



## **EU Informal Seminar**

# **World Summit on Sustainable Development**

## **I. Introduction**

The Swedish Presidency of the EU arranged an informal seminar in Stockholm on 28 – 29 May 2001 for EU officials engaged in the preparations for the World Summit on Sustainable Development (WSSD). The main objective was to contribute to the process of refining thinking within the EU on the possible agenda and desired outcomes of the Johannesburg Summit.

The event was of a purely informal nature and provided an opportunity for off the record discussions for later possible use in established channels.

On the first day, presentations were made on key substantive issues from a southern perspective by invited experts from the RING group of research and advocacy institutes as well as from the World Business Council on Sustainable Development (WBCSD). These were followed by exchanges of views moderated by Mr. Nigel Cross, Director of the International Institute of Environment and Development. Possibilities for further interaction with the outside experts were given at the subsequent dinner.

The proceedings of the second day were attended by EU officials only. In the morning three discussion groups met, each chaired by representatives of the three incoming presidencies. Group 1, Making globalisation sustainable, was chaired by Mr. Steen Gade, Director General, Environment Protection Agency, Denmark. Group 2, Protecting the natural resource base for economic and social development, was chaired by Ambassador José Roselló, Ambassador-at-large for Environmental Affairs, Spain. Group 3, Integrating environment and poverty eradication, was co-chaired by Ms. Nadine Gouzée, Representative to the CSD, and Mr. Gunther Sleenwagen, Ambassador, Ministry of Foreign Affairs, Belgium. Ambassador Lars-Göran Engfeldt served as chairman during the plenary sessions.

The substantive themes for discussion were selected from the recent Commission communication “Ten Years after Rio”. Each group was asked to reflect particularly on experiences relating to the implementation of Agenda 21, the role of the EU as well as priorities and desired outcomes of the Johannesburg summit.

In the afternoon, the chairpersons reported to the plenary. This was followed by an exchange of views and, finally, a brief summing up of the event as a whole.

In the following, the Presidency attempts to reflect the main thrust of the discussions and does so under its own responsibility. Ideas reflected in the text in no way implicate positions of the EU or individual Member States. Hopefully, this report will prove useful as reference material in further discussions within the EU as it prepares for the Johannesburg Summit.

## **II. Presentations**

Four presentations addressed different levels of governance, and considered the impact of initiatives taken in the decade since UNCED and the challenges now faced in attempting to realise sustainable development. They also focused on ways in which the EU could help advance innovative approaches in future, particularly through the World Summit on Sustainable Development.

Liliana Miranda, Ecociudad Peru – *local governance and urban issues*  
 Saleemul Huq, IIED UK and the Bangladesh Centre for Advanced Studies - -  
*national strategies and experiences*  
 Youba Sokona, Environnement et Developpement du Tiers-Monde Senegal –  
*global decision-making and Africa*  
 Claude Fussler, World Business Council on Sustainable Development  
 Switzerland – *the contribution of the business community*

### **1. Implementation of Agenda 21**

#### *At the local level*

Effective implementation of Agenda 21 has to involve local government and communities; the challenge is how best to achieve this. Democracy and accountability should be understood as the fourth pillar of sustainable development, and these are of critical importance if effective local governance is to be achieved. One crucial factor is to develop the capacity to formulate strategies at local levels, not set agendas nationally or internationally and impose these from above. This requires strong institutions and actors locally, and initiation of an effective consultative platform involving all relevant sectors of society.

#### *At the national level*

International processes since UNCED have placed considerable burdens on developing country governments. These have included a range of often unrelated reporting requirements from the UN, the World Bank, the IMF and others which involve different government departments and unconnected perspectives and priorities, and have resulted in many instances in a piecemeal approach to national

planning which is of little or no benefit to the country concerned. Efforts to establish national initiatives to incorporate sustainable development into planning and activities have been more successful when these have been led by the country concerned, and where a broader sense of national ownership and commitment is evident.

The OECD Development Assistance Committee work to develop policy guidelines for national strategies for sustainable development (nssds) is intended to learn from this experience and provide pragmatic ways to build more effective initiatives in future. One significant conclusion for donors and other external actors is the importance of building on what already exists, identifying allies within countries who support the broad principles of sustainable development to help in establishing appropriate approaches.

Links between local initiatives and the national frameworks are also vital elements which should be fostered, providing an enabling context in which existing local activities can flourish. It is also important to share experience between countries, both North-South and South-South, in order to allow particular approaches which have been successful to be considered in other contexts.

