

SMALL STEPS TOWARDS MORE DEVELOPMENT AID

Financing for Development Conference finishes in Monterrey

The U.N. Financing for Development conference held in Monterrey, Mexico March 18-22 achieved some progress towards a more predictable and stable funding for Official Development Assistance (ODA). Jürgen Maier,

German Forum for Environment & Development, reports on if that was enough?

However, the results remain far behind the initial expectations when the FfD process was initiated. They reflect the political reality of today but are not sufficient to have much impact on globalization.

A positive result is the fact that a number of countries announced additional ODA funds, notably the European Union who decided at the EU summit in Barcelona shortly before the Monterrey conference to allocate 0.33 percent of its GDP for ODA – more than the 0.27 percent of today but still far short of the 0.7 percent target reaffirmed many times, for instance at Rio 1992. If this is implemented the general trend since Rio – a downward curve of less and less ODA – will be reversed.

However, in absolute terms it is rather peanuts. The United Nations, the World Bank and NGOs had calculated that at least \$50bn annually are necessary to make a difference in the situation of the poor countries. The EU has now decided to spend after 2006 up to \$7bn more, the US – with 0.1 percent of GDP for ODA way behind the rest of the rich world – up to \$5bn. At the same time the US spends nor \$48bn more for its military budget – just to give a comparison. It was mainly US pressure

that watered down the – inevitable – reaffirmation of the 0.7 percent target to such an extent that it can hardly be called a reaffirmation.

The debate about new and innovative sources of funding therefore gains more urgency than ever, for instance a tax on speculative currency transactions (Tobin tax). Support for such ideas is slowly growing. Similar proposals are made for taxes or fees for the use of the “global commons” such as international airspace, the high seas etc. In the official text, all passages on financing Global Public Goods were deleted – despite the active support for this topic by e.g. the French and Swedish governments. In general, new financing instruments, above all the Currency Transaction Tax (CTT), were not included in the text at all. The agreement was only to study innovative financing instruments commissioned by the UN Secretary General in “the appropriate fora”.

When it comes to such central issues like trade, debt and institutional reforms the so-called „Monterrey Consensus“ sticks with very general

appeals and recommendations. If it is true, as Monterrey stated, that these issues are more important than ODA, the statements about them are nothing less than disappointing. The only positive step is the proposal for an international procedure to settle debt involving both debtors and creditors. The “Monterrey Consensus” merely repeats the promise that further trade and investment liberalisation will enable the private sector to take care of the world’s poor, despite growing evidence to the contrary. The “Consensus” was pushed through at the prepcoms in New York, discounting the many progressive and pragmatic



All under the same roof

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proposals forwarded by the developing countries and development NGOs.

From the beginning of the FfD process, the institutional issues were a matter of controversy at the conference. Eventually, the US and the EU opposed any demands for tangible institutional reforms in the international financial architecture. What remained were appeals to involve developing countries more in the decision making processes of international financial institutions and to strengthen the United Nations, in particular the General Assembly and ECOSOC.

The Monterrey Conference was enough for governments to save faces and avoid a failed conference and bitter disappointment for developing countries. Seen in this context it was at least not a setback in the WSSD preparations. However, if measured against the real challenges facing the world, it was certainly a failure. It took governments less than a month to form an effective coalition against terrorism, and money played no role. An international coalition against poverty apparently is not on the agenda.

Contact: www.un.org/esa/ffd/

Editorial

We have recently started running online polls on our website. Whilst some might think this is a frivolous waste of time, bear with me while I explain the broader purpose of this little venture. On one side, and we make no secret of it, we are aiming to inject a little fun into the process. For if we lose our sense of humour, we will have little chance of fighting our way through the next 6 months of negotiations, some of which are bound to run well into the early hours.

More seriously though, we hope the polls will help to channel minds around some common themes. As we start to work through the Chair's text the task is to assess overall implementation of Agenda 21, whilst identifying what is still to be done and how to do it. Trouble is that with 5 regional processes, 9 major groups, countless UN specialised agencies and 190 UN member states (welcome Switzerland), there is a danger (said it before, will say it again) that you won't be able to see the wood for the trees.

Case in point, and excuse the pun, that's pretty much what we saw at the recent UN Forum on Forests (see next page). When drafting a statement to be presented in Johannesburg, Ministers managed to burden the page with paragraph after paragraph, which negotiated down to lowest common denominator outcomes. What's unusual about that? You may ask. Well, nothing, going on a business as usual basis. But perhaps we have to change the model?

