



Coordination Notes ON THE ROAD TO RIO+20

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The views expressed in these notes are solely those of the author and do not reflect those of the UNCSD Secretariat.

These informal draft notes will be enriched and improved in the preparation of the Conference. Discussion, interaction and liaising with stakeholders will be pursued and encouraged to enhance their participation in Rio+20.

The purpose of this document is to promote outreach and dissemination activities; to contribute to the relevant objectives and themes; and to raise the ambition as well the outcomes of the Conference.

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My sincere thanks to Henry de Cazotte for his contribution to this review of notes.

A. PREAMBLE

1. Over the past 9 months, I have listened to many parties, country leaders and delegates, international financial institutions, business and civil society representatives, travelled to four continents and received numerous ideas and suggestions; I view these as the stepping stones for this Coordination mission. I felt it would be very useful to synthesize these inputs into a document, adding my personal views and comments, inspired by many years of putting sustainable development into practice. The following paper is thus an early reflection on the process. A number of subjects are not treated in the following pages, which does not mean that they are not important, or that I shall not reflect on them at a later stage. I hope the following pages will encourage discussion and broaden perspectives; they represent an attempt to follow repeated exhortations to be bold and ambitious.

2. Rio+20 must be the Conference of implementation and action. Today the situation of our world is better known – even if the effective monitoring of our planet is still not in place - and many countries share a vision which embraces poverty reduction, the redistribution of wealth, economic sustainability, and the preservation of our environment and resources. At the same time, countries face growing difficulties and crises and often appear to be consumed by fire-fighting and short-term goals, while their people continue to strive for economic stability, quality jobs, and a healthy environment. There is little time or energy for long-term thinking and reconstruction. However, since all Member States have committed to sustainable development as the core solution to their problems, Rio+20 should be an instrument for increasing confidence and strengthening policy.

3. Thousands of initiatives are already playing their part. They arise from the growing necessity to create a more sustainable society, and from a broader sharing of responsibilities, from children's individual actions at school to corporations embracing a greater sense of responsibility. These initiatives include the energy with which young people and civil society have embraced global warming issues; dynamic innovations in business and technology; and the transformation of our cities through more sustainable infrastructure. They demonstrate that change is possible. Rio+20 must promote best practices and the sharing of experience, offer perspectives to business and industry for growing a green economy, and help people to step out of their comfort zone with innovative thinking and risk-taking. Rio+20 must be an opportunity for each citizen of planet Earth to gather his or her energies and efforts.

4. Our mandate is to create a vision for the next 20 years. Governments should understand that they must make decisions today for the sake of the future generation. Our children will tell us if we have failed. This responsibility lies on the shoulders of the current generation, as its representatives work on the agenda for Rio. They already know some of the heavy constraints they face: population growth, fragile energy pathways, unplanned urbanization and increased pressure on land, forests and natural resources, increased air and water pollution, new and risky industrial ventures. The dire situation of the most vulnerable people on our planet should remind us every day that people are facing gross inequalities and social injustice.

However, it seems there is a collective unwillingness to face up to the sudden tipping points or watersheds that could result from continued global warming, the degradation of oceans and the collapse of biodiversity. Meanwhile it is not clear how much risk societies are capable of absorbing, as they have become less resilient, and as cities continue to grow in a disorganized and unstable way. Reduced natural resources mean there is less space to absorb our mistakes and our failure to address these *laissez-faire* attitudes.

Global issues have become the dominant geopolitical question, but we do not have the national institutions to resolve them. New media and communication tools allow everyone on earth to see the

world as it is. People have high expectations of their leadership, both local and global. Rio+20 is a historic opportunity to face these challenges, and to envisage the future we want.

5. Outcome document

The outcome document may be structured around the following chapters which cover the topics outlined by the General Assembly and reflect the general consensus of the various stakeholders and parties in the Intergovernmental process.

- Stakeholders must **renew their commitments**. Even though depressing news about the global economy is a daily occurrence, participants in the Rio conference, be they from Member States, international organizations, cities and local governments, business, farmers or civil society organisations, must have the courage to look forward and pledge. Much has been done already and there are demonstrable successes for sustainable development, but there have been considerable implementation gaps from 1972 onwards, notably on the environmental and social pillars.
- The conference should **aim for concrete crosscutting objectives**. These must refer to our three pillars; they should either be transformational, or focus on acute problems; they could be catalytic so that they leverage the implementation process. They must help to accelerate initiatives from all parts of the society. Mutual encouragement and measuring results will also be easier with common objectives, targets and timetables.
- **Agreeing on a roadmap for Green Economies will illustrate the implementation of sustainable development strategies**. Countries will choose a variety of **Pathways** to implement their policies, according to their situation. Within each country, governments need to acknowledge the role of all stakeholders in adapting their objectives and implementation systems to the Green Economy framework. Each case will depend on the environment and the incentives. However, without a driving force, nothing will change quickly enough. We should therefore set deadlines for the adoption of national or multilateral measures including energy efficiency policy, public procurement rules and new accounting methodology. There are plenty of examples of these measures in the **Toolboxes** that must be shared in Rio.
- **Tools for International cooperation must be improved**. Getting on to the path towards sustainable economies will require an enormous effort. It will take a generation, and will be largely the result of changes in objectives, practices and existing frameworks. **Great improvements can be made in our international financing and development systems**; this progress will have a strong impact on the implementation of our common objectives.
- Finally, the international community should **establish a new institutional framework**. This framework should be created within the UN system, and should take into account our changing world. The new institutions should find the right model to tackle global environmental challenges and must include all stakeholders.

6. Emerging issues

Emerging issues are diverse and touch both humankind and natural resources. They include rare earths, the use of nanotechnologies and biotechnologies, deep water drilling, Arctic and Antarctic issues, geo-engineering, new infectious diseases, debris in spatial orbits, the Internet, migration, new population dynamics and trans-national nuclear security. The list of emerging issues is long and growing, and they will have a huge impact on our future. These issues are frequently mentioned but must be addressed more effectively. Experts must consider whether there is a place for them in the objectives for Rio+20.

B. RENEWED COMMITMENTS

7. Let us not weaken our internationally agreed commitments

Over the last forty years we have agreed on numerous objectives and committed to development and to social and environmental goals. Our commitments form a complex web of multilateral agreements and balanced approaches to the world's problems and solutions. A new geopolitical diplomacy has emerged to tackle social, economic and environmental issues. Extensive efforts have been made to find consensus. Regional and national institutions have taken up the decisions and built them into their agendas, with lasting effects. Today many more stakeholders are involved in negotiations and agreements. Citizen-based knowledge has a greater influence on outcomes, in close collaboration with the UN system, which has been greatly strengthened by the support of its numerous and diverse partners. Other international institutions, such as the G20, have emerged and engaged on some of the same issues, but most focus increasingly on short-term crisis prevention.

UNCSD/Rio+20 needs countries to renew their commitments to the common multilateral legacy. Rio+20 is in fact the "Conference of all Conferences," as it draws inspiration from all the worlds perspectives. No other conference has such an open agenda. No other conference deals simultaneously with these three dimensions of our global progress: the sustainability of our planet, the well-being of all people and the organization of our institutions. The three pillars of sustainable development are strongly intertwined and we hope to achieve integration and coherence between them.

Some have suggested that cultural diversity, which is intrinsically embedded in our way of life and is the basis of our human story does not find full reflection in the construction and expected outcomes of our Conference. Culture may truly be called the fourth pillar of sustainable development.

We are also in a changing world, at a time when more acute crises and increased risks are exerting great pressure and weakening the implementation of our goals and commitments. The economic and financial crisis is fuelling unilateral and inward looking policies. Citizens are worried for their jobs and the quality of their children's lives. Parliaments and policy leaders are reluctant to address global structural problems. But governments must be steadfast, constant and visionary. They must build political will to avoid weakening their commitments.

Although we are facing great difficulties with insufficient resources, we must still achieve the MDGs, apply the Rio and Johannesburg Principles, Conventions and Plans, and implement the Monterrey Consensus. These aims are as important today as when they were negotiated. Renewed commitments by member states must include a guarantee that there will be no going back on previous pledges.