#### *The global level and its relevance for Africa*

Africa is one of the few parts of the world where it is possible to establish strong links between environment and development issues as environmental concerns are more central to all aspects of decision-making than elsewhere. However, sustainable development remains the exclusive prerogative of environment ministries. There are considerable opportunities to establish new, sustainable initiatives in Africa – energy systems and basic infrastructure for transport, water provision and so on can be designed from scratch in many instances, which could allow for decisions based on a coherent overview of long term needs and prospects.

Current discussion about Africa addresses governance as if it were an end in itself. This will not have useful outcomes unless it is integrated with efforts to address development and environment. These should lead to the development of policies with targets which can be measured at local, national and regional levels.

#### *The business community*

Since UNCED the private sector as a whole has done a great deal to acknowledge principles of sustainable development and incorporate them in its operations. However, there are some areas in which little has been achieved – these include provision and informing of consumer choice; initiating improvements to market framework conditions; adequately pricing the global commons; and making the market work for everyone. These are emerging as priorities for innovative businesses.

Building on the experience of the past decade, the business community is looking to establish what kind of partnerships can be forged for sustainable development. This approach aims to go beyond dialogue and look to create alliances to achieve common goals. Working jointly with the International Chambers of Commerce, the WBCSD has developed a campaign Business Action for Sustainable Development, which is led by Mark Moody-Stewart, currently with Shell International.

Issues raised in discussion:

- Standard macro-level indicators of economic well-being do not adequately reflect broader measures of quality of life and human happiness, which are integral to effective Local Agenda 21s. How can valid human development measures, such as those used by the UN Development Programme, be more influential in national and international decision-making?
- Corruption also presents major difficulties in developing effective local and national governance. Attention should be paid not only to those who are corrupted, but also to those (often from outside the country) doing the corrupting.
- There is a risk in building nssds on existing national-level processes that they will not achieve the necessary, difficult balance between the three pillars of sustainable development (environment, social and economic). The same difficulty is evident in the EU – only adding indicators to the Lisbon document would be inadequate as the means to a comprehensive sustainable development strategy. Agenda 21 chapter 8 and para.24 of the UNGASS 19 document (Rio +5) may provide a more secure starting point than the DAC guidelines; in addition, the 2002 and 2005 targets require a great deal more work before these elements add up to a coherent vision of sustainability.
- World Bank-led Poverty Reduction Strategy Papers have weight because of their association with additional funds. Considerable political commitment will be needed just to integrate environmental and sustainable development concerns into existing processes, particularly given the very limited institutional capacities in many countries.
- The current compartmentalising of issues addressed by different global conventions is inappropriate for Africa in particular. It leads to unrelated activities to address issues which are in practice closely interlinked. Funding from the Global Environmental Facility of \$350 000 to each country for production of reports on implementation of the conventions had resulted in assessments which had no real relation to core national activities or priorities, and had not been read or acted upon by anyone in the GEF. The usefulness of this type of process must be called into question.
- It is important not to be too northern-focused in defining the role of business as a sector of society. In Africa, Asia and Latin America large numbers of people are

involved in small-scale enterprises which have major cumulative benefits and impacts. It is important to find ways to interact with and involve these actors, given their employment levels and the central role they will have to play in any credible efforts to move towards sustainable development in Southern contexts.

## **2. Role of the EU**

### *At the local level*

National and international support for Local Agenda 21s (LA 21) is important in many instances, but these are not decisive factors. Some LA21s have succeeded despite opposition from national government, and direct donor involvement with local government has been relatively rare until quite recently. Assistance of this type should adapt to the distinct circumstances of each locale, drawing on existing practice and culture rather than attempting to establish uniform solutions.

### *At the national level*

The EU should support calls for all countries (in the North as well as the South) to develop viable sustainable development strategies, using the OECD-DAC guidelines. EU countries should lead by example by exploring what this will mean in practice for themselves.

As an example of the pragmatic use of existing entry points to establish viable nssds, the EU has been correct to link the proposed EU Strategy for Sustainable Development to existing social and environmental strategies. In addition, the EU should address its ecological footprint on the rest of the world in all strategy efforts, recognising the extent of its impact on the current experience and the future prospects of those in other parts of the world.

### *The global level and its relevance for Africa*

The Millennium Action Programme for Africa, the proposed African Union, and other initiatives such as the Omega Plan (supported by Senegal, Nigeria, South Africa and others) could be the means by which to develop regional approaches to problems through greatly enhanced regional co-operation and integration. Europe can play a very important role by backing these efforts and providing practical assistance to them.