The Chair's text is a good starting point. You certainly would find it hard to argue that it's not comprehensive (unless you're a Major Group... see P. 4&5). The danger is that we will continue to see each others differences and work against them, when actually there is plenty of common ground out there to occupy. The challenge is, do we choose to look for it.

So beyond being a bit of online fun, the polls are a small step to get us all thinking about what we already agree on. We hope to follow this up with Online Discussion Forums (similar to those we conducted on Habitat issues late last year). These online debates will allow us all to explore what action we might choose to take. We will run new polls regularly as a precursor to the discussions to help frame the debate and to build

that all important realisation that we are all, essentially, thinking the same thing.

Meantime, **Network 2002** will remain your dutiful servant in reporting on the outcomes of *your* polls and discussions.

News, News, News...

UN Forum on Forests - 2nd Session

Meeting at UN Headquarters from March 4-15th, the UNFF convened its 2nd substantive session. The 2 weeks that followed produced a mixed bag of results, some good, some not. The sessions' core purpose was to address progress in implementation of the Forum's predecessor agencies, the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF), proposals for action as well as the UNFF's own Plan of Action. This included a focus on combating deforestation, forest conservation and means of implementation, including finance, technology transfer and capacity building.

The session also set aside time to draft a Ministerial Declaration and message to be sent to the World Summit in Johannesburg. However, while one could argue that Ministers were able to produce a comprehensive text, this in itself is its potential downfall. Unable to agree on a short list of key issues upon which consensus exists, the declaration became bogged down as many governments put their pet issues in the text. The result is an inability to 'see the wood for the trees' leading to a weak political message which is unlikely to draw much attention in Johannesburg.

Indeed this was matched during the Ministerial Dialogue session, which saw a steady stream of statement reading, with little real dialogue. Unless governments are able to think differently about how they interact at the international level, and seek to build trust between themselves before stepping off the plane, the outcome of these types of meetings will be inevitably reduced to information exchange forums with lowest common denominator outcomes.

Preceding the Ministerial Dialogues was the UNFF's first Multi-Stakeholder Dialogue (MSD). However, this fared little better as debate turned to how to conduct a dialogue. This is all the more disappointing considering that until recently the forests process was run out of the same UN office as the Commission on Sustainable Development which has successfully pioneered the use of MSD's in recent years.

On the substantive, delegates turned to language including 'lessons learned' and 'future steps' in order to skirt difficulties and sticking points experienced during the IPF and IFF days. This terminology still leaves loopholes concerning countries requirements to reflect failings, barriers or challenges.

As the meeting progressed there was an increasing feeling that the role of the UNFF was indeed heading towards that of information exchange. This creates a potential power gap regarding where decisions on forests will be made. In this time of governance review, the thought of further fragmentation between the UN Conventions on Bio-Diversity and Climate Change and the WTO left some concerned.

If nothing else, this highlights the need for greater coordination between secretariats within the UN, let alone with external international institutions. If this cannot be agreed in terms of establishing standard operating procedures for the structure,

form, content and outcomes of meetings, there seems little long term hope for substantive policy development.

Contact: www.un.org/esa/sustdev/forests.htm

Local Government Prepares for Johannesburg Summit

Local government leaders and the heads of the major international local government associations met in Vancouver, Canada, February 27—March 1, 2002. Local Agenda to Action: Building a Sustainable Future was the international preparatory meeting for local government in advance of the Johannesburg World Summit on Sustainable Development (August 26—September 4, 2002). Hosted by the City of North Vancouver and the Greater Vancouver Regional District, the meeting followed an 18-month consultation process with local governments and their associations worldwide.

The conference opened with a live video transmission from Paris, France, in which Nitin Desai, the Secretary General of the Johannesburg Summit, gave the keynote address. He indicated that the Johannesburg Summit will focus on implementing Agenda 21, creating partnerships, and rebuilding political commitments. He commended the achievements of local sustainability efforts over the past decade citing the work of cities worldwide to address climate change, and the more than 6,400 local communities worldwide that are undertaking Local Agenda 21 processes (see page 5). Mr. Desai advised that sustainable urban development must include serious efforts for tolerance and social harmony, which is a major responsibility of local government. He emphasized that the partnerships addressed at the Johannesburg Summit will be those that enhance and complement the activities of local government and will not be a substitute for public responsibility of local government.