C.SUSTAINABLE DEVELOPMENT OBJECTIVES

8. Why objectives?

Member States and other stakeholders, notably the relevant contribution of Guatemala and Colombia and of the High Level Panel on Global Sustainability, have launched a debate on the opportunity to develop sustainable development goals. The arguments in favour of this path forward are straightforward and convincing. UN bodies, IFIs, civil society and other stakeholders have undertaken promising work that will help to identify priorities and targets, according to national and local circumstances. Member States will decide whether SDGs should be approved. In fact, some SDGs (for example, energy) are already reasonably well-established; others will require more time for thorough discussion. The Conference should be ambitious in its decision-making and should not duck this question.

A consensus seems to be taking shape around merging these sustainable development goals with what will become the Millennium Development Goals after their review in 2015. The MDGs could be completed or reinforced by global programs addressing the economics of sustainable development and the management of natural capital. However, I choose to use the word “objectives” here to avoid any confusion between the MDGs, which must be pursued and achieved as soon as possible, and the new set of decisions that will come out of the Rio+20 Conference.

Even if these Sustainable Development objectives have a strong “development” element, they should be relevant to countries at all levels of development. They must be internationally inclusive and focus simultaneously on people trapped in poverty, on developing viable pathways to sustainable livelihoods, and on addressing the impact of unsustainable production and consumption systems.

If the Conference decides on SDOs, **it should limit its focus to a short list, so as to build momentum among leaders, institutions and agents.** These objectives must reflect the most pressing issues that humankind will face in the next twenty years, including the depletion of natural resources.

9. Objectives

The main compact of objectives can best be summarized under the following four headings. Other more specific objectives could be part of these cross-cutting themes.

- **Objective 1: Food/agriculture.** The food security crisis is a major concern. How can we produce more nutritious food in a resource-efficient way for the world's growing population without destroying our natural capital and biodiversity? This objective includes many target areas: water¹ (modern irrigation), energy, biodiversity, soil fertility, empowerment of women, land use, tenure rights, smallholders' economy, ecosystem services, forests, mountains. **Sustainable intensification** of agriculture is a solution which would provide more jobs and guarantee greater security of land tenure and better protections of farmers' rights, particularly for women farmers. This model should also address the driving forces behind the loss of biodiversity. Agriculture would provide not only agricultural products, but also ecosystem services. **Oceans are part of the food nexus, so sustainable aquaculture will be an important topic in the global blue economy discussion and the oceans commons issues.**

¹ The UN Convention on wetlands (Ramsar) which has a broad focus on water could be upgraded to a key Convention on water.

- **Objective 2: Energy.** The Secretary General's Sustainable Energy for All initiative, based on the three objectives of energy access, efficiency, and renewable resources, will be a dominant theme in the years to come. It will be decisive to green growth and conducive to poverty alleviation, and it offers a positive solution to addressing climate issues at a time of great uncertainty over energy and climate issues. This initiative should harness the best of what science and technology have to offer. The current rush to unconventional fossil fuels, which are generally dirty to produce, must not distract the international community from its collective effort to move towards a renewable energy future. On the contrary, it may even be considered a helping hand on the path towards sustainable energy, as water and energy become more and more closely linked.
- **Objective 3: Sustainable cities. Urbanization is a chance** for better management of the pressures on the planet. Cities must implement sustainable urban solutions through **new strategies in urban planning**, sanitation, energy efficiency, transportation, water provision, social housing and collective services, building codes, environmental justice and risk management. A new infrastructure is urgently needed and must be implemented in a sustainable way. Citizen participation and good governance are essential tools. Rapid urbanization, especially in the emerging and developing world, requires great innovation and efforts to meet the basic needs of the population and provide quality jobs for young people and future generations.
- **Objective 4: Social justice.** If SD objectives do not include a range of social justice goals, there is great danger that countries will not be able to build viable and equitable societies. A lot is at stake: minimum social protection base systems, inclusiveness of vulnerable people, including the growing elderly population, job creation, decent work, and in general, a fair transition to a greener economy.

10. MDGs

The MDGs remain essential references. However the challenge is to connect poverty reduction to green growth in each country as this will support those objectives in a lasting way. As we move towards 2015, one of the Rio mandates could be to reformulate and calibrate the MDGs post-2015 so that they can be reinforced through green growth. In the evaluation process, water and sanitation objectives in particular should be investigated further, as sustainable sanitation systems have not been a high priority. MDG 8 also requires greater efforts; strengthening global partnerships should be one of the results of Rio+20.

The Millennium Development Goals linked to gender issues, education and maternal health **should certainly enhance universal reproductive health and family planning, girls' education and the empowerment of women, enabling greater opportunities** for women, supported by human rights-based efforts by governments. This will also contribute to slowing population growth and will give time to build a foundation for future sustainable development.

11. Initiatives

Agreeing to objectives will entail the immediate launch of multiple initiatives, as was seen with the MDGs. Governments, local authorities and civil society will be the first to get involved. We should encourage the building of large coalitions of the willing and able, to get implementation going in the most efficient way. This is in fact already happening. The path to implementation and success will be significantly enhanced if clusters of countries or regions, public and private financing institutions, NGOs and Foundations, local authorities and networks

of knowledge-based actors are set up to focus on specific issues with a results-oriented agenda, backed by international institutions. These synergies will facilitate project implementation and must be built on shared scientific and technological networks, which are absolutely vital to bringing the right information to decision-takers.

These coalitions will have a leadership effect. They will guide others to follow the way and will clear away technical and economic hurdles. In the new objectives, they may find reasons to renew their own priorities and to replenish their funding base. **The development agenda in recent years has been shaped by focused institutions with results-based systems. The same impetus should be used to create a shift towards sustainable development.**

12. Country systems and accountability

Stronger country systems must be built in parallel. The UN and its partners have a specific role in that respect. If local public services are not part of the solution, even the best-thought-out programs and projects will not make a difference. Viable State structures are an absolute necessity for developing countries. That is why clusters and coalitions should be built with partner countries, to contribute to the future structuring of national sustainability pathways.

Accountability systems should be set up to monitor the implementation of programs linked to the objectives, taking advantage of information technology and the information platforms of private or multilateral institutions. National or Regional Registries of initiatives could be opened; the private labelling of commitments may also play a part. This enhanced visibility would help to compensate those who develop significant initiatives, including the private sector. The environmental, social and development progress of countries and societies must be measured over time with verifiable indicators. This is part of nation building.

D. PATHWAYS FOR GREENER ECONOMIES

Basic roadmaps

13. Any person in authority knows that setting roadmaps with agendas and timescales is the only way to get things done. Resistance to transformation, and particularly to long-term decision making, can be strong. Roadmaps are a way of overcoming and solving implementation problems. They help to measure results and successes, and they reveal gaps. The world governance system is stronger with effective roadmaps. With the help of SD objectives, it should be easy to structure basic roadmaps and completion dates. Roadmaps can be implemented in various ways, using the numerous toolboxes that are available: national strategies and goals, stakeholders' involvement, prices, taxation and fiscal policies, standards, labelling and certification, legal framework and regulations, public procurement, incentives, awards, covenants, innovative markets, enabling information, energy and transportation infrastructures, new accounting systems, long term financing mechanisms, private-public partnerships, etc.

Greening the economy; implementing sustainable development

14. There have been several mistaken interpretations and unnecessary red flags around the concept of the green economy and its status as one of the priorities of UNCSD. It should be understood that **the green economy is about implementing the sustainable development agenda**, with the systematic integration of the three pillars. That said, how to go about it? Should economic actors make their daily decisions based on their commitment to a set of principles, as agreed in previous international development and environment forums?

Here are some points to consider:

15. Principles and incentives

The **sustainable development principles** and the agendas and plans of Rio and Johannesburg are and remain the references on which we must build further action. Some countries have adopted these principles and plans, but have not included them in their national legal infrastructures, which **has weakened their force. These principles and recommendations must remain in the forefront of national strategies and international agendas.** Economic actors need references to make decisions. If the references are blurred, the rules of the game become unclear. Where the situation has changed dramatically (oceans, land use, carbon footprints) these principles may need to be reviewed and revised.

Sustainable development incentives should be generalized, rewarding those who are leading from the front. This would facilitate shared solutions and cooperative implementation, mitigate risks, increase R&D resources and accelerate progress.

