The 3 keys are efficiency; renewables and decentralized approaches are required to tailor solutions to distinct user groups and local conditions - and to address climate change.

#### *Challenges*

We must resolve conflict between how to increase energy services and how to reduce the total energy consumption at the same time. How? By breaking the linear relationship between energy demand and carbon. Local governments have numerous tools to influence local energy use, e.g. public transport, heating and cooling, land use planning. There are more than 400 cities in ICLEI's Cities for Climate Protection Campaign. The lesson: increased energy efficiency and alternative energy use cleans air, creates local jobs, saves public funds and enhances local quality of life.

#### *Financial*

To increase efficiency and the use of renewables, investment patterns must change. Presently, long payback periods are allowed for centralized energy production. But demand-side investments are expected to have short-term paybacks, e.g. insulating your house. Centralized, carbon-based energy is still highly subsidized. Many costs are externalised and need to be internalised. The cost structure is not transparent

### *Institutional*

The key: tailor energy services to specific localities and user groups. Transform energy production companies into energy service companies offering a full spectrum of energy supply and demand service options. This requires regulated competition in energy market as well as policy support for local energy companies.

### *Operational*

Shift from centralised, large-scale, remote-site energy facilities to decentralised units closer to users, using dispersed sources of energy. Numerous proven technologies that can be tailored to specific local user needs: combined heat and power units, small-scale micro-turbines, biogas, etc. Efficiency increases supply! Minimum efficiency standards needed for buildings, vehicles and electric equipment. Local land use is a key tool to manage transportation demand and to manage efficiency.

### *Technology & Cooperation*

State-of-the-art technology must be transferred to developing countries. The Clean Development Mechanism is critical. Local governments already engaged. Technology must be accompanied with institutional and professional capacity building. Joint or "aggregated" procurement by public authorities can decrease technology costs and increase applications. Science now highlights importance of methane in Kyoto implementation. A major source of methane is municipal landfills. Methane recovery is a win-win activity.

### Presentation for NGOs, Women and Indigenous Peoples - Hugo Beteta, Fundacion Solar, Guatemala

Our preoccupation with future global energy systems is crucial for a shared, sustainable future for all. Today's energy choices will determine the ability of 1.3 billion people living on less than US\$ 1/day to transform the structure of their local economies and have a viable livelihood. Today's energy decisions may also help avoid the catastrophic disasters that bring about economic slowdown and instability, huge fiscal and development assistance crises, spread of disease, loss of ecological diversity, massive migrations, and political unrest around the world. Today's energy decisions will indeed affect the governance of nations and of the system of globally binding rules that we are struggling to create at Rio+10.

We have focused our attention on three central issues:

- Access to adequate, affordable and convenient energy for low- income people.
- Change in production efficiency and consumption patterns among high- income people.
- The interdependency not only between people and the environment but also among low and high-income people in the world.

World energy production is more than sufficient to cover basic needs for all. Just 7% of the world's energy production in 1996, would have satisfied all global energy requirements for basic human needs. And yet, two billion people still lack access to adequate, affordable and convenient sources of energy worldwide.

Access to energy is crucial for the lives of poor people worldwide. Most foodstuffs poor people eat are inedible without the use of substantial amounts of energy. Lack of energy inhibits productivity

and income growth and in the long run hinders the transformation of societies, condemning us - rich and poor - to live in an inherently instable world.

Use of crop residues and animal waste as energy sources depletes agricultural soils from valuable nutrients and inhibits agricultural productivity. Combustion of firewood in confined areas routinely expose women and children to pollution levels that cause acute respiratory and eye infections, and cancer resulting in immense suffering, loss of labour days and incomes, and large fiscal and personal expenditures. The daily search for energy uses up women's time and discourages school attendance among children.

The consumption patterns of high-income groups in industrialized and developing countries cause global social, economic and environmental problems and must be addressed in Rio+10. In 1996, average per capita carbon dioxide emission in the USA exceeded by factor of 20 to 200 the per capita emission of developing countries in the world.

Energy issues are at the heart of poverty and interdependency in the 21st century. Interdependency means not only that we fight global climate change so vulnerable people do not end up paying the costs of global environmental disasters, but also that we fight together the spread of disease and economic instability, and that we are more ready to invest in the development of others.

The consultation process that has taken place among NGOs has highlighted, so far, a few important issues that we would like to share with you for your consideration: Energy issues must be at the forefront of the Rio+10 conference. The worldwide strategy emerging from Rio+10 should emphasize the creation of viable livelihoods for the world's majorities, the shift towards sustainable consumption and production, and the interdependence between high and low-income citizens of the world. The economic transformation of nations has historically been related to changes in the nature of supply and demand for energy. Future energy systems must deliver clean, convenient and affordable energy and ecosystem's health, should enhance people's livelihoods and dignity, and should reduce the vulnerability of families, communities and entire regions to natural disasters.

We should evaluate the costs of extreme weather events worldwide. Making the economic, social and environmental costs of disasters and its distribution widely known is strategic to raise awareness and political support. A global adaptation fund crafted after the principle that the polluter pays should be discussed at Rio+10.

Governments will play a key role reinventing the global energy system for the 21st century by focusing on strategic social and environmental concerns that the market is prone to neglect. Investments aimed at fostering the regulatory capacity of governments will be crucial to create an enabling environment for private investment as well. International mechanisms to stimulate capital flows linked to clean and safe energy projects are valuable approaches and should complement public finance initiatives.

The global energy system of the 21st century should be more demand driven, and should address access to natural and other resources by women, who constitute the majority of the world's poor. Economic and social policies aimed at equitable distribution of income and wealth are the most effective means of securing equitable energy access for all and secure a sustainable future. The issue of equitable distribution of income must be a key focus on RIO+10. Finally, we are faced with two crucial questions when reinventing the global energy system for the 21st century:

- How can we overcome the inequities of income distribution that inhibit access to energy worldwide and cause poverty and environmental degradation at the local and global levels?

- Can we conceive an alternative value system that uses interdependency as the organizing principle for a global society? Can we develop a new consciousness and a new concept of prosperity that will support the tough political we have to face

#### **Indigenous Peoples:**

Resource extraction is a burden on Indigenous Peoples, their communities are destroyed but they do not get the benefit of the energy. There should be a review of the impacts of past and current energy projects. More money should be directed to small scale and decentralised energy projects. There should be redress and compensation for those communities that have been exploited. At CSD9 the Indigenous Peoples caucus hope to come with specific recommendations on energy and to make a plea for environmental justice.