South Africa's Minister for Provincial and Local Government, the Hon. Fholisani Sydney, addressed the group during the welcoming dinner. He articulated the importance of integrated planning and equal participation in decision making at the local level. He concluded that sustainable development is equitable development. The Hon. Gilbert Parent, Canadian Ambassador for the Environment, also spoke at the dinner, outlining Canada's commitment to promoting sustainable communities at the summit.

Councillor Alan Lloyd, President of the World Associations of Cities and Local Authorities Coordination and the International Union of Local Authorities (IULA), and Mr. Christian Feuillet, Executive Board Member, Fédération mondiale des cités unies-World Federation of United Cities, addressed the opening plenary. IULA has recently drafted a Local Government Declaration to be fed into the UN preparatory process for the Johannesburg Summit. The declaration was presented at the meeting for consultation and input (see www.iula.org for the full draft text).

During the event, participants attended sessions designed to build unified and effective representation for the Johannesburg Summit, and to focus the local government message articulated in the Dialogue Paper by Local Authorities, ensuring regional relevance (see www.iclei.org/johannesburg2002 for full text).

The dialogue paper argues that action strategies for local sus-

tainable development "are impossible to implement in isolation from the policies, investments and programs of other spheres of government."

Five key strategies, to be addresses by all spheres of government, are at the core of the local government message: strengthen local government; strengthen inter-governmental and intra-governmental cooperation; foster international solidarity and cooperation; build a new culture of sustainability; and accelerate the transition to sustainable communities and cities.

Local government leaders agreed to take the local message back to their communities in order to build momentum for participation in the Johannesburg Summit and to seek their national government's commitment to support the message during the summit negotiations.

The meeting was organized by ICLEI and sponsored by The Government of Canada and the Province of British Columbia. The U.S. Asia Environment Partnership and Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ) also provided assistance to fund the travel of some participants.

African OAU Ministers Adopt Common WSSD Position

Africa will speak as one voice at the upcoming Johannesburg World Summit. The 75th Regular Session of the Organisation of African Unity (OAU) Council of Ministers meeting in Addis Ababa, which met from March 9-15th, has endorsed the African Ministerial Statement on WSSD, adopted by the joint meeting of Environment, Development and Planning Ministers in October 2001.

For Africa, which is said to be the only continent in which poverty is expected to rise during the 21st Century, this is a concrete step towards addressing the new challenges confronting the continent.

This African Common Position stresses African priorities, including the need to address poverty as a critical issue. It emphasizes the importance of poverty alleviation to Africa and the larger community of nations because 'Poverty degrades not only those who suffer it but also those who tolerate it'. In fact, experts agree that in no other region has the transition to sustainable development been so difficult since the 1992 UN Conference on Environment and Development as in Africa.

The Common position also highlights issues such as the increasingly serious public health crises in Africa. This may also have serious consequences for development, unsustainable exploitation and degradation of forests, soils, biodiversity, freshwater and other natural resources that undermine the region's economic development prospects and the changes needed in economic policies and practices to ensure that the poor in the developing countries get their share of the wealth required to sustain growth over the long run. In addition, it addresses the need for enhanced North-South resources flows and also the need for an enabling economic environment for sustained growth in Africa.

Africa has a vital stake in the success of that Summit as the continent expects it to address the major sustainable development challenges as well as the major challenges for achieving cooperation and integration.



WSSD Prep. Comm. III Stakeholder Views

*As governments get into the process of negotiating the Chair's text, stakeholders must stand aside until Prep. Comm. IV in 2 months time when they will next have an opportunity to take the floor. **Network 2002** takes this opportunity to offer some of the Stakeholders a chance to let governments know what they think of the process so far. Consider this an interim review of proceedings.*

Trade Unions

The neat "Type One-Type Two" categories completely obscure the fact that strengthening the many partnerships that already exist could very well be the best approach for WSSD.

It's hard to imagine that world leaders would be blind to the potentially most powerful WSSD partnership of all! It's hard to imagine that so many discussions can take place about production / consumption issues yet for Governments not to include WORKPLACES as an obvious focus for implementing sustainable development targets.

It's hard to imagine that Governments would not seek the day-to-day engagement of workers in joint actions with their trade unions and employers; setting targets, monitoring change, evaluating progress, over such a broad-range of issues, and influencing both worker's and employer's consumer patterns, world-wide.

It's not like the notion of workplace partnerships is a new idea! Trade unions and employers have already signed over 2 million collective agreements (contracts governing workplace issues), that can be used as building blocks for change. An increasingly large body of Framework Agreements between business and trade unions already exist to deal with issues across sectors, and across national boundaries.