16. Business participation

Multinationals, international corporations, businesses and industry, and the financial sector have already taken some steps towards sustainable development. However, the global financial crisis

and increased economic stress have not created an atmosphere conducive to major changes. Business leaders must be encouraged to continue working on the issues; many are looking to green models as future drivers of growth. **Business leaders are part of the solution.** Their boards must take time to debate long-term strategic decisions, assess whether their production models and value chains are sustainable, and evaluate whether their products respect the best environmental and social standards. They must be open to the most advanced environmental scientific opinions. They must encourage experimentation, bring innovative solutions, invest in R&D and promote sustainable development offshoots and start-ups. There may be a corporate governance standard which could be adapted to this effect, similar to the standards used to protect consumers and investors. We need standards to protect the planet and the bottom of the pyramid. **Agenda 21 for business and industry has not been adopted yet; this should play an important part.**

Business should be asked to commit. The companies that will be in Rio should show what they are actually doing in the field of sustainable development, with their clients and suppliers, and within the company itself. It is of great concern that no international agreement has been reached on reporting these initiatives. Each company has its own checklist, making it difficult to assess progress and to make comparisons. Business should come to Rio with proposals for an agreement on corporate reporting. Business should also tell governments what governmental measures they require to meet their obligations.

17. Finance industry

Without an enhanced regulatory framework, no resource-conscious, energy-efficient, socially-inclusive business or industry can prosper. But if we succeed in creating an environment conducive to sustainable development, this in itself will lead to the development of initiatives and the growth of new sectors. There is great scope for new opportunities stemming from the green economy; some of these are already apparent. However, in some markets there are still major obstacles that are preventing these sectors from becoming economically viable. In the renewable energy sector, these obstacles include upfront costs, externalities, and short term risks; other sectors face similar challenges involving transportation, housing, water, which will necessitate public financial support including tariff systems, tax exemptions, etc. Subsidies and public incentives are not always feasible, or may cause harm in the longer term; this is why **the finance industry (banking and insurance) should bring innovative solutions to overcome the obstacles SD implementation is facing. The finance industry should show that it can play its part in the green economy and must commit to progress.** Perhaps those who are protesting against the finance industry would welcome bonuses based on progress towards sustainable development rather than on short-term financial results.

18. Consumers to lead

Consumers have a huge role in markets. They can lead the way by influencing demand. There is an emerging trend in both the global North and South towards well-informed consumers who feel more accountable for their choices. Companies are witnessing and responding to those powerful trends that resonate mainly among the younger generation. **This entails creative business models such as social service industries, systems of shared resources and products, collaborative ways of consuming, direct trade links from the producer to the consumer, barter economy, second hand markets and recycling industries. These changes suggest that economic trends change and can be channeled towards sustainable systems.** What we don't know is whether this new cultural mindset will persist, and whether these solutions are valid in all developed and emerging economies. There may be

sectors where one could leapfrog traditional models and implement sustainable products or processes that bring the same final benefit to the individual. This could prevent some of the deadlocks and resource-negative impacts we have faced. **MBA schools and other academic bodies should focus on this area and propose solutions.**

19. The Internet

The Internet and social media tools are already playing a major role in providing and supporting multiple new green economy initiatives. Sustainable development is a fundamental requirement for many new creative projects. There may be a way to scale this up, so that it has an impact on our production and consumption patterns. There are numerous experiences including promising large-scale programs in some emerging economies, but most of them are not yet in the mainstream. The owners and developers of these technologies and systems should consider whether there is a way to give the same opportunities to all countries, using these tools. Information technologies and social media have opened a new world of activity. The creativity is there; we just need to make the most of it. **A broad range of Internet and social media initiatives should be developed for Rio+20 and to follow up after the conference.** Some have even suggested that participation in the conference could be doubled by holding a global virtual conference at the same time.

Developing diverse models for the green economy

20. The pathways towards the green economy are extremely diverse, as most countries are aware. Each country has its own economic structures and models that evolve with time, level of development, and level of integration into the global economy. **We should pursue a policy of diversification rather than alignment of economic models, as this offers more resilience and more appropriate responses to the people's needs.**

Formal economic structures (businesses, industry, services) which are integrated into the international exchange and trade system will adopt norms, investment criteria and production lines conducive to environmental and social inclusiveness. Other **alternative economic structures** that conduct important and diverse activities must also be involved: SMEs with local markets; the social economy sector (co-ops, mutual societies etc.); social entrepreneurs; artisan activities; small-scale farmers; and the massive informal workforce. The transition to greener economies must create new opportunities and quality jobs. But in order for this to happen, these aims must assume a prominent place on the policy agenda, backed by the necessary measures. The roadmap towards a Green Economy should thus enhance these alternative models.

21. Concrete action for new models

- **Modernization of SMEs**

A long-term effort to use the Green Economy as a tool to modernize SMEs in three priority areas (social standards, environmental footprint and energy efficiency) should be launched. This transformation will be supported by the use and development of the local financing sector.

- **Social economy sector enhancement**

Integrate environmental goals and opportunities as a means of developing the social economy sector: cooperatives, community associations, mutual unions, collective institutions in housing, production, health, distribution, etc. These institutions, through their huge membership, are able to disseminate local work which addresses everyday environmental challenges (sanitation, waste collection,

reforestation, street cleaning, biodiversity protection, etc.). Social entrepreneurship is a new sector that should be recognized and promoted.

- **Integrated three-pillar “bottom of the pyramid” development**

A significant number of enterprises have supported the MDGs by developing business solutions to poverty alleviation for “bottom of the pyramid” populations, according to a variety of models. **The same “bottom of the pyramid” effort could be launched by businesses, taking into account social and environmental considerations, and linking priorities with the SD objectives.**

- **Green technologies for the poor**

The SD objectives have multiple facets: they must encompass the poor and disadvantaged communities that are not integrated into the market system. We must make sure that **technologies are developed and marketed for poorer populations**. Smoke-free cook stoves, drip irrigation systems, off-grid energy systems, affordable habitat, etc. are as important as high-tech transport systems in mega-cities.

- **Affordable green production lines**

Many green production lines are still unaffordable for the great majority of people. These lines cannot be developed rapidly because of insufficient economies of scale, expensive technologies, or because they challenge accepted mindsets and attitudes. The way forward will involve a mix of existing technologies, collaborative job-intensive schemes and incentive finance.

- **Mainstreaming of ecosystem service activities**

Ecosystem services activities (restoring, measuring, protecting, supporting, regulating, planting, rehabilitating, eliminating, collecting, etc.) should be massively developed. We must popularize this new concept so that it gets widespread pickup throughout the international community in the same way as the micro-finance industry. This has now become a vibrant, viable sector, after much experimentation and subsidized activities. We must identify the ecosystem services models that could be launched for future mainstreaming and scaling up in local communities and sectors.

- **Ecological infrastructures: a new challenge**

Improving ecological infrastructure suggests a great variety of investment models. By focusing on nature’s wealth and resources, there are meaningful ways to bring about innovative solutions that can have collective applications in the energy, water and transportation sectors, and by harnessing the various potentials.

Metrics for sustainable development

22. Progress towards building the Green Economy requires the right metrics. Economic decision-making is still based largely on a strategy of unlimited growth and the concept that more is necessarily better. This may have been understandable at a time when the discovery of new continents gave access to wide open spaces with bountiful natural resources, but it is no longer the case. Much more attention must be paid to human and social development and to the state of natural assets. The wealth of nations cannot be measured simply by computing annual monetary flows. We must develop and foster new accounting methods and statistical analyses.

Changing internationally-agreed statistical systems will take time, and developing countries already face hurdles in improving their statistical capacity. We should therefore encourage shorter-term paths, including the “footprint” approach promoted by NGO/country partnerships. Other countries and actors have initiated and developed their own metrics systems which give a more accurate picture of their situation.

23. The UN System of Environmental-Economic Accounts

Over the last 40 years and more, extensive work has led to the creation of various alternative and more inclusive ways of measuring the progress and wellbeing of our societies. The **Human Development Index (HDI)** has recently been revised to include environmental data and is an essential tool to assess the evolution of poverty indicators. Economists and statisticians have worked to incorporate capital wealth factors into the current GDP to obtain a new GDP measure of net depletion of natural resources. The **UN System of Environmental-Economic Accounts (SEEA)** to be adopted early 2012 before UNCSA represents a huge step forward. It will be decisive because of its capacity to compare data, and to provide common methodologies and frameworks for measuring resource use and efficiencies, notably water and energy. These tools are providing the groundwork for the introduction of environmental standards into our decision-making systems.