#### **Women:**

Poverty and over-consumption are not only north/south issues but are also gender issues. If we want to pursue gender equity, we need to look at the link between society and the environment. We need to go beyond issues of economics and technology and address human behaviour.

#### **Summary of the Dialogue:**

Can business comment on carbon taxes?

Business: It is a dilemma, but without taxes will not have a clean environment, it is forcing a transition to a more sustainable society. There is a need for more common legislation and taxation globally.

Can we have more detail from Trade Unions on the role of governments in changing patterns of consumption?

Trade Union: Government could change consumption patterns at the workplace level and within the models of production and that would spread into the community when the workers go home. It is about developing a synergistic approach between all the stakeholders as well as the partnership between employers, and workers.

Trade Unions play an important role but sometimes they are not enthusiastic about enforcing environmental standards because that could lead to a loss of competitiveness?

Trade Unions: In order to make a sector competitive, sometimes workers are lost in the re-structuring. The point is to find other ways to make the transition whilst protecting the workers. Trade Unions do not fear changes, but it is important to provide respect for workers rights. Employment is important wheel for economic growth.

How will local government develop demand for renewable energy at the local level?

Local Government: Through institutional reform that encourages participation and a decentralised approach; use of the consumer movement; local authorities could produce packages for buying green energy in bulk, good examples and networks for inspiration, removal of subsidies from conventional sources of unsustainable energy.

A discussion on technology transfer and the rural situation in developing countries followed.

In Uganda people are cutting down trees as the only source of energy, it is reaching crisis point and the people urgently need alternative energy generating technologies. The Danish minister agreed that Rio+10 must focus on rural areas and real problems and that we must find the right combination of technology and measures for energy generation, that dont necessarily require a highly skilled local workforce. Iran suggested that transfer of technology should be free of political constraint. It was generally recognised that technology transfer efforts to meet the energy needs of poor people are weak and fragmented and market forces are not meeting the needs. Research and development programmes initiated in the North generally dont address the priority issues for

rural people in developing countries. Budgets for this type of R&D have decreased over the last decade, with less than 20% dedicated to renewable energy technologies. The IBRD suggested a more holistic partnership approach is required that links together food, water, energy and bio-diversity objectives. The first Global Forum on Sustainable Energy in December 2000 will continue the dialogue on rural energy as part of the CSD9 preparations. Samoa raised the issue of capacity building and awareness raising at the local level, in order that communities themselves can understand the issues and the synergistic links, and act accordingly. Hungary also highlighted the need for public awareness of the impacts of energy consumption and the role of science and research. The role of multinational business in technology transfer was not overlooked and Mr Fjell told the meeting that in most countries where Statoil operates there is a contractual agreement for technology to stay in the region and that this area of its operations would be improved.

UNDESA suggested that access to energy should be a major initiative for Rio+10 and called for greater collaboration with NGOs as experienced operators in this area. A quantum increase in accessibility to energy requires looking at the broader issues of pricing structure and subsidies. Business was asked if the multinational energy companies could make a joint statement on responsible energy policy at CSD9, to demonstrate their commitment as well as raising global awareness. As local authorities are influential players in relation to both energy and transport, they were also challenged to make a policy statement at CSD9 that would reflect this and contribute to the development of improved policies and good practice.

Georgia highlighted the problems of economies in transition. The choices for transitional economies are narrow, struggling with a crumbling centralised energy infrastructure, whilst trying to respond to global concerns over climate change and biodiversity loss.

Pricing and subsidies were only briefly discussed. The main point being that, e.g. in China where pricing and subsidies are important energy issues, policy must always be considered in light of the local context. Subsidies should not simply be cancelled and must be considered in light of the international situation with regard to supply.

The civil society representatives were given time to make final statements. NGOs, Women and Indigenous Peoples called for greater support for national R&D programmes in developing countries and for investors to be more long-sighted and serious in their support of renewable energy technologies. Decentralisation and the unlocking of local demand require a participatory approach that must involve women. However as women generally don't have the time or resources to participate in decision making, as well as the cultural constraints within which they live, it can not be assumed that this will happen without a concerted and sustained effort at all levels of society. A Declaration of Interdependence between the rich and poor people of the world, to declare ourselves interdependent on one another and with nature was suggested for Rio+10.

ICLEI is organising a set of regional mayor meetings with local authorities leading up to Rio10 and agreed to address the challenge posed UNDESA Under Secretary General. The bottom-up approach must be supported and LA 21 used more powerfully.

Between now and Rio10, Trade Unions would like to see the serious engagement of all the stakeholders, including technology companies; a new type of ODA for less instability, less poverty and new jobs; for workers and representatives of national and international institutions to work together to promote and diffuse new technologies.

Business referred to the need to develop its work on technology transfer and decentralised electrification. Energy companies are changing and the fact that they are now saying the right thing on environmental and social responsibility is a positive step towards them doing the right thing.

The session was concluded positively by the Norwegian chair of the Ministerial Meeting who stated that the dialogue had strengthened her view that interactive debate should be the way forward and that the input from the session should be elaborated during the rest of the meeting, towards CSD9 and 2002.

# Summary of the Bergen Dialogue Sessions

## Access to Water for Basic Needs

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The presentations made by the civil society representatives are reproduced with a summary of the interactive dialogue with Ministers.

Presentation for Business & Industry - Richard Holme, International Chamber of Commerce.

Firstly an apology from the ICC that the CEO from Brazil who was going to present business perspective could not make it, instead I am attending as the chair of ICC Environment Committee. I am not going to restate the water problem or rehearse statistics, save one:

Industry uses 20% of the world's freshwater, i.e. a significant but not preponderant use. Industry wishes to contribute to the stated millennium goal of halving the number of people with no access to clean water by 2015 - is that ambitious enough by the way - is driven by need to establish itself as a legitimate and frugal user in its task of making the major contribution to the creation of sustainable growth and development.

As we approach Rio 10 industry believes that water security is a proper aim to put at the centre of the drive to relieve poverty and to create sustainable livelihoods. Business, WBCSD and ICC and other organisations aim to approach Rio 10 with joined-up thinking and a common approach based on action for sustainable development. Strategies for clean water are part of that. No one cookie-cutter answer or one model to meet the water challenge. We need to listen to real community needs, water needs in slums of mega-cities vastly different from those of tribal farming communities in Africa or South Asia.