What is called for is to strengthen the partnerships that already exist and to make workplaces a real focus of change. Yet, how does the strengthening of existing partnerships fit into the neat "Type One-Type Two" categories?

Lucien Royer, International Confederation of Free Trade Unions

Youth

When it comes to international preparations for the WSSD, youth have been everywhere. There were great numbers of us at the regional PrepComs, with concise youth statements made in the Southeast Asia, Africa, Europe and North America sub-regional and regional consultations. We submitted our Agenda 21 dialogue paper to the Secretariat well in advance of PrepCom II. We participated in the multi-stakeholder dialogues at

PrepCom II with a cohesive voice and our concerns were supported during the government commentary that ensued after the dialogue sessions. This is duly reflected in the Chairman's Summary of the Discussion and Summary of the Multi-Stakeholder Dialogues, where there are over a dozen separate references to youth concerns. Yet despite raising youth priorities at every opportunity for stakeholder consultation, youth are absent from the Chairman's Report. This is problematic. As we all know from the decisions of the CSD's organizational session back in April-May of 2001, it is the Chairman's report that will be negotiated at PrepCom III and eventually be transmitted to the final preparatory session and to the Summit itself for adoption.

How could youth have been everywhere, and yet in the end, nowhere at all? It is a bit of a disappointing mystery. No doubt, youth will continue to raise their main concerns as previously expressed in written and oral presentations. These include sustainable youth employment and livelihoods, our critical role in education and training for sustainable development and the direct and meaningful involvement of youth in all levels of decision-making. Youth will continue to be active and some of us will continue to comment and lobby for what is missing in the Chair's report. Some of us will now turn our attention to the non-negotiated outcome of partnerships for specific actions. However, a lesson has been learned in rhetoric. Everyone acknowledges that youth do amazingly good grassroots work at promoting initiatives for sustainable development. Everyone applauds youth



Altogether now...

for their bold statements. Everyone labels us as "leaders for the future" or "inheritors of the planet". But when it comes down to officiating concerns in the negotiations, where are youth concerns in the Chairman's report?

Julie Larsen, member of the WSSD Youth Coalition

Local Government

Local Government, due to be represented at the United Nations World Summit on Sustainable Development later this year as one of the nine official Major Groups, has been involved from the very beginning of the Preparatory Process leading up to this global event. The International Council for Local Environmental Initiatives (ICLEI) has been leading this preparatory process over the last 18 months, during which time it has organised meetings and produced a number of documents with the aim of giving voice to Local Government. One of the documents produced, after intensive consultations with local government representatives, municipal associations and experts, is the Local Government Dialogue Paper. This paper delineates the particular experiences, challenges and successes faced by Local Government worldwide in the implementation of environmental and social sustainability. The Dialogue Paper was submitted to the United Nations in December 2001 and subsequently published as an official UN document for. The guiding belief was that all the Dialogue Papers presented by the Major Groups would inform the deliberations leading up to the World Summit and contribute meaningfully to the outcomes in Johannesburg.

Unfortunately, the voice of Local Government has not been heard. The Chairman's Paper, which draws on the Second Pre-

paratory Committee Meeting of the Commission on Sustainable Development (January 28- February 8, 2002) and which was prepared expressly for the Third Preparatory Committee (25 March- 5 April 2002), does not once mention "Local Government". Although national, regional, sub-regional, and international spheres of government are repeatedly considered, the Chairman's Paper disregards a crucial part of *Agenda 21*, the landmark document which resulted from the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992. Chapter 28 expressly recognises that "the participation and cooperation of local authorities will be a determining factor in fulfilling the objectives" of *Agenda 21*, and that local authorities "play a vital role in educating, mobilizing and responding to the public to promote sustainable development".

ICLEI, together with other major Local Government associations, continues to believe that "Local Action Moves the World" and that concrete results can only be achieved if the power of local decision-makers and communities is recognised and strengthened. In the run up to the World Summit, it is clear that all Major Groups must ensure that their viewpoints are not overshadowed by the agendas of national delegations and UN representatives. Organisations at the Summit must do everything in their power to position themselves as real agents for change, and official organizers must guarantee and facilitate the input of Major Groups at all stages.

Konrad Otto-Zimmermann

Secretary General, International Council for Local Environmental Initiatives (ICLEI)

NGOs

After 10 years of failed sustainability governance, governments now look to their stakeholders to bring success. As soon as the press leaves Korea's & Japan's World Cup, the team of 9 major groups with government as player/manager and the planet as goalie are to enter the pitch in South Africa to beat their opponent, unsustainable development. The players are to be ready in 6 months so that governments can claim a successful summit.