One of the main problems facing Africa is not so much to build capacity as to retain it. The EU can play an important role in helping institutions both within and outside government to provide the pay and the security needed to keep officials with vital experience and expertise from going to better paid, more attractive opportunities abroad.

### *The business community*

An initiative on energy for the Summit would gain significant momentum if it were established as a partnership between EU Ministers of Foreign Affairs (and other relevant officials), the European Commission, local authorities (through relevant conglomerate bodies) and business leaders (notably the Business Action network). EU governments should improve market framework conditions through environmental regulation. Public policy incentives for investment in eco-efficiency, skills and partnerships would also be required.

Issues raised in discussion:

- Accountability downwards, to citizens and community organisations, should be strongly encouraged, while awareness of the significance of local actions in helping to tackle global problems (notably through lowering carbon emissions) should be integral to LA21s and nssds.
- When developed countries push requirements and commitments these are often understood to constitute conditionality, particularly on issues of environment and sustainability. Two approaches could help lessen this reaction – first, to find acceptable means to work with existing allies within countries to determine the most practical ways to advance this agenda; and secondly, to demonstrate that these principles are taken no less seriously in EU countries, and are being acted upon with the same commitment as is expected of others.
- Many in the EU were disappointed that African countries did not welcome the EU's initiatives developed for the 1997 Rio +5 UNGASS. There is similar frustration at the general resistance from Africa to any kind of consensus with the EU emerging in the climate negotiations. Yet the EU and Africa share many perspectives and concerns in global negotiations – how can closer collaboration be developed in the future?
- Is there a value in pressurising European companies to adopt the same standards in their operations in other parts of the world as they use at home – and if so, what will the effects of this approach be?

### **3. The World Summit on Sustainable Development: Priorities and Desired Outcomes**

*At the local level*

It will be necessary to consider the most effective means for involvement of local government representatives in the Johannesburg Summit process, perhaps building on the experience of Habitat II (Istanbul 1996). Certainly the involvement of well-briefed and capable local officials in the Summit process could be very significant for the event as a whole. The International Council for Local Environmental Initiatives is carrying out an assessment of successful Local Agenda

21 strategies which should provide an extremely useful resource for the Summit to draw on in establishing how to help shape future action.

#### *At the national level*

The 'three pillars' of sustainable development were not clearly defined at UNCED, and were only spelt out at the Copenhagen World Summit for Social Development (1995). A challenge for the Johannesburg Summit is to ensure that environmental concerns remain as a distinct and prominent element in the common understanding of sustainable development. Co-operation between national sustainable development councils would be a strategically important outcome of the Summit process.

#### *The global level and its relevance for Africa*

This will be the first global UN Summit to take place in Sub-Saharan Africa, and African countries should play a decisive role in shaping its agenda and its outcomes. The Summit should provide an opportunity to critically appraise the usefulness of the existing conventions and other agreements in addressing African challenges. The value of the Convention to Combat Desertification in particular should be assessed, and suggestions that the GEF should extend its funding to include grants for related projects treated with caution. It may well be that neither provide an effective means by which to tackle underlying developmental and economic causes of degradation.

Attempts to initiate an Environmental Agency for Africa should also be treated with caution. As issues of environment are much more cross-sectoral than in other regions it does not necessarily make sense to separate them from attention to agricultural activities or use of natural resources. To create a new regional environment body could entail little more than mimicking the institutional approach taken in the developed world, with no obvious intrinsic benefits. Instead, regional visions of Sustainable Development should be translated into more concrete policies.

#### *The business community*

The WBCSD has established a 'Rio +10' task force, which has produced regular supplements in the International Herald Tribune outlining what has happened over the last decade. This group will also come up with a vision for the future, and a workbook addressing preparations for WSSD and the challenges to be tackled beyond the Summit.

The WBCSD will be adopting a sustainable livelihoods approach, focusing on energy, water, health, education and jobs. A particular concern will be to find ways to 'scale up' what we already know in key areas, such as eco-efficiency, innovation and partnerships. Another key factor will be to find more ways to

delink economic growth and improvements in quality of life from increases in environmental impacts.

