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WSSD Roundtable - Private Sector and Civil Society Contributions to Sustainable Development

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First of all, let me tell you how much Klaus Töpfer regrets not being here today. Unfortunately he had to take part in a retreat in New York with the UN Secretary General and other UN Senior staff. This however gives me the pleasure and honour to be with you.

“Realising a Global Deal for the World Summit”, the title of the background paper for this roundtable, made me think immediately of two other deals which had profound effects on the world: a regional one, the Marshall plan, adopted after the second World War, and a national one, the New Deal launched in the US after the great depression in the early 30’s.

It seems therefore appropriate to quote Franklin Roosevelt: “If civilisation is to survive, we must cultivate the science of human relationships, the ability of all people of all kinds to live together in the same world at peace”. As we prepare for the World Summit on Sustainable Development, there are certainly lessons to be learnt from these two deals.

Indeed, a lot of progress has been made since Rio, but the problem of “overshoot” remains. For humanity to exist in a peaceful world, there is an urgent need to alleviate poverty, without putting our natural capital at stake. Hence the need for a “Global Deal for Sustainable Development”. However, realising this Global Deal will mean addressing a number of challenges.

First, to be successful, such a deal necessitates sustained political will at the highest level: engaging political leaders in all countries, involving all sectors of society. An example of this will was the “rising tide” of the Marshall Plan where the success of its implementation depended on the engagement and commitment of all European citizens.

The second challenge is the challenge of “integration”; the need to integrate the three aspects of sustainable development in all decision making processes, and throughout all activities. Government policies, companies strategies, investments, be they public or private, should all be designed and implemented taking into account equally the three aspects of sustainable development. Such an integration will be possible only if we develop different ways of thinking, and different ways of working.

At the third Global Ministerial Environment Forum in Cartagena, Colombia, last week, Klaus Töpfer described the priorities of three dimensions of sustainable development that we need to address simultaneously if we want to achieve sustainable development:

- related to the social aspects we have poverty, health, food security, sprawling urbanisation and slums;
- related to our natural capital we now face scarcity of renewable resources and pollution in so many places. Let me particularly highlight three issues: (i) energy, the

production and use of which is leading to so many adverse impacts; (ii) land use and the related land degradation; (iii) biodiversity and the related loss of species and loss of vital stocks such as fisheries or forest;

- the third dimension is related to tools, the means of implementation that we have to use for addressing these interrelated issues. We know them well, but we need more innovative ways of developing and using them. I speak of financing, capacity building and education, technology innovation and technology transfer, and governance.

To illustrate the above, let me take the example of “energy”, already addressed yesterday by Ms Tsengwa, our colleague from South Africa.

Access to energy is fundamental for poverty eradication. Many of the millennium development goals are simply unachievable if access to energy by the world’s poor remains limited. But making the global energy systems compatible with the three tenets of sustainable development will require large efforts of awareness raising, education and training, policy changes, development of energy efficient technologies and practices, innovation in new energy technologies, technology transfer, sharing of experience and knowledge.

Developing a sustainable energy economy will necessitate the involvement of all partners: governments, industrial sectors which are energy producers and energy users, agriculture, NGOs, development banks, UN organisations... Ensuring the active involvement of all these players will necessitate new forms of partnerships, and the building of networks that will leverage and catalyse the necessary action. This is what UNEP proposes with its Global Network for Sustainable Energy.

Another example is ‘trade and environment’. We have to make trade, environmental and social measures mutually supportive in order to ensure that globalisation benefits all. To achieve this goal we need to better assess the environmental impacts of trade liberalisation, we need to improve the understanding of all involved trade negotiations of the linkages between trade and environment. These are areas where UNEP is also very active: making sure that environmental considerations are built in the trade debate to support development that is sustainable. When launching the Global Compact, UN Secretary General Kofi Annan called for companies to implement three sets of universally recognised principles: human rights, labour rights and Rio environmental principles.