There are 3 levels of action for business:

- Action within the fence - within the firm. Local plant based action. Every company can act on its own water strategy.  
Re-cycling - less fresh water use.  
Efficiency/Productivity - less water consumption in total.  
Innovation - more water efficient ways of working.
- Action in partnership, based around local catchment or river basin area or region.  
Partnerships; agriculture, academia, NGOs, government.  
Integrated water resource management. Build, Own, Operate and Transfer projects (BOOT).  
Local community education.
- Action for better policy approach at the macro and global level.  
Good practice - models of water excellence to be communicated and generalised, small and medium enterprises, good practice, guidelines. Shift to full cost, or even better, full value costing of water. This will encourage a direct path of investment in water, highly desirable but will require governments to shoulder certain burdens:  
Transitional support and subsidies for the poorest. Acquisition of land and rights of way to allow for economic pipeline and plant installation. Evening out of currency risk.

Investment may then be more possible and it should be based on 3 principles. Rehabilitation wherever possible, technology sensitive to local applications and small-scale micro-involvement with maximum community buy in and participation. In summary, business has the capacity and increasingly the will to make a positive contribution to the solutions.

Presentation for NGOs, Women and Indigenous Peoples - Jan-gustav Strandenaes, Norwegian Forum for Environment and Development

Access for all to clean water is not an option, but a prerequisite for sustainable development. A just and equal solution to the seemingly ever-increasing global water crises must be found. If we fail here, we will add yet another factor to global instability - politically, socially, environmentally. If we fail in our mutual efforts now, we will also be guilty of doing the multilateral system a great injustice.

We all know too well that there are enough resources to eradicate poverty everywhere. Political inertia or explainable obstacles may so far have prevented us from doing this. Growing cynicism among people however, may be an unwanted by-product of this. And admittedly, the younger generation look too often towards us in askance with growing distrust and mounting cynicism. Another conference-full of promises will not necessarily combat this cynicism. This is a challenge we will carry well into the Rio+10 Conference.

We must do our utmost to start this century with a willingness and commitment to fulfil all the promises we made to each other in the past century. Yet recent global meetings demonstrate only too well that we are facing an almost insurmountable task in this respect. This was also made adamantly clear to us during the World Water Forum in The Hague earlier this year. Yet despite the many difficulties, the conference ignited a willingness to pursue the water issues until they are solved.

The water issue must receive ample attention in the Rio+10 conference. The issue embodies all aspects of the sustainable agenda and it is intrinsically linked to a number of related agendas: eradicating poverty, gender equality and empowerment of women, improving the work place, equitable ownership, health for all issues, to mention but a few.

The last 50 years of international cooperation have not been without efforts. In retrospect however, we may wonder if we have not come close to fulfilling the cliché “too little too late”, rather than creating new opportunities for people.

Over the past decades countries and organizations have invested heavily in improving sanitation. Yet more than 1 billion people are still without safe drinking water and almost 3 billion people live without proper sanitation. According to WHO, water-borne diseases caused by polluted water, result in the death of between 20 and 30 000 people every day in Latin America, Africa and Asia.

Our blue-green planet holds a fresh-water reservoir of gigantic proportions an estimated, almost unfathomable 40 000km<sup>3</sup> of freshwater globally is available on an annual basis at least theoretically. Global consumption today has reached approximately 3 500km<sup>3</sup> per year, and is expected to almost double during this century all is obviously well within the global reservoir. We may perceive there is abundance for everybody however we know only too well that the resources are unevenly distributed. Whereas some have way too little, others have more than enough.

Clean water is a prerequisite for a healthy hydrological cycle and for continually restoring all ecosystems. Thus the water issue is also intrinsically linked to the stability of the global climate. Clean water and equitable access to clean water is intrinsically linked to the life of healthy individuals. If we are able to focus on the environmental and developmental concerns of individual human beings during the Rio+10 conference, we may be able to restore faith in the global sustainable agenda, and ensure its success beyond Rio+10. The water issue is eminently suited to ascertain this challenge as well. Consequently we urge all Ministers to place the water issue securely on the agenda for this conference.

May we not now use our collective knowledge and commitment in solving the global water challenge at that conference? Allow us finally to highlight a few of the important aspects of the water issue:

- Priority is to deliver water and sanitation services to the poor and landless.
- Conditions of access must be acceptable and affordable to local people and conform to environmental objectives.
- Water has a particularly strong gender dimension, and achieving equitable access to water is therefore closely linked to achieving gender equity.
- Poor and landless people are virtually without rights where resources are privately owned. The majority of the poor and landless are women. Land rights, property rights and inheritance rights must be changed in such a way as to ensure an equitable, gender balanced and sustainable development in every society. A top-down imposition of privatised water resources, water and sanitation services and water technology is therefore unacceptable.
- Private control of water must be regulated and regulations developed in a participatory, transparent and gender-balanced way. Participation requires full, free and equal access to information and decision-making. A legislative framework for river-basin management could formalise civil-society and multi-stakeholder participation. A top-down approach is not acceptable and community managed programmes are often best at defining and meeting own needs.
- Focus in water projects must be reoriented to gender balanced micro-scale projects and local level management, and financial inflows must respect national sustainable development strategies, defining and monitoring use of financial resources must be participatory.
- Socio-economic impacts of demand management tools need to be assessed and indicators used must be gender sensitive.

We would urge all present Ministers and their delegations, both in this process and in the ensuing Rio+10 process to make efforts to reach agreements in the water issue on areas of commonalities. By wisely using these collective experiences such as good practices and barrier removals, and by addressing and integrating all major groups in this, the Rio+10 Conference in 2002 may ultimately arrive at a Water Partnership or a Water Code with a vision for action for the future.

What is in the Rio Accord from 1992 still makes a lot of sense. Now is the time to revitalize Agenda 21 and implement it.

## Presentation for Local Government - Kaarin Taipale, Municipality of Helsinki, Finland & ICLEI

Unfortunately the Mayor from the Philippines who was supposed to come and participate in this dialogue was not able to leave his municipality due to unforeseen political commitments. Once again I will represent the local government major group

### *Context*

Water is holy. Water is basic human right. The protection of water resources and provision of water and environmental sanitation services fundamental to any global effort to eliminate poverty. Today 1.2 billion people are without safe drinking water and 3 billion without proper sanitation. Both poverty and water issues are most directly experienced at the local level. Higher levels of government must be responsive to locally developed needs and priorities.