UNCSA should endorse and support the active implementation of the SEEA framework by member countries. It should require all countries to adopt a core set of accounts, including water and energy sub-accounts.

24. Ecosystems valuing

The development of pathways towards the Green Economy will also require **ascribing values to our ecosystems**. This is not to merchandize nature, but to assess the human cost of its disappearance, thereby helping to secure its future. Nature produces goods and services that human economies have long taken for granted. These are especially important for the poor, who depend on nature much more than the rich. Part of their revenue comes from ecosystems, be they forests, fertile soils or pasture, rivers, the sea, or a favourable climate. When a natural asset is destroyed, it can rarely be replaced cheaply and efficiently by human technology. The Green Economy recognizes the high value of ecosystem services and strives to combine the outcome of both the human and natural economies, instead of having one grow at the expense of the other. It is now much more common to invest in restoring natural capital or to consider ecological infrastructure as an economic asset. We need to measure real capital balance, real costs, real efficiencies and real revenues in order to calculate the real value of investments, development projects or decisions with an environmental impact. Thanks to the TEEB study and other initiatives, we now have better methods and standards. Several countries are leading the way and experimenting based on existing information.

What we need now is a big push from countries to use these valuation systems for watersheds, coastal and humid regions, forests, savannas and other national priorities. Economic and planning ministries must take these new standards into account. We must support concrete initiatives proposed by the World Bank and others, including the Wealth Accounting and Valuation of Ecosystems (WAVE). This should be affirmed at Rio with commitments to implementation.

An important capacity-building effort must be made at all levels and within the academic community, to educate and train statisticians and economists to put a greater emphasis on environmental issues, so that these changes are incorporated into our common expertise.

It should also be noted that there are serious shortfalls in evaluating countries' social capital.

25. A redesigned GDP for the media

GDP is not only a contested economic metric. It is a standard measurement used by the media to describe economic information. **The media needs a simple indicator or set of indicators to use as the new standard measurement.** This will give a new meaning to a news story that says: *“Latest new GDP figures show that xxx country progressed in a sustainable way over the past year,”* reinforcing new ways of thinking. **The UN, the OECD and the Bretton Woods institutions should agree on concrete proposals soon.**

26. Business CSER Reporting

Most economic actors make decisions based on bottom-line profits. But a lot of work has been done to balance corporate profits with social and environmental accountability. There are many competing standards and frameworks; the time has now come to choose an international system that would allow meaningful comparisons between companies and sectors. **Rio+20 must vigorously endorse the UN Global Compact’s and others initiative for an International Convention on Corporate Reporting.**

27. Access to information

The effective implementation of Article 10 of the Rio Declaration on environmental information and justice has repeatedly been stressed by most of the actors. We have seen progress in a number of countries, particularly in Europe, thanks to the Aarhus Convention, but there is still work to do to convince all countries to grant their citizens access to information, decision-making and justice in environmental matters. Stakeholder participation must be a pillar of any future institutional framework and will be an important means of implementing the Green Economy. Setting up stakeholder forums and discussions between government, industry and broader civil society is of the utmost importance, if models are to change. **The Aarhus Convention should therefore be extended to other regions of the world.**

E. IMPROVING INTERNATIONAL COOPERATION

Collaborative platforms for implementation

28. Sustainable development strategies and pathways towards the Green Economy must form the backbone of our new economic policies. This calls for medium- and long-term support, by means of regulatory frameworks and enhanced institutional and financial systems. One major innovation would be the creation of collaborative platforms.

These platforms would be run by governments, UNDP or the World Bank, and would enable all the interested parties to meet and organize intellectual, technical and financial support efficiently, and mobilize their investments, expertise and capital. Green economies are implemented by a variety of actors. Until now, countries have designed various sustainable development strategies which are usually documents submitted to national parliaments and stakeholders. The collaborative development and monitoring of strategies and responses should become a systematic part of development assistance activity.

29. Implementation

These collaborative platforms must bring together all the actors that will help to support investments by governments and their partners (local public development banks and public corporations). These actors may be major donors, bilateral, regional and multilateral financial organisations (including banks), NGOs and Foundations, and national and international private stakeholders and investors. They must include the private sector and the local authorities, who are closest to where the demand lies. Scientific institutions and technical bodies may also contribute.

We should aim to create an implementation-oriented process, in which the various actors will meet to consider different types of contributions: combining grants and loans; mitigating or sharing risks; facilitating public and private partnerships; bringing in expertise, to match contributions and demand. These platforms may also help to structure demand and identify the best contributions, based on quality of funding, effectiveness of the aid being provided, and the establishment of future agreements. One of the objectives of the platforms would be to strengthen the emergence of national financial actors among developing countries.

These collaborative platforms could also be a forum for the discussion of technology transfers, which will be an essential part of adding value to a production chain or project. They may illustrate a need to create and sustain industry- or university-based centres for technology, and to structure capacity-building components.

Public ownership always plays a vital part in building success. A stakeholder forum would build cohesion and support, and would provide one means of introducing beneficiaries and affected communities inputs.

Governments will generally be responsible for promoting these platforms, but governments could also delegate this role to a private body. The government or private body may decide to keep the platform running as a tool to measure the progress and effectiveness of the contributions, and their impact on the sustainability agenda. They could maintain a simple

reporting matrix that would help to monitor the flow of resources and progress made. Many countries already have experience with similar approaches, but may find it useful to compare and share best practices and results.

30. International collaborative platform consultative service

Setting up these local collaborative platforms will be greatly enhanced by the creation of an international collaborative platform structure modelled on the CGAP (Consultative Group to Assist the Poor, which monitors and assists the micro-finance sector). This international platform would have the role of improving practices, sharing experiences and building up data on individual countries. The group would be formed by financial and development experts, supported by UNDP, the World Bank and others. The group could also provide technical assistance to help the various processes in developing countries with lower institutional capacities.

Countries would present their strategies and programs; donors and experts would discuss, propose and merge their contributions, leading to implementation.

Sustainable finance for sustainable development

31. In the next two decades, all development must become sustainable development. In order for this to happen, we will need a dynamic transition process. Decisions about this evolution must be taken alongside all discussions on development objectives and tools. Given the urgency of the situation, the growing environmental constraints, the amount of investment that will be needed, the specificities of some sectors of the green economy, and the long-term commitment and implementation processes, **finance is a specific and crucial part of the framework that must addressed by Rio+20.**

If this evolution does not take place, economic actors and supporting instruments will pursue “business as usual” approaches; sustainable development policies and implementation will not be mainstreamed; and some sectors of the Green Economy will not develop or will do so at a much slower pace than anticipated.

32. Funding the Green Economy

Identifying demand

Before fixing on a level of financing, it would be appropriate first to look at the demand side. Needs should be identified: access to basic services (major sectors) and infrastructure, technology and technical knowledge and transfers, policies and sector support, including private sector and SME finance. National governments, city or local authorities, local financial sectors, businesses and SMEs, and civil society should participate in this assessment, as each has specific needs.

Addressing sustainable development in major development programs

Those responsible for aid and funding should integrate sustainable development into their strategies and programs. Demand must be funded through country budgets, or through sector policy funding (e.g. energy efficiency, sustainable forestry), and through private sector investments and other initiatives. The funds should be spent by local institutions and businesses, whether public or private. Project-by-project approaches may have demonstrable results and each country may need to build up confidence over time, but **macro approaches are the best way to achieve the major transformations we seek.**

Funding new approaches to development

The demand for sustainable development implementation may be very basic, but it may also provide an opportunity for innovation and new business models. These include “bottom of the pyramid” models;

improvements to the ecological infrastructure; a shift towards a service economy; and lifestyle adaptation. They may include the development of the Social Economy. **Such new approaches will only thrive with the support of regulatory conditions, including alternative financing systems.**

Regulatory conditions

If the sustainable development agenda is to move forward, those involved will be looking for measurable impacts and leveraging private and local resources. They will seek to concentrate on sectors, beneficiaries or regions with the capacity to implement truly transformational measures. There will be acute pressure for results-based schemes, fuelled by global environmental bottlenecks or by the mission statements of public and private financial actors. Private actors will seek security for their investments. The quality of the framework of regulatory and governance issues will play a crucial role.

Which financial resources?