Issues raised in discussion:

- Links between the UN's five year review of Habitat II and the WSSD process should be more clearly established, and the role of LA21s in delivering the Habitat II agenda should be clarified.
- It is unclear whether the International Development Target for adoption of nssds has a date of 2002, 2005 or 2015; and, given that strategies should not be determined from the top, it is not clear what a global summit can usefully add to the existing framework which will depend principally on supporting national and local action.
- The elaboration of national and regional strategies could have the potential to create more understanding and concern about sustainable development, and greater commitment to act in Africa, Asia and Latin America. Ways in which this could be supported in the regional and sub-regional preparatory meetings for WSSD should be explored.
- One reason for the choice of location for WSSD was the very good relations which exist between the South African government and the private sector. This should encourage much more concrete initiatives than were possible at UNCED – particularly action-oriented initiatives on energy provision.
- Decoupling the link between increased quality of life and greater environmental and social impacts relies on the scale effect to make it more attractive and profitable for all concerned. The Kyoto Protocol provided a predictable basis for developing this approach, but current problems with the Protocol are partly the result of pressures from the business community. In the build-up to WSSD, can the industry associations initiate a systematic debate with other parts of the business community to explore the long-term implications of these issues more fully? Does this tension suggest the need for regulatory structures at the global level?
- How will any 'new deal' forged at WSSD reflect on the new global trade round?

**4. Additional issues raised**

- Although Heads of State may have pledged to attend the Summit, and this places pressure on those involved to increase their efforts, there is still no easily identified high-profile leadership to act as a focus for the preparations.

- There are problems in both Southern and Northern countries with reflecting ecological costs. Costing for the utilisation of natural resources is not on the political agenda anywhere, and no-one has clear proposals on ways in which to convince the public and the business sector that this approach is essential.
- A major challenge for the EU is to transform the US administration's intransigence on the Kyoto Protocol and other multilateral processes into a positive perspective on WSSD. The overarching message should be that what is happening over the Protocol must not be allowed to happen in the Summit preparations.
- In attempting to elaborate elements of a global 'new deal', the EU must confront the question of whether member countries are willing to deliver prior commitments on official development assistance and transfer of technology.
- Given that the issues involved are complex, and solutions are not obvious, it makes sense for the EU to start a process of dialogue involving progressive countries and other stakeholders. Among the business community, innovators will find the best ways to achieve whatever targets are agreed and then regulation will pull laggards into the required performance zone – or they will go out of business. The EU should find allies among those who support the use of economic instruments and regulation to achieve sustainable development goals, and be stubborn in insisting that this is the best approach to take.

### **III. Working Groups**

#### **1. Globalisation and Sustainable Development**

##### *Assessment - Implementation of Agenda 21*

Since the Rio Conference the world has seen a considerable growth in international economic activity. While providing enhanced economic efficiency and overall growth, this process has to a large extent taken place without subsequent internalisation of social and environmental costs.

Rising volumes in trade and private financial flows have caused prosperity for a growing middle class while at the same time creating additional stress on the environment. Rapid capital movements in the liberalised global economy have increased volatility. Increased volumes of foreign direct investments (FDI) have been concentrated to only a few countries. Other countries, particularly in Africa, have been further marginalized and seen a relative or absolute decrease in investments. Trade liberalisation and investments have generally been directed towards sectors and commodities favouring the more developed economies. Poorer segments of society have benefited less from, or even been harmed by, economic globalisation.

While welcoming the opportunities created by the growing world economy, there is an urgent need to alter existing contradictions between social-environmental concerns and the aim of achieving economic growth on a global scale. Reverting current unsustainable trends caused by economic globalisation requires improved governance at all levels and within all sectors. The last ten years have been characterised by expanded global opportunities for business at the expense of regulatory influence of nation states. Up to this point, neither international regulatory regimes, nor the market, have been able to provide adequate management to promote global sustainability. There is a growing awareness that new partnerships with major groups will be needed in order to ensure adequate governance power that can meet the needs of a globalising world. Potential solutions will have to address the role and responsibility of the private sector as well as the structure of regulatory regimes.

### *Role of the EU*

Being one of the major economies, the EU significantly affects economic, social and environmental conditions for the rest of the world, both through its internal policies (e.g. agriculture, energy and transport) and external policies (e.g. trade and development co-operation). When preparing for the WSSD, the EU must further assess its role and responsibilities in the global context. The forthcoming EU Sustainable Development Strategy provides an important instrument in this regard.

Special emphasis should be put on assessing the quality of development co-operation and the level of ODA, especially with regard to the catalytic role of ODA to further private sector investments in support of sustainable development. There is also a need to assess trade policies and investment composition and to develop environmental guidelines for export credit. To facilitate this process the EU could consider establishing an institution designed to deal with sustainable trade.