Partnerships for sustainable development are excellent problem solvers, but in the polarised world we still live in, they are fragile and in need of careful preparation. Building partnerships with only the willing is only part of the solution. Equitable sustainable development cannot do without those who cannot adjust. The summit should not risk excluding them.

Instead of aiming for ready to present partnerships, longer term approaches are needed to build bridges of trust, mediate between opinions, develop workable strategies, and increase power-equity between the members of the team. A team of partners of equal strength, each able to play their part effectively, has a higher chance of winning than a team put together to please some governments. Governments should get in shape themselves, and they need to start managing the team properly by not favouring the wealthy player and by listening to the good ideas presented by the other 8.

Pieter van der Gaag, ANPED Executive Director

Business

It is so important that business as a whole approaches the World Summit for Sustainable Development in a spirit of con-

structive partnership ready to engage with others and prepared to be accountable for its contribution to social development and environmental conservation.

There has been some outstanding work done by UNEP, in twenty six sectors, including chemicals, and the WBCSD in another five, including the Global Mining Initiative, in measuring progress and creating common understanding of what sustainable development means for a whole sector.

Now there is the very welcome multi-stakeholder project represented by the Global Reporting Initiative, designed to produce a common framework for social and environmental reporting whilst remaining sensitive to sectoral and regional differences.

We stand ready. We are already engaged in a host of initiatives, with governments, central and local, with communities, with universities, with NGO's. More needs to be done, globally and locally, and business stands ready to play its part.

The Summit is in South Africa. Let us try to make it what they call there an INDABA, a gathering of the wise heads of our small world, to try and find some common ways forward.

Extracts of a speech given by Lord Richard Holme, Business Action for Sustainable Development

Women

Agenda 21 made 172 references to women and recognized gender as a central component to sustainable development, however the Chair's paper from PrepCom II is gender neutral. Sustainable development is an ongoing process, and its goal is to improve the livelihoods of all the world's peoples and communities. "People" are missing from the Chair's paper – and over half of the world's people are women.

We find that the paper is missing a human rights framework and the spirit of Principles 24 and 25 in the Rio Declaration, that warfare is inherently destructive of sustainable development and that peace, development, and environmental protection are indivisible. Women's NGOs are focusing attention on the following missing themes:

- Women's participation in sustainable development and environmental decision-making
- Women's access to and control of resources
- Gendered aspects of poverty eradication
- Gendered aspects of globalization and trade
- Women's environmental health
- Gender-disaggregated data and gender-sensitive indicators

All stakeholders agree that it is not necessary to renegotiate Agenda 21. But if the current paper is a re-prioritization of implementation methods for the coming decade, a gender perspective should be visible throughout. Utilizing a gender perspective is not only about addressing women's issues – it allows one to understand the differential impact of policies on women and men and to better target resources to reach the poorest of the poor. We urge the Chair to reorient the paper toward the perspective of the world's poorest, and by doing so, not leave half of the planet out.

Women's Caucus & Women's Major Group for the Multi-Stakeholder Dialogues

UNEP Financial Services Initiative Annual Roundtable Meeting

Financial institutions from around the World gathered in Rio de Janeiro, Brazil, on March 14 -15 for the UNEP Finance Initiatives 2002 Global Roundtable. Looking to explore the role of the finance sector for the World Summit on Sustainable Development, the meeting included both the banking and insurance sector.

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

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

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

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

Carlos Joly, of Storebrand, recently elected chair of the UNEP insurance industry initiative, commented: "After a decade of significant work by many insurers and asset managers we need to take stock to see what we have accomplished and, most importantly, what still needs to be done. Significant break-

throughs have been made in some areas, for example, environmental standards for real estate property we own and also portfolio management that seeks to take environmental factors into account. But much still needs to be done, particularly in the area of insurance underwriting. We also want to motivate more companies in our field to take environmental challenges seriously. This will hopefully serve to guide us forward."

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

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

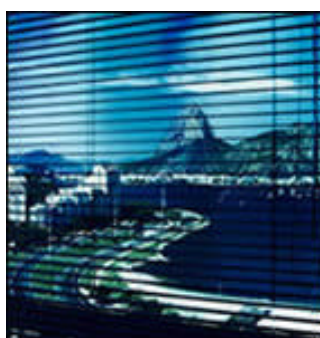
During the Roundtable itself KPA, Sweden, a pension fund with \$1.5 billion in assets became the latest signatory to the UNEP FI Statement of Environmental Commitment by the Insurance Industry Initiative, a commitment by companies to incorporate environmental principles into their internal and external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

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

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

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

Contact: www.unepfi.net



Rio's financial window to the world

Consultation on Governance for Sustainable Development

Presages Possible Earth Summit Outcomes.