33. Global Policy Funding

Global Policy Funding is composed of Official Development Assistance (ODA), private aid, and a number of public and private transfers. It is a complex cloud of international resources that gathers ODA and diverse new actors (foundations, Public Private Funds, private sector, major NGOs, non OECD/DAC country funding², etc.) estimated by OECD/DAC at 270 billion USD/year (2009 figures). Private aid already forms a significant part of this picture and equals around 50% of ODA. This global financial resource has become hyper-complex and fragmented, characterized in part by competition and incoherence. There is no hope of creating a simpler system in the short term. Thus we must create incentives for improved coherence, collaboration and cooperation. The multiple goals of this type of funding (solidarity, global public goods, economic growth), and its multiple actors and instruments, do not allow for a direct response to a new challenge.

This changing and complex picture means that we must look for important improvements. These could include building incentives and proposals into the system for addressing SD priorities, and asking the UNDG and IFIs to work on this and provide solutions.

34. Climate funding

UNFCCC discussions on climate funding for mitigation and adaptation will impact on financing for global sustainable development. They aim to bring in significant new resources, including through innovative finance. The growing resources going to climate finance are already significant (possibly more than 90 billion USD/year), of which 50% is private investment and funding. The forthcoming meetings on climate change will give a clearer picture of how negotiations on the Green Climate Fund will enable leveraging of more funding, particularly from private financial institutions. The negotiations must also address adaptation challenges that will require more grant or concessionary finance. The GCF would be most effective as a leveraging tool to complement and be combined with existing funding, both private and public, to reduce risks and provide incentives. Its grant window could address LDC adaptation programs as a priority.

² Figures do not include aid from several major emerging non OECD donors.

Climate financing for adaptation and mitigation should be seen as one piece in the puzzle of addressing the funding needs of the green economy and the transition to sustainable development. Adaptation and mitigation programs are also sustainable development strategies.

35. Innovative finance

Innovative finance is indispensable and can be divided into two areas:

- New money provided by new sources of funding through taxation, levies, etc. and directed towards specific needs. This is currently a flourishing area for debate. Most of the current schemes are situated in the health sector (HIV/AIDS, malaria, vaccines, etc.) and have generally been successful. These resources are now being proposed to finance climate change mitigation and more generally, to show international solidarity. **It is time to take a decision on innovative resources**, and to apply them as proposed by the Leading Group on Innovative Financing for Development.
- Adapting innovative finance to development demands, e.g. risk mitigation mechanisms (the Caribbean disaster insurance mechanism), incentives for investment funds to assume risk (with first loss funding taken up by public or multilateral organizations), guarantees and insurance for crop failure, etc. International green bonds could provide stable long-term funding for infrastructure. SD offers large unfunded opportunities for creative finance.

36. There are numerous examples of these innovative finance tools. Sustainable development policies and programs could certainly benefit from them. **One of the suggested outcomes of Rio 2012 could be the establishment of coalitions of countries, and other actors, with innovative funding systems to address specific SD objectives.** These ad hoc coalitions could provide additional investment resources in the near future for development purposes. This could mitigate the dampening effect of the financial crisis on the willingness of both the public and private sectors to take risks in developing countries.

37. National financial resources

The national resources of recipient countries are probably the most effective long-term instruments to address the demand for sustainable development and the green economy. These national resources comprise all local public and private means that could liberate local funding for sustainable development. They include: personal savings accounts, national savings (which can be harnessed through insurance and pension fund investments), local public borrowing and bonds, local financial sector capacities, and private local equity investments. The use of these resources should be part of sustainable development strategy. However, **sustainable development strategies are mainly based on a long timescale and require long-term resources. This implies mobilizing more of the nation's savings.** To facilitate this, governments can make significant changes, if local financial and regulatory acts enhancing sustainable development policies are put into place.

38. Foreign direct investment

FDI may be readily available and will be needed if a sustainable global green economy is to grow. **The regulatory framework must ensure that investments are protected and that the policy and governance environment is stable and favorable**, including transparency, rule of law, and anti-corruption practices. Indeed it is already part of the CSR sustainable development strategies of firms to adhere to a platform of practices following that path (i.e. UN Global Compact 10 Principles). Business and industry should be consulted and advised on the constraints and opportunities, so that they can accelerate their involvement and actively promote FDI for sustainable development.

39. UN financial resources

Even if the UN streamlined its own internal SD implementation system, this would be insufficient to achieve worldwide sustainable development. The UN system/UNDG comparative advantage is to play a leading role through its convening powers, its policy debate capacities and its expertise, to establish priorities and initiatives and to foster proposals. The UN development system should play a role in cooperation with the IFIs and other financial institutions, to work on public and private incentives and tools to address the mobilization of resources to foster paths towards the green economy and policies on SD. This activity would help bring more resources to the table and accelerate progress towards sustainable development.

40. In conclusion: resources exist, but they are already being mobilized for numerous programs and projects. Hundreds of actors are involved in this field and it would be unrealistic to think that this hyper-complex and fragmented system will change its priorities quickly without incentives and enormous effort. **Much collaborative work is needed to channel these resources towards sustainable development.**

What kind of funding is required?

41. Funding is nowadays scarce and dispersed. Countries must be very effective in mastering the hunt for financial resources. They must also understand that the solution will come from a mix of inputs. Countries should not wait for massive new resources from a unique source.

42. Local economic actors, local financial sectors and local enabling public and private environments will drive the green economy. **International coalitions should link with countries' approaches; they must help to build local groups of financial and private sectors, with local authorities and civil society to implement specific objectives.**

43. **Financial instruments should be mixed and combined** (grants, equity and loans for instance), fostering responsibility from all sides. These instruments must achieve cost effectiveness and efficiency, and they should be conducive to building partnerships with private finance (e.g. to lower the up-front costs of green technologies). They should enhance pooling resources and tailor-made approaches, which means streamlining procedures and practices according to the capacities of the beneficiary.

44. **Grants should be used for basic infrastructure funding only in the poorest countries.** Otherwise they must be kept for the most expensive items, e.g. technical assistance, capacity building and incentives or risk mitigation instruments to help local or international investments. **Public grant money should be used to address the most vulnerable people and communities.** The cost-effectiveness of international resources remains a top priority, and reducing the cost of long-term public and private finance may be a strong priority for SD implementation. Locally, priority should be given to leveraging public money to develop private funding.

45. **The implementation of standard indicators**, e.g. resource or emissions footprints, would help to monitor new project and investment funding of the green economy. This would also help with phasing out non-sustainable projects, and contribute to mainstream SD. Criteria

for footprint measurements are still uneven or not implemented. Current systems measure the impacts of investments on resources, livelihoods and greenhouse gas emissions, once the decisions are quasi-made. At this point, it is usually too difficult to pull back on a project or an investment. More thought should be put into developing ex-ante sustainability measurements of programs and policies, so that projects are sustainable from their inception.

46. Sustainable development policies must be country-specific.

A sustainable development agenda is most efficient when it is country-driven with effective leadership from the national to the local authorities, and shared with the population and stakeholders.

The implementation of a local institutional framework will enable the strategy to be integrated into national policies, and will build an internal constituency of supportive stakeholders (civil society, business and **Parliament**) to gain a broad consensus. This framework is also vital to monitor implementation.

Fostering and supporting the green economy will only be possible if a **regulatory framework** is set up for national policy goals in order to promote incentives for the private sector. The authorities should consider mechanisms for economic regulation including taxation, subsidies, public contracting, rewards and penalties, tariffs and standards. Public corporations must show the way and be instrumental in driving change, for example, setting public procurement rules, criteria for investment etc. **National Development Banks will have a special role in providing counseling and SD expertise, and creating financial tools for a green economy. They could include these goals in their mission statements.**

47. These policies are being tested in several countries:

- **Global climate change policy loans** are one example; they are directed to the budgets of countries and are disbursed quickly according to key triggers linked to the evolution of local regulatory frameworks. Various ministries are engaged in policy changes and the local private sector is asked to follow with private investment. This model seems to be effective in several areas: energy efficiency, sustainable forestry, and renewable energy.
- Another example is the **Clean Development Mechanism**, which has enabled private companies to fund ventures directly, mainly for mitigation activities. The same type of mechanisms, with specific criteria, could be used for sustainable development investments.