A key area of concern with regard to globalisation is the role of the private sector and the need to develop co-operation between business and governments to promote sustainable development. Involvement of all relevant stakeholders, including small and medium sized enterprises, is pivotal. The role of government in this context is partly to function as a convenor and facilitator. Governments and the private sector should make joint efforts to develop a growing market for sustainable products by establishing public private partnerships to promote quality investments into key sectors. Concrete initiatives could seek to establish investment facilities (e.g. energy and water) and to further explore possibilities of providing export credit financing with regard to environmental technologies. The possibility to further develop codes of conduct should be explored. Such a process could focus on key sectors, e.g. finance and insurance industries, mining, forestry, tourism and agriculture. While addressing the private sector, the role and responsibilities of consumers must not be neglected, especially with regard to consumer information. Multi-stakeholder activities within sectors at national level

could be initiated with a view to examine codes of conduct and consumer responsibility.

*The World Summit on Sustainable Development: Priorities and Desired Outcomes*

Developments since Rio suggest that a key theme for the Summit will have to be the emerging role and responsibility of the private sector. A concrete outcome could be to further develop the Secretary-General's Global Compact with a view to make it more operational and to broaden its application. A possible outcome of the Summit process could be to arrive at conclusions on concise and detailed compacts within key business sectors (e.g. finance and mining industries). In the context of the multi-stakeholder segment of the Summit, the private sector could be given the opportunity to present projects with a positive impact on Sustainable Development as "examples of excellence". A balance should be achieved in encouraging both internationally operating companies as well as small and medium sized enterprises.

The Summit also needs to address the quality and level of investments, both public and private. The relationship between development co-operation policies and the structure and behaviour of the private sector need to be highlighted. Of special concern is to develop a constructive dialogue and agreement on the role of ODA in view of its relative decline in relation to FDI. An agreement could also include export credit guidelines and common standards with a view to further investments in support of sustainable development. The possibility of delivering concrete initiatives with regard to transfer of technology and quality investments into key sectors should be considered.

There is a growing need to develop international trade regimes in support of sustainable development. The relationship between trade regulations and Multilateral Environmental Agreements must be further clarified. The Summit could serve as a platform to promote integration of social, economic and environmental concerns into all international regulatory frameworks, especially the WTO regime. The possibility of developing overarching principles in order to create a balance between the aim of eradicating poverty, safeguarding labour standards and protecting the environment could be further explored.

A crosscutting issue is to further develop an authorized and coherent set of methods and principles, to be able to measure and evaluate the impacts of investments and trade.

Desired outcomes as outlined above could be seen as interrelated components of a broader agreement. Such an agreement, involving all key areas and dimensions, could be presented as a "global deal". While recognizing that different views exist with regard to the value of using this concept, the added value could be to make the Summit politically attractive and to stress the need for a holistic approach when addressing global problems and solutions. However, a reflection put

forward was that “a grand bargain” is probably not a realistic outcome of the Summit. A more likely scenario could be that the process delivers a set of concrete initiatives involving both governments and other stakeholders, designed to further implement previous agreements and to address those new and emerging issues that will be singled out during the year to come.

*Chairman’s summary in the plenary*

The Chairman of the working group made a brief summary of the problems facing us:

- Economic globalisation has taken place without sufficiently taking into account social and environmental concerns.
- Sustainable Development has not yet been established as a leading concept.

Two key challenges were identified; to promote equity and to promote internalisation of social and environmental costs. Special focus should be given to the situation of the poorest countries. The world has seen a power shift from governments to markets. The role and responsibilities of business and NGOs should be addressed.

There is an urgent need to get ministers and ministries, in addition to those who have traditionally been involved, on board. Within the EU, sustainable development needs a commitment from the highest political levels, including Prime Ministers and Ministers of Finance. The Göteborg European Council provides an opportunity to affirm this commitment and to deliver a message in view of the processes leading up to the Johannesburg Summit.

There is a need to develop a coherent EU approach within and between different processes. In concrete terms the EU should strive to fulfil the ODA commitment from Rio, to promote technology transfer and to contribute to the replenishment of GEF. UNEP should be further strengthened.

Development co-operation policies need to be further assessed. A bottom-up approach is to be preferred both with regard to preparations and follow-up. An important procedural outcome of the Summit could be to establish a process whereby previous decisions are systematically followed up at the regional level.

The Chairman of the working group concluded that views differed among participants with regard to the added value of launching the concept of a global deal, but made the comment that a potential deal has to be broad and that it has to include major groups. The issue of private sector involvement should be further explored.

*Comments from the plenary*

Remarks from the plenary stressed the need for the EU to mobilize resources and to promote coherence and integration of its own policies. The impacts of internal

policies should be further assessed, especially with regard to currently unsustainable internal policies such as agriculture, energy and transport. The importance of the external dimension of the EU Sustainable Development and the need for a timely arrival of the forthcoming Commission Communication was also pointed out. The aim of getting core ministries and ministries involved, was further stressed. The recent ministerial meeting of the OECD, involving both ministers of the environment and finance, was underlined as a positive event in this regard.