New ICLEI Water Campaign targets local governments and their stakeholders. Multi-stakeholder groups will be established, priorities set and a programme of action (Water Code) will be made and approved at the level of local government.

### *Challenges*

Changing mindsets. As with energy, we can no longer see the provision of water services “as a construction job to be hired out to the most cost-efficient contractor” (UNDP). We need a bottom-up approach: - stakeholder partnerships, responsive and integrated planning. This requires time, energy, commitment and flexible financing.

Recognition that water is a moral issue. Water as a human right, water and sanitation for all, protection of water resources for future generations, water for nature, for agriculture and for industry.

### *Good Governance*

Water services need to be regulated, controlled, secured and governed by accountable public authorities or recognized indigenous authorities.

### *Financial*

Discussion should not focus on more money in the water and sanitation sector, but. Rather how to make better use of the money that is available. In U.S.A, water and wastewater services face an estimated annual funding gap of \$23 billion over the next 20 years. The Western model is the wrong one to export. A \$200 million investment in developing low-cost, decentralized alternative technologies (solar water pumps, rainwater harvesting, ecological sanitation) is a better use of international resources than building one more large water infrastructure project in a city that can't afford its operation and maintenance.

### *Institutional*

Integrated water resource management on a watershed basis is vital. It is fundamental to guarantee transparency and accountability of water service providers in order to create peaceful and conflict-free management.

Water management institutions should involve cultural and social workers, economists and policy planners in partnership with engineers, technicians, the community and land-use planning.

### *Operational*

We should involve the community and educate them on the expense of providing water services, but the poorest of the poor may always require assistance in the form of subsidies that allow them to meet their basic needs. The cost structure must be transparent.

### *Opportunities*

Partnerships between:

- Local stakeholders.
- Inhabitants of watershed areas.
- Different levels of government.
- Government departments.
- Private and public interests.

Exchange of information and experience among:

- Educators.
- Industry sectors.
- Local government.
- Community groups.
- NGOs.
- Best practices.

### Presentation for Trade Unions - Lucien Royer, International Confederation of Free Trade Unions

My trade union colleague ended her contribution in the earlier discussion on energy by highlighting the role of 'Workplace Assessments', which engage workers and employers to work together in the world's workplaces, for the purposes of promoting more efficient uses of energy.

I wish to begin where she left off and to suggest that 'Workplace Assessments' be considered as an effective means of addressing problems of water, also. Of course, we think that the best approach is an integrated one, where workplace solutions are sought for both water and energy, together, along with an integrated strategy to address all resource uses, in a unified way. I agree with the comments by the World Bank representative, earlier, that we cannot afford to deal with these issues in a segmented way.

Moreover, we think that workplace targets must be linked to targets set by the surrounding communities and that multistakeholder approaches must serve as a basis to evaluate the outcome of Workplace Assessments.

Workplace Assessments would work in tandem with various management strategies, such as ISO, EMAS, or enterprise audits, among others. They can be linked to already existing occupational

health and safety structures within workplaces. They can lead to the creation of joint trade union/ employer workplace committees, for the purposes of implement change - not only for water, but related to other resources too.

The distinctive feature of a Workplace Assessment, which we propose, is that it would aim to educate and involve workers in production changes, as a first step. However, this step would be planned, so as to promote changes to workers personal and domestic consumption habits, also.

In other words, we want to see workers involved in improving water and resource production efficiencies with their bosses, in their place of work, first of all. We believe that with proper planning, this type of involvement can lead to increasing the awareness among workers - in all workplaces- about problems related to water and resources, generally.

This can be planned to make a huge difference, politically - and especially, at the local level. This awareness can and must translate into a deepening of support for programs and measures by local authorities and national governments to protect water and improve resource uses.

Workplace involvement, invariably, could have a great impact on how workers vote in elections and how they come to better support policies that protect their environment, generally, and save water and energy, specifically.

We think that RIO+10 should focus on Workplaces as a place where concrete action to save water and implement Agenda 21 can begin. It can do this by promoting the engagement of employers to fashion joint programs with their workers.

For this reason the nature of worker/employer relationships in workplaces must become a focus. Certain worker participation rights must be recognised, access to information guaranteed and barriers to worker involvement, eliminated. We have covered this in our paper for you to look at.

Currently, we have about 137 million members who work in a little over 2 million workplaces. This is where valuable work can begin. However, we need you to signal its importance - especially in hot spots (like in agriculture, industry or domestic sectors), where water is in need of dire attention.

We need RIO+10 to deliver a signal to employers and governments that there are important roles for Workplaces, Workers and the nature of Work in making the changes that are so necessary now. We have referred to these as the '3W approach' for integrated changes that are needed to both production and consumption.

All workplaces, where we have members, are the subject of a 'collective agreement' - a workplace contract between the trade union the employer. Increasingly, these contain "green clauses". These clauses reflect worker and employer agreements for protecting some aspect of the environment, through workplace action.

There are a host of new Framework and Partnership agreements emerging between business and trade unions, in the world. We have pointed to them in our paper and these show the magnitude of change that can take place.

It is true that eco-efficiency approaches by business - even without much worker involvement- can yield results. But these will not be enough, given the magnitude of change that is so desperately needed now; change, that will not happen unless workers get involved, and unless trade unions are encouraged to help coordinate activities.

We would like to begin serious efforts in those workplaces where we have members. There, 'Best Practice' models can be created; Best Practice, which can apply right across the board, to other sectors, including in small and medium sized enterprises.

Mr Chair, in our paper we have also addressed poverty nexus issues related to water and energy. We believe the best way to address poverty, is by integrating the social dimension of sustainable development into strategic programmes and proposals for change. This can be done through social impact assessments, as a kind of tool to predict and measure the social and employment impacts of programmes, before and as they are undertaken.

We need such tools, so that proper transition planning can take place; transition that ensures progress from where we are to where we want to go, without creating more poverty or undue social hardship. We need more concrete approaches for assessing and responding to social and employment impacts. And this must help us fashion transition programmes, which integrate new land, social as well as employment and incomes policies.

Of course, such transition must be supplemented by standards and regulations, where voluntary approaches are used to strengthen government measures and targets.

You will see in our paper that we support a Global Code of Conduct as a means of addressing water issues. This proposal contains many of the elements I have covered here today.