Specific proposals for Rio+20

48. Sustainable development needs sustainable finance. The current financial and economic crisis has demonstrated that it is becoming harder to promote sustainable development and to engage internationally on ambitious SD objectives in a context of uncertainty and short-termism. The global political agenda is focused on the banking system, debts and deficits. In June 2012, the UNCSD will provide a much-needed opportunity to think about the next two decades. Participants will be able to give time to their decision-making – far removed from economic and financial emergencies.

On the one hand, sustainable development will need sustainable funding to develop major programs. On the other hand, the sustainable finance sector will have to be developed in order to achieve social, economic and environmental sustainability. Rio+20 must set out the aspirations and contributions of the financial community to advance sustainable development priorities until 2030.

This broad outline of a forward-looking financing framework for the green economy and sustainable development will be enhanced by several concrete initiatives, outlined below.

49. The Rio+20 Conference has the power to move forward implementation decisions that will make a significant difference in a number of countries, address global challenges and pave the way for real progress. Rio+20 could address the following proposals in the finance sector:

50. Development banks should commit at Rio+20 to sustainable development

National, regional and multilateral development banks are key stakeholders that should show the way for sustainable development. Rio+20 could be an opportunity for their governing bodies to commit to sustainable development, as many have already done. The World Bank has a specific responsibility in that respect. IFIs and all public finance institutions, both in the developed and the developing world, can do more in their practices and their processes for SD: growing portfolios significantly, prioritizing their strategies to promote green growth transition with their partners and clients, measuring SD impacts and results. **Development banks can contribute to setting policies and objectives. They can also help to mobilize their enormous technical capacities, human resources and innovative finance tools.** Eventually, they can show the way to local private sector and economic actors by implementing better metrics and standards. **The national development banks of emerging economies should participate in this effort** and bring to the table their innovative solutions for their own economies and like-minded partners. They could take on the task of nurturing the SD strategies of the weaker countries in their regions.

51. Green lending programs could be launched for Small and Medium Enterprises

SMEs and local sponsors of green projects will have to address the triple task of reducing their resource footprints, setting social standards and cleaning up their pollution impacts on the environment, through the local financial sector. **There should be a global effort to transform SMEs through green lending programs implemented by local financial sectors.** This would have a very positive impact on job creation and enhancement. It would also help to structure and modernize production systems and local financial institutions.

52. Local governments and city authorities should have access to long-term sustainable development finance

Local governments and cities have become the main implementers of SD policies and programs. The increase in world urbanization will result in greater pressure on a local scale to implement sustainable development policies. Local governments and city authorities face many obstacles to accelerating their projects. **One obstacle is lack of access to long-term sustainable development finance. This could form the base of a decision at Rio+20.**

53. Access initiatives to green economy services and economic models for “base of the pyramid” populations must be developed on a mass scale

These initiatives and models are urgently needed to enable the poorest people to get direct access to sanitation, water, housing, energy, etc. Viable models for local business are urgently needed, as are technical and financial innovation. Many initiatives and projects have already shown that new development models can emerge domestically. Local and international partnerships between the private sector, foundations and NGOs may be the best way to produce these hybrid businesses. It implies much experimentation and start-up finance.

Green technology access and transfers

54. There is great enthusiasm around the green economy as the world decides to embrace a global sustainable development strategy. Countries are giving positive signals to businesses and industries that their policy stance and long-term initiatives are based on a sustainable development roadmap. Faltering policies would be counterproductive as budgetary resources are scarce and efficiency is vital.

Green technologies will develop rapidly in traditional sectors: transport, housing, agriculture, energy, services, waste management, etc. Environmentally Sound Technologies (EST) are gaining in popularity. New business models are creating a strong R&D sector to adapt technologies, as the world seeks solutions at the local level to live on fewer resources.

Technologies and new opportunities are thus going to evolve quickly, but major questions remain:

- Will the developing world have access to those technologies?
- Will the poorest people in every country have access to them?
- Will these technologies be affordable?
- Will these new technologies have unforeseen negative effects, such as a rush on natural resources (e.g. for rare earths), land grabbing (e.g. for solar farms), or biodiversity theft (e.g. for undeveloped nutritious foods)?
- Will these trends increase the gap between rich and poor?

55. These concerns are valid and require corrective measures.

Emerging countries have the capacity to produce proprietary technologies quickly to fulfill their needs. These technologies will immediately find viable internal markets, with extra capacity to meet the needs of other countries. With the emergence of new markets, there are **opportunities for new actors to step in**. Unfortunately older traditional companies might have more difficulties in turning around their business and production lines. We have already witnessed technological breakthroughs in the energy and services sectors. **Making green technologies available is not an overwhelming task**; it is a question of marketing, affordability, public policies and viable businesses. Many of these technologies are available and open for development; there is a variety of patents for general use. **There is also an incredible variety of technology at our fingertips** that can be adapted and used to fill these new demands. If a market with enough potential emerges, support and regulatory tools will help businesses, farmers and SMEs develop them. A number of **older technologies** that are no longer available could be revived. **Simple solutions** such as extending the lifespan of products with the growth of a repair and maintenance industry should also be considered.

56. Technologies for the green economy offer opportunities for all. A number of proposals could address some of the questions raised:

- Training, professional and vocational education programs around the new SD industries should be encouraged, using existing networks and training infrastructures. **New curricula should be developed in sectors including electricity efficiency, sustainable intensification of agriculture, passive energy construction, use of new materials, recycling, etc. There are great opportunities to upgrade the training industry and centers; this offers numerous opportunities for both the private and the public sector.**
- Both new and existing technology centers and networks should embrace the green economy, and should be pushed to disseminate their expertise. E-learning tools should be used on a huge scale. Technology centers in developed and developing countries should embark on joint R&D ventures.
- The information tools for EST should be strengthened, by developing web toolboxes that look into **basic technological needs**, and that can be widely used. Free **technological**

marketplaces should be set up, linked to the climate technology network and centre initiative under the UNFCCC. Accelerating EST patenting is already happening so that information on existing technological options is already available.

- EST will be phased in slowly, to replace older inefficient technologies. We must ensure that regulatory, normative and financial tools support that change and encourage businesses to make the right investment decisions. Introducing accelerated access to EST in the world of norms, patents, property rights and technological production could be one way to open markets.
- Where there is great demand for ESTs that have a significant impact on people and the planet (e.g. cook stoves, light bulbs, batteries, toilets, staple foodstuffs, household solar systems etc.), voluntary open license solutions could allow for broad access in developing countries while longer-term intellectual property rights are enforced elsewhere.

F. GOVERNANCE

Alliance for the Planet

57. Since the 1972 Stockholm Conference on the human environment, this issue has slowly found its way on to the global agenda. International conventions and regional treaties have been signed; financial instruments have been set up; development institutions have broadened their focus; think-tanks and academic institutions have flourished and published their research findings. Civil society has become more involved and has produced significant information, programs and recommendations, providing leadership on the sustainable development agenda. The business sector has taken up new opportunities to address some of the issues involved, and is actively trying to build new environmentally-sound business models. The scientific community has formed networks to monitor global trends, providing information to leaders, media and the general public on a daily basis.

58. Governments have created various offices and administrative bodies to tackle these new challenges. Foreign Ministries have developed their global affairs departments, to deal with the proliferation of multilateral agreements and the emergence of environmental crises, from conflicts over water and land to climate-induced migration. Environment Ministries have established national strategies and policies, and built informal international networks around UNEP or regional coordination bodies. As environmental issues become more clearly economic in nature, Economy and Finance Ministries and institutions have built up their competence and knowledge, and have produced regulations, guidelines and roadmaps.

59. Developing countries including SIDS, who are often the first to be impacted by environmental factors, have tried to attract international resources and funding to help them face global challenges. Slowly but surely, a mass movement is forming to address global issues, and there is a growing determination to tackle the challenges the planet is facing. The decision to organize the Rio+20 Conference should be seen in this context.

60. However, we must work within the current multilateral architecture: the United Nations and the multilateral system, which is organized around national governments. The planet as a whole has no place and no voice in this system. Indeed, countries look at global commons issues primarily through their own national interests, and negotiators work according to mandates from their governments. Even when international cooperation is encouraged, it is generally seen as part of traditional development aid or external relations. Throughout the UN and the multilateral system, countries defend their own policies and interests. Very seldom does anyone speak for the oceans, the air, the climate or biodiversity. Even in the conventions and MEAs relating to global commons, most negotiations are defensive in nature. Within the United Nations system, various bodies address global issues, but in a fragmented way that lacks the necessary strength and integrity. **No one speaks on behalf of the Planet.**

61. Spokesperson for the Planet

The UN Secretary General should be the Spokesperson for the Planet.