## **2. Protecting the natural resource base for economic and social development**

### *Assessment - Implementation of Agenda 21*

The ten-year review of progress achieved since Rio should demonstrate which problem areas need further elaboration and rectification. In this way, it can serve as a potentially important basis for focussing the agenda of the World Summit. UNEP's forthcoming (March 2002) Global Environment Outlook is also a key document in this regard.

It was noted that Agenda 21 implementation has been assessed twice in the Commission on Sustainable Development (CSD), the latter following the UNGASS19. The codes of conduct on tourism and industry could be noted as achievements. Many countries now have national strategies as well as national councils on sustainable development. LA 21s have been a success in many communities.

Economic instruments and pricing are necessary tools to protect the natural resource base, not least for reducing the European ecological footprints. Very little progress has been made in EU countries towards eco-efficiency. Loopholes in the EU strategy on sustainable development in this regard need to be addressed. Eco-efficiency is part of the aim to decouple economic growth from environmental deterioration. Industry has already accepted the Factor 4 and Factor 10 challenge.

### *Role of the EU*

Credibility of the EU is a fundamental prerequisite for a productive Summit. To begin with, the EU strategy for sustainable development must, at some stage before Johannesburg, include a solid section on the external dimension. The view was expressed that this should be emphasized by the European Council in Göteborg.

Ways to further achieve credibility could include:

- To set and display the EU's own targets.
- To make commitments with other governments who are willing to lead.

· To ratify all conventions related to Rio, including the Copenhagen amendment to the Montreal Protocol, the Rotterdam Convention, the Stockholm POPs Convention and the Convention on Straddling Fish Stocks.

If sustainable agriculture will be on the agenda, it was suggested that the EU will have to review its internal policies.

Partnerships with major groups will be very important in EU preparations for the Summit. In order to advance eco-efficiency, the EU could work with its small and medium-sized enterprises and consumer organizations. Collaboration with the private sector should include actors of civil society, in order for outcomes to be balanced and acceptable to a wide audience.

It may be useful for the EU to compare strategies with other institutions, such as the OECD and World Bank. It was proposed that a workshop be held to look at the combined effects of the OECD policy report on sustainable development and its environmental strategy and the EU Commission Communication on Preparation for the World Summit. Meanwhile, the EU should not discuss mainly with Northern colleagues, but sit down with partners in developing countries and discuss the contentious issues.

Specific EU initiatives would require contacts with key G77 countries at an early stage. It should also be recognized that initiatives, such as envisaged in Council Conclusions of 7 June, would cost money and, hence, that EU governments should be prepared to accept such costs.

To take ideas forward, a lead-country approach could be used. Discussions in the early autumn could thus be based on more specific proposals. Following this, high-level discussions could be initiated with the private sector and civil society. In the late autumn, the Development Council and Environment Council could work to adopt common or complementary conclusions about the World Summit.

Johannesburg preparations must become a concern for all ministries and should be put into Prime Ministers' speaking notes. To seek the views of the G77, EU member state embassies could be asked to inquire views on the agenda and visions for World Summit outcomes. Information sharing between EU governments on initiatives being undertaken could also be improved.

#### *The World Summit on Sustainable Development: Priorities and Desired Outcomes*

Natural resources should be a key part of the World Summit, linked to economic and social development and poverty eradication. Issues in focus should be those not taken care of in other processes. At the same time, processes already started could be built upon, as creating new initiatives would probably require too much time. The approach could resemble that of the Framework Convention on

Climate Change, setting targets and forming mechanism in Johannesburg and allocating responsibilities subsequently.

Issues mentioned for possible special initiatives include energy, fresh water, biodiversity, land degradation and sustainable agriculture, sustainable livelihoods and forests. Health may be the overriding concern for the natural resource realm, heavily influenced by developments in the areas of water, energy and agriculture particularly.

In addition to health, security could become an overriding issue for natural resources. While it was pointed out that a connection between e.g. energy and security could be perceived as being made at the expense of development, capacities for preventive measures would be needed where land degradation or fresh water scarcity is expected to contribute to armed conflict.

Targets and commitments may need to be common but differentiated, as in Kyoto. Leap-frogging technologies should be promoted in developing countries and, possibly through the ECE, in transition economies. One example mentioned was to contribute to a market and infrastructure for zero-emission transportation in Africa by allocating ODA to pay a large share of purchasing costs for new buses.