In short, Mr. Chair I wish to leave you with only one main message: Rio+10 must focus on the 3W's for change if water is to be protected and preserved: Workplaces, Workers and Work. And I would like you to be assured of our commitment to the multistakeholder processes in all aspects of decision making, relating to Agenda 21 and Earth Summit II.

Thank you.

### Summary of dialogue:

How shall we reconcile water as a basic right and water as an economic good?

Business: There is no magic reconciliation. It is inevitable that as water becomes increasingly scarce it cannot be a free good. Governments will have to concern themselves with the needs of the poorest. As an analogy, compare water pricing to the oil price shocks, if business has to pay more for water it should become more innovative in its water use.

South Africa has been actively engaged in the water pricing and subsidies issue and has embarked on a massive programme to make clean water accessible to all. Although water cannot be free, particularly for commercial uses and full value costing is needed, a number of local authorities considering not charging people for a certain quantity of water to meet their basic needs. Attention needs to be given to the role of the private sector so that water is does not become inaccessible. In SA it was also important to recognise the role of wetlands in Africa and to make links between access to water and the RAMSAR convention.

In Nigeria water is a free good. Local governments are committed to providing good and clean water to the rural communities and to restore the watersheds. The policy is to provide 70% of the population with clean water by 2003. People cannot afford to pay for water and it would cause unrest. As a start a token payment may be levied, but not full value recovery. It is also very difficult to ask people, especially poor farmers, to pay for water in Egypt and it would be more reasonable to increase the efficiency of water use through access to affordable appropriate technology. Solutions must respond to the needs of the poor and water should retain the character of a public service. In China water efficiency is also the priority. Water pricing is being addressed slowly step by step, charging a lower price for household consumption to keep it affordable for poor people.

The social dimension of water has to be acknowledged. The imposition of conditions contained in structural adjustment programmes that force the removal of subsidies on essentials, like water, leads to social and economic problems. The World Bank agreed that there is a need to integrate bottom-up approach with macro policy in Africa and its fastest growing area of lending is at the local level.

The importance of strengthening the principle of full cost pricing for environmental goods and services was supported by Canada, but for example, in Samoa water is considered a gift of god and should therefore be free. Whereas in Costa Rica where the state must provide freshwater to everyone, there is no conflict between recognition of water as a basic right and charging people for water services.

What might be the next steps to resolve this complex issue of access to water?

Ghana has four main strategies: - Women and local communities must play an important role; the establishment of a water resources commission to manage water sustainably; the incorporation of water into the Environmental Protection Agency and a real commitment to raising local awareness for sustainable management at the local level. Despite a commitment to working with civil society and a recognition of the need for more dialogue and capacity building, there is sometimes a difficulty in sustaining a working relationship with national NGOs, when they behave like they are in opposition government and the role played by Northern benefactors was queried in this regard.

The concept of integrated water management, a cross-sectoral approach using the watershed as the organising principle was discussed as being an appropriate method of management. It requires strong partnerships and as stated by Samoa, will be unsustainable unless social, cultural and political realities are taken into account. The issue of how to coordinate fragmented management units each responsible for different areas was raised by China. Local government is an important

player in managing water and initiating partnerships, and there are good examples from Japan where the prefecture initiated, consumers cooperated and NGOs promoted the non-use of phosphorous detergent.

The issue of technology transfer was briefly discussed. The promotion of indigenous technologies, education and a call for the development of biotechnology to produce low water use crops for dry countries such as Iran.

Hungary reminded participants of the plethora of regional and international institutions set up to deal with freshwater. There must be better institutional co-ordination to avoid duplication, fragmentation and to achieve a more holistic approach. The role of UNEP in relation to freshwater management was queried, using the recent massive trans-boundary water pollution from the cyanide spill in Romania as an example.

The ecosystems approach should be integrated into water management. However as Mexico pointed out the natural environment has no voice and is often not advocated for in management decisions, particularly decisions made by absentee landowners. The importance of getting local stakeholders involved in management decisions was re-affirmed.

Once again civil society representatives were given the chance to make a final short statement. Trade Unions emphasised the need to involve workers in the transition to sustainable water management and to break the silence of industrial relations. Business emphasised the need to improve framework conditions for private sector investment in the water sector. Local government called for global thinking, national legislation and local action. In response to the comments made by the Minister for Ghana on civil society conduct, NGOs said that although Chapter 23 of Agenda 21 talks of the rights of the Major Groups, it omits reference to responsibilities and perhaps civil society could develop a code of conduct on transparency and governance in time for Earth Summit 2002. Indigenous Peoples recognised the importance of local government in addressing local water conflicts, and the importance of managing land and water together. Womens groups called for transparent and strengthened links between multi-stakeholder dialogue into the formal decision making processes and called upon civil society groups to become more transparent and democratic themselves and to mobilise all stakeholders for Earth Summit 2002.

In conclusion, Civil Society affirmed that they were ready and willing to receive the challenges for CSD9 and 2002 and that water was a very high priority to address at the next Earth Summit.

## Chairpersons conclusions of the Bergen Dialogue Session

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### *Stakeholder participation in intergovernmental processes on sustainable development*

Representatives of business, local government, trade unions, NGOs, Indigenous Peoples and women's groups from North and South, drawn together by UNED Forum, were grateful for the opportunity to participate in a dialogue with Environment Ministers at the beginning of their informal meeting at Bergen. (Prior to the dialogue the participating stakeholders had held preliminary discussions between themselves on promoting a more sustainable approach to the management of energy and freshwater and securing access to these necessities for those communities who are at present deprived and marginalised. Each main sector group prepared position papers in advance and some common positions were established which stakeholders presented to Ministers during the dialogue.) Some of the principal points made by stakeholders in the dialogue are noted here as a contribution to the following informal Ministerial meeting.

The stakeholders recalled that such a dialogue was an important innovation at the major Bergen Conference on sustainable development in 1990 and had been carried further at the Rio conference in 1992 and in CSD meetings since then. They urged Ministers to consider during their meeting how such dialogue could be developed further in the preparations for Earth Summit 2002 or Rio+10, at that conference itself and in the follow-up.

Governments cannot achieve sustainable development by themselves alone. It requires the active commitment and participation of all sectors of society at all levels, from the workplace to the surrounding communities and from the regional to national and international levels. Stakeholders urged Ministers to consider how the process of multi-stakeholder engagement at international meetings can be developed into a recognised transparent mechanism that clearly links to the decision-making processes of governments as well as providing a forum for stakeholders to interact with one another in the search for solutions and joint commitments for action.