In this era of powerful, instant and global media coverage, people relate to simple ideas and clear messages. As the pressure on global commons escalates, the UNCSD should address this institutional failure and formulate an agreed vision.

Concrete proposals should include:

- **The UN Secretary-General to speak on behalf of the Planet once a year on a specific date (Earth Day?). He would share his vision of the global situation from the point of view of the Global Commons.** This yearly message would be prepared by

the UN system, in coordination with a network of international technical, scientific, academic and economic bodies.

- **A State of the Planet report to be published every ten years** under the auspices of a revamped UNEP, led by an internationally-recognized team of experts.
- **The role of global Ombudsman to be created** to respond to questions about the global commons. This Global Ombudsman would be attached to the UNSG and would have a say and a seat in all multilateral institutions.
- The governors of the Bretton Woods Institutions to design a legal and institutional framework under which IFIs would finance programs of the global commons, complementing what the GEF is already doing for developing countries.
- Each country to designate a **Planet or Global Affairs Minister**, in charge of collaborative work on the global commons. The meetings of these Ministers would foster work on the international global commons.

62. One initiative could study how a representative institutional framework would support the international regulation and maintenance of our environment. This could take several forms, including a 'World Senate,' which might be established through renewing the role of the UN Trusteeship Council. Its financial aspect might be covered by a 'Central Bank of the Ecosystem,' or an 'Ecosystem International Fund,' which would nurture global resources including biodiversity, the oceans, Antarctica, water, glaciers, forest-basins, etc.

63. Science-policy platform

Science and technology have made an enormous contribution to the understanding of our planet in recent decades. They have highlighted the fact that we are moving into a new era, the Anthropocene, in which humankind will be able to impact the planet's systems on a global scale. The scientific community has organised itself around these global issues, and thanks to information technology, it is able to disseminate information and research, to raise and address new issues, and to establish networks of international cooperation. Various inter-disciplinary groups coordinate, prioritize and work together on the environmental and human challenges we face. Global earth observation research is being systemized (GEOSS), building on national institutions that already share research and technology. These improvements are happening both in the developed and the developing world.

64. At the same time, the international community has demonstrated the importance of better understanding and monitoring the global environment by setting up the IPCC, and more recently the IPBES. Other major systems are being developed locally and internationally.

65. Rio+20 must address the following questions:

- Are governments and civil society fully informed of what science and technology have to offer, including understanding the limits, tipping points and risks we face, and the solutions available? Is this information being used to support effective decision-making, from the national or regional level to local businesses and communities?
- Is the scientific and technological community fully engaged? Does it have sufficient resources? Do we have knowledge and information systems in place to tackle our global issues?
- Is the multilateral framework organized effectively to foster scientific enquiry, and to benefit from it? Specifically, is it able to produce research on specific emerging issues, to issue warnings about major risks and thresholds, and to provide advice on global solutions?

66. In some areas, through ignorance or indifference, policy makers contest basic scientific findings. The media may feed into these conflicting opinions, which can be detrimental to decision-making, as we have seen in recent debates on climate change. However **societies will not be able to make the**

best choices and engage the resources needed for a sustainable future if they do not have the correct information, the best analytical tools and the most forward- looking vision. Only scientific research can provide these.

67. The science and policy platform calls for:

- Assessing the international framework of global scientific bodies and systems and **addressing gaps**;
- Ensuring enough funds to monitor the resilience of planetary systems. Global monitoring systems are essential but **local field work is also vital** to confirm global assessments;
- Bringing science closer to the system of international governance. One way to do this would be for the UN system to prepare a 'State of the Planet' report periodically for the UN Secretary-General (cf. paragraph 61).

Institutional framework for sustainable development (IFSD)

68. Institutional Framework at country level

The implementation of sustainable development policy begins at the national level. International institutions must respond better to local structures and policies, and adapt their systems accordingly. They should make clear decisions to help countries and national institutions by providing technical assistance and capacity building, and by mobilizing the most efficient financial resources. This relates to declarations in Paris and Accra on efficient development finance and aid (to be confirmed in Busan).

69. Delivering as One

The UN 'Delivering as One' initiative makes a powerful statement: the UN system needs to work more coherently and effectively around the world with one budget, one programme and one office in each country. UNDP would like to move the concept forward by making sustainable development the overarching backbone of all UN country programmes. This is an excellent concept, although it faces local hurdles and contradictions. **Coherent support from the UN for the implementation of sustainable development pathways would be an invaluable asset.**

'Delivering as One' calls for the following:

- Give real authoritative leadership to the UN Resident Coordinator over the local UN strategic decision-making. He must be able to deny approval to projects proposed by UN agencies that do not promote local strategies for sustainable development. The goal must be to concentrate at least 75% of UN resources around the UNDAF framework.
- Annual assessment of the UN Resident Coordinator's capacity to bring together UN agencies and to implement the 'Delivering as One' programme;
- Strengthen the capacity of UNDP to implement UNEP technical cooperation programmes and projects.

70. Bretton Woods and International Financing Institutions

In addition to financial institutions, other international and multilateral organizations can have a decisive impact on country-led development. Country programming strategies need to be better integrated with the 'Delivering as One' objective. It does not make sense for the UN system to work actively towards sustainable development if IFIs and others implement programmes that follow different pathways to development.

This is why we must encourage UNDG/UNDAF coordination efforts. We must create and implement better local information systems and **create incentives to encourage institutions to work together**. Co-financing objectives must be set and measured and division of labour principles should be developed locally. Both the UN system and the World Bank group should improve their coordination. The UNDAF cannot be imposed on a World Bank country programme, and the Bank should not build its own policies without taking into account existing UN activities and analysis. **Full collaboration between the local Government, the UN Resident Coordinator, the World Bank Country Representative and the IMF Resident Representative is fundamental.**

When country-driven strategies and policies are properly established, inefficiencies are greatly reduced, although ending competition between donors and agencies may take time.

71. Bilateral Institutions and other actors

Many other institutions and actors must be considered in the context of international development cooperation. **In many countries, the principal cooperation partners are not multilateral actors but bilateral institutions, including new emerging donors, international NGOs, foundations and vertical funds. The private sector is playing a greater role** in public-private partnerships.

Moreover, **climate funding**, which may flow through the same cooperating partners or through other Funds, **may increase the difficulty of local coherence**. Climate finance is a core piece of sustainable development finance; such fragmentation may create serious obstacles to the implementation of sustainable development. All international efforts should be aimed at achieving the same goals.

Coordination and coherence efforts which only involve multilateral actors may be considered marginal. Local sustainable development strategies organized around a few participating partners would be less effective and conducive to change.

This is why action-oriented coalitions and country-driven collaborative platforms are crucial. These collaborative platforms could be greatly enhanced by building on local change agents, including people who can ‘champion’ and advocate for a cause with credibility. This would also reinforce country ownership.

72. Institutional Framework at the Regional level

The regional perspective on global issues is becoming increasingly important, as noted above and as evidenced by the multiplicity of Regional Environmental Agreements and new initiatives around regional commons issues: water basin management, tropical forests, regional seas, coral reefs, anti-desertification programs, marine ecosystems protection etc.

Regional environmental issues are increasingly dealt with by region-specific bodies and initiatives. These bodies must find political support and secure resources from relevant international institutions. In this way, regional proposals and solutions can be brought to the international level.

Regional economic and social organisations have unparalleled knowledge of local circumstances and conditions. They should embrace sustainable development policies. Those that are responsible for trade, growth, human development and infrastructure are well-placed to introduce an agenda for sustainable development. UN Regional Commissions can support them through local expertise, dialogue and the sharing of best practices.

73. Many environmental issues can be resolved most effectively at the regional level, including environmental conflict resolution in which regional partnerships can play a key role.

74. IFSD at the International level

Rio+20 is likely to address the integration of sustainable development into the international institutional framework and the reinforcement of the environmental pillar. Both these issues should be considered simultaneously. The past thirty years have provided abundant evidence that the preservation and enhancement of our natural resources are essential to sustainable development. If countries lose their soil, water, forests and biodiversity, their production capacities are greatly diminished, their resilience to environmental and manmade adversities is weakened, and their potential for a sustainable model of development is greatly damaged.