Energy efficiency and renewables were seen by many as the fields where specific initiatives should perhaps begin. A proposed approach was to contact some 20-25 countries and possibly a few European firms wanting to do business with developing countries. The initiative could perhaps be connected to health issues.

Another area for specific initiatives could be fresh water, where the presence of heads of state and government could be used to take steps forward from previous meetings and make parallel tracks merge in the run-up to the Kyoto water conference in 2003. Since a very large share of the global market in water installations is carried by a few European water utility companies, they should be asked to participate in the Bonn Conference in December and in initiatives at Johannesburg.

An instrument to consider would be codes of conduct for the implementation of international treaties. Areas where this would be appropriate include forests and biodiversity. A possible agreement could include trade only in certified forest and guarantees for developing countries concerning access to and benefits from biological diversity.

The OECD Policy Report to Enhance Sustainable Development, recently endorsed by the OECD Council, elaborates on how the benefits of globalisation and technological advance could be widely shared. Building on this, mechanisms to ensure shared benefits from globalisation should be sought. In dealing with production and consumption patterns, instruments to measure ecological

footprints and environmental space could be further integrated in national legislation and budget procedures.

Regional governance, making use of national strategies for sustainable development, could be an important area in which to make progress. Municipal governments and civil society at the local level cannot be rushed into agreements but should be involved. The scenarios to the year 2032 in the forthcoming GEO-3 report could be looked upon with a view to attach operational strategy models.

It was suggested that improvements, including streamlining, were required in the working methods of the CSD. Major groups should be linked to any new governance structures.

The GEF replenishment in time for the Johannesburg Summit could be a political achievement, with chemicals and land degradation as potential new windows of the facility. A new HIV/AIDS fund is likely to be created at the recommendation of the Millennium Summit, with support from the G8 (financially) and the G77 (politically).

The moment may be ripe in Johannesburg to agree on innovative financial mechanisms. It would be useful to explore e.g. fees on the utilization of natural resources such as transportations on waterways or taxes or levies on polluting services such as international aviation. A creative EU proposal on financing is likely to be perceived as positive and ambitious.

It should be considered whether a global deal could be derived from a series of initiatives, balancing the three dimensions of sustainable development, north-south interests as well as short and long-term concerns. Follow-up of Johannesburg could perhaps be seen in connection with the series of international development targets set for 2015.

#### *Chairman's summary in the plenary*

The chairman of the working group summarized the agreed views in the working group. Poverty and health had been discussed as crosscutting concerns. Water, energy and land (its degradation and its relation to biodiversity and forests) were regarded as priority issues.

Concerning implementation of Agenda 21, it was agreed that the EU needed to put its own house in order and agree on a strategy for sustainable development with a strong external dimension. Ratification of conventions was seen as a way to improve credibility. The ten-year review of Agenda 21 offered an opportunity to identify and share success stories.

Several ideas with regard to the role of the EU had been well received. Seminars with the World Bank, the OECD and other institutions would be useful and the need to discuss with other regional groups and individual developing countries

was emphasized. To bring EU views forward, a lead-country approach should be used to produce papers with draft views on issues and initiatives. Partnerships should be sought with business, balanced with input from other major groups. Africa was seen to be a natural ally. The EU should open the door for expression of gender concerns and traditional communities' views.

Among the priorities and desired outcomes at the Johannesburg Summit, processes under way should be taken advantage of. The working group agreed on the merits of exploring possibilities for innovative financing, recognizing the difficulty to increase traditional financing. Codes of conduct could be an outcome and a global deal or pact offered. There should be a call to all partners to put sustainable development at the centre of policy.

#### *Comments from the plenary*

In addition to the chairman's report, comments were made highlighting a potentially new role for European companies to take responsibility for eco-efficiency and for benefit sharing, which could become a specific initiative towards Johannesburg. It was also mentioned that energy and water had been discussed for specific initiatives and that innovative funding could include aviation fuel tax or the like.

### **3. Integrating environment and poverty eradication**

#### *Assessment - Implementation of Agenda 21*

The group focused their discussions on the role of development targets. The discussion was launched with a dialogue on the advantages and inconveniences of using different agreed environment and development targets to integrate poverty and environmental concerns in the process leading up to Johannesburg. Particular emphasis should be put on the need for equal implementation of both development and environment aspects of sustainable development. The environmental focus constitutes the value added of the Johannesburg process compared to other UN conferences.

The International Development Targets (IDTs) are a suitable starting point when considering the implementation of agreed environment and development targets. It should be noted, however, that the apparent lack of enthusiasm from many developing countries for the IDTs suggests that the Millennium Declaration could be another suitable basis for this work.