Drawing in other key stakeholders in a constructive way must be a key part of any worthwhile institutional reform of global governance. The UN compact with partners, the dialogues between social partners, the commitments and engagements of local and regional authorities through ICLEI and other local initiatives, numerous NGO activities, women's networks, Indigenous Peoples organisations and partnerships throughout the world all provide examples which need to be drawn into the partnership for sustainable development. 2002 could be made the occasion for integrating all these efforts into a common march towards a more sustainable pattern of future development. In 2002 stakeholders might undertake joint commitments alongside government on programmes of action for implementation.

### *Earth Summit 2002. Two key issues -sustainable energy and sustainable freshwater.*

Earth Summit 2002 will be a major event that will command a large amount of political and media attention worldwide. If properly planned it could provide the catalyst for new commitments and a different approach to address the issues. The participating stakeholders urged the importance of concentrating on a few well-focused topics on which it might be possible to agree substantial programmes of action, rather than sterile debates on reruns of Agenda 21. They suggested that the promotion of sustainable approaches to the provision of energy and fresh water, particularly to the most deprived communities, should be two of the priority subjects. Equitable access to safe and reliable supplies of freshwater and energy is crucial for successful social and economic development at the micro and macro levels. The topics also require addressing key crosscutting issues including consumption/production patterns, pollution of the commons and depletion of finite resources.

There are very strong reasons for looking for the most sustainable solutions possible to these issues.

For developed countries, key elements include addressing the behavioural, social and technical causes of over-consumption; targeted education and awareness raising; applying appropriate economic tools for demand management and accounting for environmental externalities, including the elimination of subsidies; more active promotion of sustainable energy technologies and improved policies for water conservation and against pollution.

Developed countries are still excessively dependent on the use of fossil fuels. The transition towards more sustainable forms of energy is not going fast enough to arrest the rapid depletion of non-renewables and increase of greenhouse gases. A more rapid transformation will require more vigorous action by governments, using all the instruments at their disposal.

For developing countries, key challenges are to make sure that everyone has access to safe, reliable and affordable supplies of water and energy that meets local needs and prioritises the needs of the poor and landless, many of who are women. Access to water should be treated as a basic human right. Solutions should include involving local communities in the supply and management of water and energy; targeted education and awareness raising; capacity building, the promotion of sustainable resource use; identifying sources of investment and finance and creating acceptable social conditions under which this can be forthcoming.

Stakeholders offered to mobilise support among their constituencies throughout the world to build effective action programmes on these subjects over the next two years if Ministers decided to adopt them as priorities. They expressed themselves willing as responsible partners in the process to consider any challenges that Ministers wished to put to them in the context of preparing for CSD9 and Earth Summit 2002.

#### *Elements for sustainable energy and water programmes*

Stakeholders stressed the importance of an inclusive planning process in each country, drawing in all members of society and working at the appropriate geographic and administrative scales. Involving representatives of civil society throughout the 2002 process means allowing sufficient time and resources for 'bottom-up' consultations, so that wider society can contribute as active partners in developing the solutions. Governments need to be aware that participation of women and Indigenous Peoples needs particular attention to ensure meaningful processes. Integrated action is needed stretching from the workplace and local communities to international decision making

Stakeholders emphasised the importance of the following key elements:

- Promoting the sustainability of the development plans and programmes for energy and water with a greater emphasis on the inclusion of smaller-scale developments, shaped to community needs and extending access to those presently without water and energy
- Promoting partnerships between stakeholders both in the workplace, local communities and different levels of government.
- The identification or creation of models of excellence in process, technology and outcome for sustainable supply of water and energy, which can become exemplars for others and for whole programmes. They noted that exhibitions of advanced sustainable energy technologies at CSD 9 and on a larger scale at Earth Summit 2002 might play a very useful part in developing awareness and interest in the technical possibilities in this field.

- Using technologies sensitive to local needs and conditions and ensuring arrangements for appropriate technology transfer to developing countries on favourable terms.
- The establishment of realistic targets for achievement over the next two decades. These would include the existing human development targets to bring access to freshwater and energy to people everywhere, but should also include elements which emphasise the importance of sustainable solutions, including targets for the percentage of energy to be supplied by renewable sources, energy-conservation and water-conservation targets.
- Recognition of the investment and financial needs of the programmes, and using 2002 as the occasion for seeking and securing strong commitments from the suppliers of finance for investment, and realistic economic bases for the operation of water and energy undertakings.
- Reconciling the need to establish economic pricing structures for demand management of water and energy with the social, political and cultural norms of local communities and the need to safeguard the ability of the poor to access these necessities.
- Promoting widespread access to affordable, appropriate technologies and greater water and energy efficiency.
- Supporting pilot projects in the host region of Earth Summit 2002 to serve as real-world case studies for those discussions.
- Embracing a set of core values in the area of human rights, labour standards and environmental practices.
- Initiating Declaration of Interdependence, between humans and the environment and between the low and high-income people of the world, to use interdependency as the organising principle for a global society.

*Next Steps. Getting things Moving*

There is not much time between now and 2002 and preparations need to be started very soon. Stakeholders emphasised the importance of securing an early and strong UN General Assembly resolution setting up the 2002 process and suggested that the Ministers gathered in Bergen give an important lead in this direction, including reference to important topics to be addressed in that process.

They suggested that building on the existing international, regional and national programmes and dialogues, 2002 could be used to create a real political impetus and commitment to the delivery of the human development targets of sustainable energy and sustainable freshwater for all on an accelerated timetable. There should be special attention to the issue of equitable access to resources, which is a common theme, particularly for women and Indigenous Peoples.

Meaningful stakeholder participation will require adequate time and resources to allow the groups to prepare and initiate a bottom up consultation process. Stakeholders again emphasised their willingness to play an active part in whatever preparatory processes are established.

Derek Osborn Chair, UNED Forum  
15 September 2000.