Over recent months we have seen much discussion on Governance. Last month the process for International Sustainable Development governance moved ahead. John Waugh reports.

The debate about sustainable development governance is transitioning from the rhetorical phase to a consideration of practical steps that can be taken at the Johannesburg Summit and beyond, judging by the tenor of the informal consultation on the subject convened in New York on February 28, 2002 by WSSD PrepComco-chairs Ambassadors Ositadinma Anaedu (Nigeria) and Lars-Göran Engfeldt (Sweden). Rather than prolonging discussion on elements of "good" governance for sustainable development, delegations appear to be ready to move to considerations of the specific steps to promote enabling environments for sustainable development in Johannesburg. The WSSD is seen as an opportunity to re-launch and give new vigor to Agenda 21, and the theme of governance has taken on new importance as an area of focus not fully developed at the Rio Earth Summit.

Agreement on some basic issues was apparent from early on in the consultation. No one debated that governance is fundamental to sustainable development, and there is a shared sense that governance must be addressed across the spectrum, from local to global levels. Likewise, there was general agreement that the "home" for sustainable development within the UN system is the UN Commission on Sustainable Development (CSD), but that there must be further structural integration of sustainable development within the UN system.

With its multistakeholder process, participants felt that the CSD is a critically important integrator of the economic, social and environmental pillars of sustainable development. Most countries agree that it should remain the premiere international forum on sustainable development, but there is also a real desire to move the CSD from policy dialogue to the identification of concrete initiatives for implementation. Most thought that the CSD should deemphasize negotiated outcomes that produce too little in terms of results, in favour of brokering ideas and partnerships and disseminating success stories. Negotiated text could be produced as infrequently as every 3- 5 years according to some proposals.

Global coordination of sustainable development (one sense of "governance" used in the consultation), delegations noted, is the function of the Economic and Social Council of the UN (ECOSOC). One proposal to revitalize ECOSOC calls on the UN General Assembly to pass a resolution declaring sustain-

able development as a primary mission of the United Nations. This would clarify that there is only one agenda for development, which must be supported by all the organs of the UN. Many felt that the major challenge is the need to better link the macroeconomic functions of the international system, including WTO and the Bretton Woods institutions with the environmental and social elements to promote a common agenda for sustainable development, including implementing the recommendations of CSD.

Participants noted the intrinsic logic of regional approaches to Agenda 21 implementation, where unique regional and national characteristics and needs can better be taken into account. One suggestion raised was that the Regional Economic Commissions become Regional Sustainable Development Commissions, with new operational mandates.

Many countries discussed difficulties in determining with accuracy what they have achieved or expect to achieve in sustainable development. Ongoing investigation through regional bodies was suggested as a way to develop capacity for effective and meaningful monitoring, under overall CSD coordination.

At the national level, governments were clear that they did not want WSSD recommendations that are prescribe governance measures. The process should, they stressed, be relevant to national circumstances and recognize legitimate differences between countries. Above all, there cannot be a single "one size fits all" one approach to national sustainable development governance.

Some specific steps at the national level to promote sustainable development governance were discussed, including inter-agency coordination, training and capacity building for stakeholder participation, promotion of a "culture of sustainability" through public awareness of governance issues, and participatory frameworks for developing National Strategies for Sustainable Development and monitoring and assessment.

Developing countries continue to convey the sense that developed countries don't really understand the limitations under which they operate. Changes in national level governance, such as improved monitoring and assessment, compliance and enforcement, information access, institutional reform and participatory planning frameworks all require the mobilization of very scarce resources and use of new technologies. Seen in this light the major contribution that can be made through intergovernmental processes still involves capacity building, and this in turn raises questions about resource mobilization.

Looking to next steps

A few things stand out as major issues to be addressed in the run-up to Johannesburg. First, financial mechanisms for supporting sustainable development governance will inevitably be raised, and it is important to deal with this question head-on. Following on the Finance for Development conclusions, discussions about the catalytic roles of ODA should be expected. Questions will also be raised about the role of international financial institutions in supporting governance for sustainable development, especially as recent debates about debt relief have zeroed in on accountability for debt. The role of corporations and export credit agencies in supporting effective governance is also like to arise. Finally, governance won't be addressed in a single bound – does there need to be a UN mechanism for ongoing review of governance issues?