#### *Role of the EU*

In considering possible means of implementation of accepted environment and development targets, the 0,7 percent target, although far from being fulfilled at this moment in time, remains an important goal. Realistic alternatives, however, also need to be worked out. Integration of environmental concerns would probably be a necessary element in future development projects for attracting new resources from donors in the follow-up to Johannesburg. In 1999, EU and UNDP had carried out a joint project resulting in a series of case studies on poverty and environment. The project is a very interesting example of how the desired integration of the two issues can be realised. Work at the local level, where the acceptance for combining environment and poverty eradication in projects would be stronger, should also be a priority for the EU. However, in order to keep a coherent and credible political agenda there has to be a link between the commitments of developed and developing countries. In this context, the EU has to make efforts to, *inter alia*, change discriminatory trade policies. Policy coherence at the international level also entails trying to keep a coherent political agenda in overlapping areas of related UN conferences, such as the Istanbul+5 Conference and the International Conference on Financing for Development.

*The World Summit on Sustainable Development: Priorities and Desired Outcomes*

There is a need for reaching a new consensus between North and South about the issues at stake in the ten-year review of the Rio Conference. It is important to arrive at a common understanding on targets that would be considered legitimate and acceptable to all parties, and in particular to attempt to reconcile the differences in opinion on the usefulness and legitimacy of environmental targets. The authority and credibility of any given target depends on the associated policies. The credibility of the EU in proposing new environmental targets will therefore depend on how these targets are combined with measures for their implementation.

One suggestion is to develop a model for a new deal on how poverty and environment can be integrated in development work. A number of crosscutting themes such as health, sustainable livelihoods and energy can be identified. Each of the themes could be combined with a number of associated goals, actions, means and partners.

*Chairman's summary in the plenary*

The Co-chair of the working group noted that a growing target fatigue is emerging. The implementation gap carries the risk of reducing credibility.

The benefits of indicators can be summarized as; making the political agenda more concrete, promoting increased power of communication, allowing for monitoring and appealing to traditional economic power holders.

With regard to means of implementation, the 0,7 target should be maintained. A certain degree of conditionality will have to be in place. There is however a need to focus on the local level and to work on alternative targets and sources of funding.

The challenges for the EU in relation to the rest of the world can be summarized under three headings:

- Authority; to make Sustainable Development a leading concept at the core of the political agenda, including involvement of major ministries and decision makers at the highest political level.
- Credibility; the need to match targets with adequate means of implementation and to make internal policies compatible with external policies.
- Coherence; to pursue a unified and coherent approach within and between all sectors and processes, both internal and external.

#### *Comments from the plenary*

Remarks from the plenary stressed that the Summit should reaffirm IDTs. It was also emphasized that development co-operation policymakers should be fully involved in the preparations for Johannesburg. Finally, that policy development must be based upon concrete knowledge and experiences from action on the ground.

## **IV. Concluding Remarks**

At the end of the final session, the Chairman outlined some key areas of concern for further reflection and possible action during the coming months. This was set out against the background of what was generally felt to be a crisis of implementation at several levels (e. g. mass poverty and rising inequalities, environmental deterioration and implementation of MEAs, rapid economic globalisation without internalisation of environmental and social costs).

#### *A process forward:*

- For preparations of a developed EU position at the crucial European Council meeting in Barcelona will be necessary to release the envisaged new Commission communication no later than January 2002.
- The merits of developing an EU work programme for the entire period up to September 2002 in cooperation between three incoming Presidencies could be explored.
- The lead country approach in the preparatory process should be further developed. A useful approach could be to base preparations for specific initiatives on close examination of international processes already under way.

Some key questions that could be pursued in the coming months:

- Sustainable development needs to be made the truly leading concept in our governments. It will be of key importance to involve e.g. Ministries of Finance. A serious effort is required to put our own house in order and increase EU credibility as well as to improve EU policy coherence both internally and externally.
- The external dimension of the EU Sustainable Development strategy must be developed.
- It should be explored what the EU can offer in terms of increased market access to developing countries, ODA, technology transfer, GEF replenishment, new and innovative forms of financing, etc. It is recognized that an emphasis at the Summit on the IDTs requires a readiness to deliver means of implementation.
- The concept of a possible “global deal” should be explored, while recognizing that different perspectives exist on this issue.
- Concrete initiatives relating to the role of the business sector should be explored.
- The quality and frequency of contacts with partners in other regions should be improved.

Finally, it was felt that more opportunities for the type of informal discussions tried at this seminar would be useful, possibly together with some established think tanks, OECD and the World Bank.