# List of Participants

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*8th Informal Ministerial Meeting, Bergen, Norway, 15 - 17 September 2000*

## **Australia**

Dr. Tony Press, Director, Department for Environment and Heritage, Antarctic Division

## **Canada**

Ms. Norine Smith, Assistant Deputy Minister, Environment Canada

Mr. Richard Ballhorn, Director General, International Environmental Affairs Bureau, Department of Foreign Affairs and International Trade

Ms. Christine Guay, Acting Director General, International Relations, Environment Canada

Ms. T. Christine Hogan, Director, International Policy Division, Environment Canada

## **China**

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Mr. Xiaodong Zhong, Deputy Director of Division of Bilateral Cooperation, Department of International Cooperation, State Environmental Protection Administration

Mr. Haiming Bao, Secretary to the Vice-Minister, State Environmental Protection Administration (SEPA)

Mr. Qinzhao Xue, First Secretary, Embassy of the Peoples Republic of China

## **Costa Rica**

H.E. Ivan Vincenti, Viceminister, Ministry of Environment and Energy

H.E. Manuel Constenla, Ambassador of Costa Rica in Norway

## **Danmark**

H.E. Svend Auken, Minister for Environment and Energy

Mr. Søren Bukh Svenningsen, Advisor, Ministry of Environment and Energy

Mr. Torben Mailand Christensen, Ambassador, Ministry of Foreign Affairs

Mr. Peter H. Steen, Deputy Director General, Danish Energy Agency

Ms. Annette Samuelsen, Head of Section, Ministry of Environment and Energy

## **Egypt**

H.E. Nermine Mourad, Ambassador to Norway

## **Finland**

Mr. Jukka Uosukainen, Director General, International Affairs Unit, Ministry of the Environment

## **France**

H.E. Ms. Dominique Voynet, Minister of Town and Country Planning and Environment

Mr. Louis Amigues, Ambassador of France in Norway

Mrs. Laurence Tubiana, Office on Special Duty at the Prime Ministers Office

Mr. Jean-Paul Albertini, Officer on Special Duty at the Minister of Town and Country Planning and Environments Office

Mr. Marc Giacomini, Head of the International Department at the Ministry of Town and Country Planning and Environment

Mr. Francois-Xavier Reymond, First Secretary, Embassy of France in Norway

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## **Georgia**

H.E. Ms. Nino Chkhobadze, Minister of Environment and Natural Resources Protection

Mr. Zaal Lomtadze, Head of the Department of Environmental Policy, Ministry of Environment and Natural Resources Protection of Georgia

### **Germany**

H.E. Mr. Juergen Trittin, Federal Minister, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

Dr. Andreas Gallas, Director General, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

Mr. Stephan Contius, Head of Division, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

### **Ghana**

H.E. Mr. Cletus A. Avoka, Minister for Environment, Science and Technology

Mr. Edwin Barnes, Chief Director, Ministry for Environment, Science and Technology

### **Hungary**

Dr. Ferenc Ligetvári, Minister for Environment

Dr. Tibor Faragó, Chief Advisor, Ministry for Environment

### **Iceland**

Ms. Siv Fridleifsdottir, Minister for the Environment

Mr. Magnus Johannesson, Secretary General, Ministry for the Environment

### **Indonesia**

H.E. Dr. Sonny Keraf, State Minister for the Environment

Dr. Daniel Murdiyasar, Deputy Minister for Environmental Management

### **Islamic Republic of Iran**

H.E. Dr. Massoumeh Ebtekar, Vice-President and Head of the Department of Environment

H.E. Mr. Hossein Noghrehkar-Shirazi, Ambassador of the Islamic Republic of Iran to Norway

Mr. Nasser Moharramnejad, Adviser to the Head of the Department of Environment

Fariba Lahouti, Chief of the Cabinet, Department of the Environment

Mr. Seyed-Abolhassan Rezvani, Deputy Head of Mission, Embassy of the Islamic Republic of Iran

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Mr. Marat Ishankulov, Chairman of the International Environmental Conventions Committee of the National Environmental Center for Sustainable Development

### **Mexico**

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Mr. Yakubu Tanko, Director, Planning, Research and Statistics

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Mr. Boris Yatskevich, Minister of Natural Resources of the Russian Federation

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### **Switzerland**

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### **Uganda**

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### **Ukraine**

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### **United Kingdom**

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Mr. Arne Walther, Director General, Ministry of Foreign Affairs  
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Mr. Adnan A. Amin, Director, UNEP New York Office

Mr. David Dunn, Executive Assistant to the Executive Director

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## **Global Environment Facility (GEF)**

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## **The World Bank (IBRD)**

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## **European Commission**

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## **OECD**

Ms. Joke Waller-Hunter, Director, Environment Directorate

## **World Resources Institute (WRI)**

Mr. Jonathan Lash, President

Ms. Carol Rosen, Editor-in-Chief, World Resources Series

Mr. Rich Barnett, Outreach Director, World Resources 2000-2001

## **Secretariat**

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Ms. Ulla B. Hegg, Higher Executive Officer

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Ms. Anne K. Hoseth, Higher Executive Officer

Ms. Kari Watle, Executive Officer

Rapporteur: Ms. Lilian Chatterjee, Director of Communications, Communications Department International Institute for Environment and Development (IIED)

## **Dialogue Session**

In connection with the 8th Informal Ministerial Meeting in Bergen Friday 15 September 2000 with Representatives from Civil Society

## **UNED Forum, London (Coordinators)**

Mr. Derek Osborn, Chair

Mr. Felix Dodds, Director

Ms. Danielle Morley, Project Coordinator

**NGOs, Women and Indigenous Peoples**

Dr. Minu Hemmati, Co-chair, UN CSD NGO Women Caucus

Ms. Victoria Tauli-Corpuz, Director, Indigenous Peoples Centre for Policy Research and Education (TEBTEBBA) and Convenor, Asia Indigenous Womens Network

Mr. Jan-Gustav Strandenæs, Norwegian Forum for Environment and Development

Mr. Hugo Beteta, Member of the Board, Fundacion Solar, Guatemala

**Local government**

Ms. Kaarin Taipale, Chair, International Council for Local Environmental Initiatives (ICLEI) and General Director, Building Control Department, Helsinki, Finland

**Trade union**

Ms. Cecilia Brighi, Chair, Health Safety and Environment, National Confederation of Trade Unions, Italy (CISL)

Mr. Lucien Royer, International Coordinator and Chair, Health, Safety and Environment, International Confederation of Free Trade Unions (ICFTU)