The third challenge I wish to highlight for the Global Deal is “achieving meaningful partnerships”. At WSSD, we don’t want just to showcase partnerships, we want them to last after the summit and deliver results. UNEP being small, has developed a number of partnerships with NGOs and the private sector: we have for example voluntary initiatives with the finance, insurance, tourism and telecommunications sectors. We are working with Consumers’ International and the advertising sector to address consumption issues. We have catalysed the preparation of twenty-two industry sector reports that assess the progress made in a sector and that outline the way ahead. Industry associations have had the responsibility to prepare these sector reports, while NGOs, labour, and other organisations have had the possibility to comment on them. Our Cleaner Production programme, developed in co-operation with UNIDO, now

involves not only twenty centres, but also a network of more than 100 organisations in all parts of the world. To foster life-cycle thinking, we have developed a Life-Cycle Initiative together with a scientific organisation, SETAC, and a number of industry associations.

Let me share with you, as a result of these experiences, five criteria I feel are essential to make a partnership a success:

- the purpose and objectives have to be clearly defined;
- trust and respect between the partners is a prerequisite;
- decisions should be made collegially;
- every partner should gain from the partnership
- the partnership has to be monitored and results regularly evaluated

I think this must be borne in mind when “type II” activities are being developed for the World Summit.

I have highlighted three challenges facing the global deal: sustained political will, integration, meaningful lasting partnerships.

Let me now briefly comment on the role of governments and the private sector.

It has been said in many fora that governments have to create an enabling environment, including a regulatory framework, economic incentives and the setting up of adequate institutions. At the first Global Ministerial Forum in Malmö two years ago, Ministers underlined the challenge of making market forces work adequately. Today, the cost of products does not include the costs of their environmental consequences. Internalising these externalities means developing new fiscal policies and looking into perverse subsidies. Such policies necessitate political will but also necessitate a better valuation of the services rendered by our natural environment. Such economic incentives are indispensable if we want to achieve the goal set out in the Chairman’s paper from PrepCom II of “achieving a fourfold increase in energy and resource efficiency by 2012 in developed countries”.

Although it is the role of governments to establish such incentives and regulatory structures, it is the role of the private sector to lead technology innovation, to invest in cleaner technology, to develop sustainable products, to develop sustainable management practices. The “new deal” should lead to the creation of new businesses that will contribute to promoting sustainable development in the least developed areas of the world. One example is our African Rural Energy Enterprise Development (AREED). Through small grants, we are supporting small entrepreneurs to provide sustainable energy services, and to sell and maintain renewable energy technologies. The success of this project has led the United Nations Foundation to fund similar activities in rural areas in Brazil, China, and India.

Finally let me touch upon Corporate Responsibility and Accountability. A key element for a company to become full fledged members of this global deal is transparency, which means reporting. In partnership with CERES, a US NGO, UNEP has planted the seed of reporting through the development of the Global Reporting Initiative (GRI). GRI is also being built with a new type of governance: its board involves representatives of industry, NGOs, labour,

governments of all parts of the world. I am happy to say that the BASD (Business Action for Sustainable Development) is also supporting the GRI, and I hope that directly or through their industry associations, many companies will commit themselves at the World Summit to environmental and sustainability reporting. Let me repeat that there cannot be any trustworthy voluntary commitment without monitoring and measuring corresponding achievement. As I learned when I was in business school, what you don't measure you don't manage. I earlier spoke of the political will of government and leaders. The will and commitment of CEOs and industry managers is crucial and devoting money to sustainability is not "charity" as I hear sometimes, it is investing in the future. We need to have sustainability issues discussed in board rooms. Good partnerships are essential to support this "rising tide towards sustainable development". To quote an Ethiopian proverb "when spider webs unite they can tie up a lion". Let's now work together to achieve at the World Summit the commitments and the partnerships necessary to live together in a world at peace.