Global Compact: Business and Sustainable Development

Introduction

The first session of Global Compact Policy Dialogue 2002 on the theme "*Business and Sustainable Development*" was held at the UN Headquarters in New York on 26 – 27 February. The 80 participants in the meeting included representatives of 40 companies from a variety of sectors. It also included representatives of 7 business associations and 12 NGOs.

The meeting was organised by the Global Compact Office and the United Nations Environment Programme (UNEP), who are jointly co-ordinating Policy Dialogue 2002. It was also attended by the other Global Compact UN agencies, namely ILO, OHCHR, UNDP, UNDESA, UNCTAD and UNIDO.

The approach adopted was first to arrange for several proposals to be aired in the plenary. The meeting then divided into 2 groups, one addressing sustainability in the internal operations of the company and the other the contributions by companies to sustainable development in the society within which it operates. The groups discussed different possible Global Compact projects on the second day fed these back in plenary. The process culminated in identifying, from the different ideas that had been proposed, those ideas that were appropriate to further develop in Working Groups in the months after the workshop.

Initial inputs

Introductory statements were made by Mark Moody Stuart of (BASD), Frank Vorhies of (IUCN) and Tariq Banuri of the RING Network. Moody Stuart posed the question whether business could show the enlightened interest in making special effort to enter the poorest countries in the world, where a key problem is the lack of business activity. Similarly, Vorhies challenged business to take sustainable investments to rural areas in all parts of the world. Banuri noted the importance of education and finance in creating an enabling environment for local entrepreneurship.

Background texts and illustrative projects were then introduced. The AREED project of UNEP/E&Co and the New Ventures project of WRI gave participants examples of how small entrepreneurs are assisted to get access to investment, helping them to set up sustainable businesses.

Summarising discussion during the opening plenary, Jane Nelson of the International Business Leaders Forum (IBLF) encouraged participants to define actions that display partnership (collective action), integration (between the environmental, economic and social), value added (in relation to other international initiatives), and would have a catalytic effect.

Group Discussions

Group 1: Companies' policies to develop their internal sustainability agendas

Discussion in Group 1 was facilitated by Claude Fussler of

WBCSD. On programmes to advance sustainability in the internal operations of companies, participants noted a number of aspects, including

- the role of triggers for internal change
- the need for leadership
- approaches to employee outreach
- the role of management systems
- the constructive role of reporting
- ways of replicating good example
- the need for internal company change to be recognised by the financial markets.

In addition to these process related items, a number of contextual items were noted including the question of voluntarism, the value of international guidelines, the need to introduce systems thinking, design and life cycle assessment and finally the potential for an integrated approach.

Group 2: How companies contribute to sustainable development externally

Halina Ward of IIED, facilitating Group 2, captured a large number of additional ideas by inviting every one present to make one proposal each. A number of sub-themes emerged however, including:

- Finance for sustainable entrepreneurship and facilitating FDI
- Building business in the poorest communities in the world
- Linkages between large and small enterprises
- Measuring sustainable development performance and impact of the financial community
- Facilitating access to water and energy in poor communities
- Bringing a wider range of actors into the corporate citizenship agenda
- Sharing best practice and skills transfer

Group 2 then divided into 4 subgroups, in which the following activity proposals were formulated:

- a) Finance for sustainable entrepreneurship in developing countries
- b) Business models for sustainable entrepreneurship in poorer communities of the world
- c) Social learning and skills development
- d) An honest broker and clearinghouse on sustainable trade and investment in developing countries

Meeting outcomes

Based on feedback from the 2 main groups, participants agreed, partly by combining proposals, to limit the follow on activity to 3 Policy Dialogue 2002 working group projects, namely:

Working Group 1: Sustainable investment and access to basic services in least developed countries

Working Group 2: Financing for sustainable entrepreneurship

Working Group 3: The development of a company performance model and ways of replication

Way forward

Participants were then invited to select which working group they would wish to be involved. The Working Groups were invited to develop their proposals and feed back their recommendations at the next Global Compact Policy Dialogue meeting in June, with a view to having some good strong programmes to pursue and to feed into the Johannesburg Summit.

RSA

Earth Summit 2002 Awards: Nominations Wanted!

STAKEHOLDER
FORUM

The RSA and Stakeholder Forum for Our Common Future are marking the World Summit on Sustainable Development with the Earth Summit 2002 Awards.