75. Introducing civil society and others into the decision-making process.

All societies in recent years have seen a strengthening of civil society and more varied ways of building consensus, partly thanks to the influence of the internet. The involvement of civil society is one way of addressing issues of participation and inclusiveness in sustainable development strategies. Governments and implementing and financing institutions have attempted to improve transparency, consultation and dialogue. IFIs have implemented independent international accountability mechanisms (IAMS), which offer ultimate recourse to affected communities. Sustainable development policies and new models that imply lifestyle changes cannot be implemented unless a broad consensus is reached among civil society. **Transparency and accountability are permanent features of sustainable development. They must be addressed at every step. Rio+20 should lead to more initiatives around accountability.**

A second trend is **the growing base for the implementation of major sustainable development programs**. Sub-national actors including local authorities and cities are increasingly taking charge of transport, water, education, housing and other basic needs. Business and industry are much more involved, often through multiple public-private partnerships. Farmers are responsible for deciding on their sustainable intensification models. New financial initiatives and sector-based financial institutions are bringing the public and private sectors together, including non-profit organisations. Technical education systems and vocational training are often built into partnerships between workers and employers. NGOs develop multiple partnership initiatives and programs in the environmental and social sectors, demonstrating their capacity to innovate. Some of the most effective work is being done through these new models and partnerships. Information technology is contributing to major governance shifts.

The challenge is to represent these changes within multilateral institutions and governance systems. This is a serious question for discussions on institutional frameworks at Rio+20.

76. The environmental pillar

There appears to be a general consensus on the need to reinforce the environmental pillar of sustainable development in the institutional framework. **Strengthening UNEP will improve its capacity and credibility. It will give it a stronger voice within the UN and around the world.** This strengthening should encompass universal membership and predictable funding through required contributions, and it should be aimed at **creating a fully-fledged United Nations Environment Agency or Organization.**

The mission of the future UN Environment Organisation will have to be defined, as demonstrated in the Helsinki-Nairobi process. It could include:

- **‘Voice of the Planet’** role: the organisation should be a global reference for the environment and should prepare messages and campaigns on environmental issues and priorities. It would be responsible for the UN Secretary General’s annual Statement on the Planet (see above).

- **Scientific policy platform:** consolidating international data and expertise with the production of a periodical report for the UN Secretary-General, possibly on a ten-yearly basis, on the State of the Planet. Additional annual reports could focus on specific issues and policies. This activity would boost research cooperation on global environmental issues.
- **Establishment of an elected Scientific Council**, with consultative power and with the capacity to convene and decide on its own agenda recommendations to direct the Governing council of UNEO.
- **Technical cooperation:** helping countries with technical cooperation and capacity building, facilitating the sharing of experience and results, using the capacity-building tools of regional institutions; organizing and supporting ecological initiatives in partner countries and promoting environment partnerships and coalitions with both private and public institutions.

The UNEO should initiate a cooperative framework for multilateral Environmental Agreements. There should be body that takes an overview of international MEAs and helps shape their implementation in a coordinated way in accordance with country systems, highlights synergies between Secretariats and Boards, reports on gaps in financing and implementation, suggests action plans and evaluation exercises and helps countries to fulfil their commitments. **An 'Assembly of the MEA' could be created to meet periodically and assess progress and oversee the various mechanisms supporting cooperation and coherence. This Assembly could be a Second Chamber counterpart to the upgraded UNEO Governing Council.**

The reinforced UNEO will need permanent funding, international legitimacy and an agenda driven by efficiency and results.

Working principles should include:

- **The effective participation of civil society representatives in the UNEO Governing Council.** These representatives could represent a fixed percentage of the Governing Council and would be selected through an agreed process for a specific time period.
- Establishing broad and systematic external consultations on new normative initiatives and submitting to external accountability procedures.

Introducing sustainable development into the UN system.

77. It is extremely important that we address issues that bring together the three dimensions of sustainable development and integrate them into UN structures. Thanks to the Millennium Development Goals, the world has engaged in the fight against poverty. It is now time to introduce more economic substance into our strategy; the world's poor will not move out of poverty on the basis of solidarity alone. New socio-economic models must be developed to address basic human needs.

Economic actors have not taken environmental and social constraints and opportunities fully into account while constructing their business models, and most governments still believe that unlimited growth is achievable. Taking environmental and social needs into account entails very specific actions, which are essential for a sustainable future. Integrating the three pillars is thus a major challenge.

78. Council of Sustainable Development vs. Sustainable Development World Forum

There is no clear consensus on the structure of an international forum for Sustainable Development. Some believe that the transformation of ECOSOC offers the strongest long term prospects, while others support the creation of a **UN Council for Sustainable**

Development. Still others believe a **Sustainable Development World Forum** should be established under an innovative public-private partnership system.

The role of the forum should include:

- **Reviewing sustainable development strategies** of countries and of significant actors that are heavily involved in implementing sustainable development programmes. The forum could hear presentations on the strategies of multilateral development banks, of cities, of a coalition of countries to address an SD objective, or a group of parties which have decided to address a specific issue such as monitoring fishing or managing an international river.
- **Multi-stakeholder SD strategy peer reviews:** The peer review system has helped to overcome obstacles and make significant progress in areas including the Human Rights Council's Universal Periodic Review.
- **Organizing open multi-stakeholder debates and discussions** on successes, failures and ways ahead; on projects and initiatives carried out by collaborative platforms; on emerging challenges and questions to be addressed by the international community; and on reports from the field.
- **Addressing cross-cutting issues for the three pillars in the sustainable development field.** These include: gaps in financing; capacity building and technology transfer; communication strategies; proposed three-pillar initiatives; and defining the missions of the multilateral bodies.

79. Impact on the multilateral system

The creation of the SD Council or Forum will have an impact on the other structures in the multilateral system. Its recommendations and objective-setting will help UN institutions build their plans and programmes and facilitate joint work. It may also contribute to streamlining the mandates and missions of the UN system, which would increase efficiency and resources. It might also have an impact on other international and regional bodies. The IFIs may look at their own structures and systems and suggest changes to bring them into line with the SD agenda.

We now have four coordinating bodies: the Chief executive Board, the High Level Committee on Programmes, the Environmental Management group, and the United Nations Development Group. We might review their responsibilities and functions, which include tackling cross-cutting issues, leading strategic discussions, and taking decisions. We should also address the level of participation. The CEB, to which the other groups would defer as subgroups, would ensure their legitimacy and divide their responsibilities. **The World Bank should be invited to join groups (including the UNDG) in which it is not represented.**

There is a need to relaunch the **Environment Management Group**, with an updated mission to review each member's environmental report annually. The EMG could also look at cross-cutting issues, asking institutions to lead the discussion and adjusting the agenda according to the subject. This would facilitate participation and ownership. The EMG's work should help each member with its strategic progress. These reviews could feed into discussions of the new UNEO Governing Council, through a periodic Report on the Environmental Activities of the UN and the IFI system.

80. Governance issues and inclusiveness

The Council or Forum should be organized around a multi-stakeholder constituency in order for it to be effective and relevant, given that sustainable development is a global responsibility and governments are not the only actors.

The Sustainable Development Council or Forum must include representatives from different spheres. The UN has created the Major Groups system to ensure the representation of civil society and stakeholders. This was a bold measure at the time, but the Major Groups system now requires modernisation. This should include renewing the categories to bring in representatives from the media, foundations, education and medical systems, and improving democratic representation. Some groups combine people and institutions who have little in common. Others, like the civil society/NGOs group, do not sufficiently reflect the growth and variety of civil society organisations in the developing world, and include members (e.g. cities and local authorities) who do not feel they should be in this category.

We know that the integration of these partners into the UN and multilateral processes is limited and sometimes marginal. The best chance for their voices to be heard is often through their inclusion in country delegations.

The Sustainable Development Council or Forum should be based on 50% member state representation and 50% representation of the implementing actors and stakeholders of the three pillars: the environmental pillar would be represented by scientific and civil society representatives; the economic pillar by representatives from business, finance and agriculture; and the social pillar by civil society and other including trade unions. The representation of local governments should be addressed separately, taking into account their specific legitimacy and responsibilities.

Civil society representatives would be selected through an open and transparent process which would be one way for the new Council or Forum to gain international legitimacy and credibility. The International Labour Organisation's tripartite culture, independence of members and elections of workers' and employers' representative could serve as one model.