**Business/Industry**

Mr. Olav Fjell, CEO, Statoil, Norway

Mr. Bjørn Stigson, President, World Business Council for Sustainable Development

Lord Richard Holme, International Chamber of Commerce

## Footnotes to Trade Union Background Paper

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- [1] UN Recommendations for trade union action are summarized in a 1997 UN document (ECOSOC E/Cn.17/1977/L.4), which outlines: workplaces in a sustainable development agenda; the strategic position and capacity of trade unions to contribute; partnerships with employers and governments; voluntary agreements; a central role for the ILO; national reporting and monitoring of workplaces; eco-management and workplace audit practices; and where necessary, codes of conduct for employment and social justice.
- [2] Social Dimensions refer to alleviation of poverty, security of livelihood, access to food, shelter, water, health & welfare, social security, sanitation, education, transport, and incorporates protection of basic human and economic freedoms as enshrined in international Conventions and Protocols.
- [3] The world population will be at 7.5 billion by 2020 and U.N medium-fertility scenarios indicate a peak at 8.9 billion by 2050. World demand for resources will increase exponentially, as will environmental impacts. The UNEP Global Environment Outlook, 2000 notes that highest fertility rates tend to be in countries suffering from poverty, food insecurity, and natural resource degradation, and falling fertility rates are correlated with rising incomes and improvements in health care, employment, and women's education.
- [4] Ethics of Consumption. The good life, and global stewardship, ILO Labour Doc 315671.
- [5] The World Resources Institute notes the enormous demands on the world's resources by industrialised economies, pointing out that material flows often take place far away, usually in the poorest of nations. GEO-2000 says "a ten-fold reduction in resource consumption in the industrialized countries is a necessary long-term target if adequate resources are to be released for the needs of the developing countries."
- [6] The ILO In Focus Programme on Socio-economic Security of the ILO has developed strategic objectives and work programmes. See, Socio-economic security a medium-term workplan, ILO, October, 1999.
- [7] Poverty & Water Issues: see Poverty and Human Development, UNDP, 1997. See tables pp 169-230.
- [8] Socio-economic security, p.2 Engagement of workers is unlikely if they fear job loss, earn insufficient income, work in an unhealthy or dangerous conditions, have little opportunity for advancements, and have insufficient opportunities to relate meaningfully with co-workers in workplace decision making.
- [9] Core ILO Labour standards are inferred in the use of the term representation security.
- [10] World Bank: Entering the 21st Century, World Development Report 1999/2000, Published for the World Bank, Oxford University Press see pp 240-260.
- [11] UNEP, Global Environment Outlook, 2000.
- [12] ILO Infocus Programme.
- [13] See closing stmt, International Conference on Water and the Environment, Dublin, January 1992.

- [14] Workers, their representatives and employers to identify where workplace performance can be improved undertake workplace assessments. They lead to joint target-setting, monitoring, record-keeping, and implementation, in tandem with enterprise management systems for environment (e.g. Cleaner Production or ISO), health and safety (e.g. ILO Guidelines or Government regulations), internal or 3rd party enterprise audits, and for Government-based programs (e.g. EMAS). To some extent, they must also link and be evaluated by community organisations or local governments, and can also be made to work with collective agreements or other special partnership arrangements.
- [15] Successful Workplace Actions on Water: Case studies compiled in the 1990's show that workers and trade unions have been instrumental in a variety of solutions to unsustainable patterns of water use, including: a) improvements in water quality, led by citizen demand/participation; b) improved treatment of municipal sewage; reduced discharge of industrial waste; c) more efficient irrigation methods; d) improved science and technology; e) reductions in amount of water used in industrial processes; f) improved municipal and regional water management systems; g) pollution control and clean-up of water basins and ecosystems; e) agreements on regional and transboundary watercourses; and h) national and international information, technology and monitoring.
- [16] PSI, An International Code of Conduct for Clean and Safe Drinking Water, and for Fair Labour Practices in Water Services, see <http://www.world-psi.org/psi.nsf>
- [17] Ibid footnote #14: Workplace Assessments.
- [18] Three-fourths of all greenhouse gases come from the manufacturing, energy production and supply, and the transport and construction sectors, areas in which waste and pollution can be readily addressed by design and manufacture of clean process equipment and improved technology.
- [19] Prague Conference 2000, "All citizens should benefit from the access transport services provide in a reasonably equitable manner. This implies avoiding excessive dependence on private automobiles, if certain sections of society are not to be excluded". ECMT, Sustainable Transport Policies, 2000, p.8.
- [20] Energy suffers from consumption patterns that rely on non-renewable sources of energy, and carry heavy environmental costs. This sector is perhaps most illustrative of the resource-use disparity that divides industrialized from developing countries, and shows how the energy-intensive production cycles, life-styles, and public policies of industrialized countries are most in need of change.
- [21] Distrust and fear are widespread. In the absence of protection, workers fear that they will bear the burden of costs for changes that will increasingly affect their workplaces and communities.
- [22] Financial instruments must encourage efficient and equitable allocation of resources & costs; i.e., assured access to the water and energy, at the same time as conservation and innovation are encouraged. Negative impacts on employment to be offset with measures to insure that from market-based measures must fund such measures as energy conservation, retrofitting, and "green job creation".
- [23] OECD, Reforming energy and transport subsidies: Environmental and economic implications, 1998 P.10.

- [24] A study by European Ministers of Transport (ECMT) revealed significant room in transportation pricing structures, taxes, and other financial measures to internalise costs of unsustainable practices. It also noted that subsidies in the USA may encourage the wrong types of services.”
- [25] Eg; HOCHTIEF, one of the worlds largest construction groups, has signed an agreement committing it to observe anywhere in the world the standards contained in ILO Conventions and Standards. It includes HOCHTIEFs subcontractors, whose combined workforces total many times the companys own 37,000 employees. Signatories are HOCHTIEF Executive Board and General Works Council, the German Construction Workers Union, IG BAU, and the Int. Federation of Building and Wood Workers (IFBWW).
- [26] Collective Agreements are legal contracts between employers (or employer associations) and trade unions (as bargaining agents for units of workers), governing terms & conditions of employment, as well as settlement of disputes between parties. Increasingly, they contain green clauses committing parties to joint actions to protect the environment and the health and safety of workers.
- [27] Agreements that exist for climate change (UNFCCC), bio-diversity, ozone depletion, endangered species, chemical accidents and safety, prior & informed consent, amongst others.
- [28] OECD, Guidelines for Multinational Enterprises, 2000.

Notes

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