"The **Earth Summit 2002 Awards** aim to encourage further implementation of sustainable development through recognising, rewarding and publicising 10 years of global stakeholder best practice, which has inspired and will continue to inspire others to work towards the ideals of Agenda 21, as set out at the Rio Earth Summit in 1992" – *Earth Summit 2002 Awards Mission Statement*

There is a diverse global community working towards sustainable development – including women, youth, trade unions, local authorities, indigenous peoples, scientists and technologists, business and industry, non-governmental organisations and farmers. It is important to listen to the success stories coming from these groups and to find ways of learning these lessons and adapting ideas for success in other areas.

The **Earth Summit 2002 Awards** aim is to seek out such stories and publicise them. The Summit will be about implementation of sustainable development – so what better message to take to the World's leaders than that success is possible and that in the last ten years people working on the ground level have achieved it.

All nominations will be publicised via the **RSA SAGE** (Sustainability Action Group Exchange) website and e-newsletter (www.environmentawards.net). The winners will be announced at the time of the Summit (August 26th - 4th September 2002). The winners will be awarded the opportunity to publicise their work in via the **RSA SAGE** and **Stakeholder Forum** websites and newsletters.

Nominations are sought regarding individuals – from any geographical region – who have been integral to initiatives and projects undertaken since 1992 that have successfully integrated the economic, social and environmental aspects of sustainable development. This work may have a holistic or issue specific focus within sustainable development. Nominations should be no longer than one page and must contain the contact details of the nominee so that their agreement for publication may be sought. Nominations may be made by the nominee themselves or via a second party.

For further information or to submit nominations contact:

Anita Beardsley, Awards Forum Manager, RSA at Bristol, Leigh Court, Abbots Leigh, Bristol, BS8 3RA, UK.

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Diary Dates, Events & Conferences

22-31 March	UNEP Global Youth Forum. Copenhagen, Denmark. Contact: theodore.oben@unep.org
25 March - 5 April	World Summit on Sustainable Development Prep. Comm. III. New York, USA. Contact: www.johannesburgsummit.org
March/April	African Ministerial Conference on Water. Abuja, Nigeria. Contact: markabubakar@hotmail.com
April	G-8 Environment Ministers Meeting. Bamf, Canada. Contact: enviroinfo@ec.gc.ca
1-4 April	35th Session of the Commission on Population and Development. New York, USA. Contact: www.un.org/esa/population/cpd/comm2002.htm
7-12 April	World Water Congress. Melbourne, Australia. Contact: www.enviroaust.net
7-19 April	6th Conference of the Parties to the Convention on Bio-Diversity. The Hague, the Netherlands. Contact: www.biodiv.org/meetings/cop-06.asp
16-26 April	12th Meeting of the States Parties to the UN Convention on the Law of the Seas. New York, USA. Contact: www.un.org/Depts/los/index.htm
8-10 May	UN General Assembly Special Session on Children. New York, USA. Contact: www.unicef.org/specialsession/
13-15 May	OECD Forum 2002. Paris, France. Contact: www1.oecd.org/media/upcoming.htm
22-24 May	4th International Children's Conference on the Environment. Victoria, Canada. Contact: www.unep.org/children_youth/
27 May - 7 June	World Summit on Sustainable Development Prep. Comm. IV. Bali, Indonesia. Contact: www.johannesburgsummit.org
10-13 June	World Food Summit: 5 years later. Rome, Italy. Contact: www.fao.org/worldfoodsummit/
17-22 June	6th Session of the Intergovernmental Negotiating Committee on Persistent Organic Pollutants. Geneva, Switzerland. Contact: pops@unep.ch

What's in next months *Network - 2002*...

- Prep. Comm. III - Outcomes & Analysis
- Financing for Development - Outcomes & Analysis
- Convention on Biological Diversity - Outcomes & Analysis
- Convention on the Law of the Seas - Outcomes & Analysis
- OECD Forum 2002 - Preview

Your Input is our Output.

Network 2002 is produced by the Stakeholder Forum, an international multistakeholder organisation working in preparation for Earth Summit 2002. We welcome your contribution to the process. Contact the editor at: tmiddleton@earthsummit2002.org
Network 2002 is also available online at: www.earthsummit2002.org



Network 2002 is produced with the kind support of: BP, RICS Foundation, Heinrich Böll Foundation, European Commission & the governments of Germany, Finland, the Netherlands, Canada and the United Kingdom,

