



# United Nations Environment Programme

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PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE  
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

## UNEP Consultative Meeting with Industry Associations 2001 Paris, 4 - 5 October 2001

### *Meeting Report*

More than eighty representatives of industry associations, non-governmental organisations, research institutes and intergovernmental organisations attended the United Nations Environment Programme (UNEP)'s 18th Consultative Meeting with Industry Associations in Paris. For the first time this annual event was also attended by non-industry stakeholders from civil society, many of whom attended consultations hosted by UNEP the day before on draft industry sector reports for the World Summit on Sustainable development (WSSD).

Welcoming participants *Jacqueline Aloisi de Larderel*, Assistant Executive Director of UNEP and Director of its Division of Technology, Industry and Economics, highlighted the expected outcome of the meeting. The aim was to achieve a better knowledge and understanding of:

- the status of preparations for the WSSD, and the role that business and industry can play;
- the new trends that shape the market place;
- the perception of various stakeholders on "corporate citizenship" and progress with the Global Compact and Global Reporting Initiative; and
- the challenges and problems faced by industry associations in developing their sustainability agendas.

The meeting started with a morning session on "**Preparing for the World Summit on Sustainable Development**". *JoAnne Disano*, Director of the Division of Sustainable Development of the UN Department of Economic and Social Affairs (UNDESA), gave an update on progress in preparations for the WSSD and how the inputs of industry can be taken forward. One possibility would be a side event where business and industry could convey a message to a group of Ministers. She noted the need to ensure greater involvement of business and industry from the developing world. She also gave a UN perspective on the role and responsibility of business and industry to work in partnership with governments and civil society to ensure action for the goals of sustainable development.

Following the presentation of Disano, *Jacqueline Aloisi de Larderel* gave feedback on the consultations of 3 October on industry sector reports being prepared by industry organisations for the WSSD. UNEP in co-operation with the CSD and in consultation with the International Chamber of Commerce (ICC) and the World Business Council for Sustainable Development (WBCSD) has invited industry to produce such reports. UNEP DTIE facilitated twelve workshops held in Paris, where stakeholders joined industry representatives to comment on and contribute to the draft reports. This process runs in conjunction with regional industry consultations being organised by UNEP.

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The reports will be distributed early 2002, so as to be tabled to governmental representatives for them to take into account in their decisions for the WSSD.

*Jack Whelan*, the ICC's senior policy manager on Environment and Energy, and *Claude Fussler*, director for Stakeholder Relations of the WBCSD, provided an update on activities of the Business Action for Sustainable Development (BASD), the initiative that serves as focal point for business preparations for the WSSD. Whelan gave a pre-view of industry workshops of the BASD held the following week. Linking with his emphasis on business "action" for sustainable development, Fussler argued that business leadership implies the ability to anticipate.

The morning session closed with *Rémi Parmentier*, political director of Greenpeace's International Political Unit, giving his perspective on the road to Johannesburg. He described different phases over recent decades, namely the 1960s - 1970s phase of awareness raising, the 1980s - 1992 phase of making commitments, and the 1992 - 2002 phase of implementation. For the period Johannesburg 2002 and beyond, Greenpeace has the following expectations: business needs to see environmental policy as a central objective and not a constraint; to ask itself how it will look in 20 years' time; to listen to those with solutions; to implement commitments; and to apply the precautionary principle, polluter pays principle and substitution principle.

During group discussions the afternoon on Agenda 21 and WSSD, association representatives cautioned against viewing business as "part of the problem", an approach which is not conducive to partnerships. Business is and has to be part of the solution. Participants focussed on the expectations of business and industry as well as its desired role compared to that of NGOs. Mention was made of different types of "sticks and carrots", including the potential value of voluntary initiatives. CSD secretariat representatives noted the wish expressed for practicals, deliverables, awareness raising, reaching out to smaller companies (SMEs) and to make interlinkages across sectors.

After group discussions the next item on the agenda was "**Cleaner production and reduced material intensities**". Presenting on behalf of *Stefan Moll* of the Wuppertal Institute, Michael Kuhndt addressed the question of how to produce more welfare with less use of nature. The objective of increased resource productivity has been widely acknowledged at the strategic policy level. The methodology of Material Flow Accounting (MFA) is being implemented by several institutions as a statistical means to measure progress towards greater resource productivity (de-coupling) in national economies. He gave empirical evidence of developed economies becoming more resource-productive, whilst noting that this often implies shifting the environmental burden to other countries.

*James Java* from Five Winds International introduced the **Life Cycle Initiative**, jointly launched by UNEP and SETAC (Society of Environmental Toxicology and Chemistry). He described the Life Cycle Initiative's goals, deliverables, approach, and mentioned sponsorship opportunities. Whilst acknowledging that life cycle analysis is neither simple nor cheap to carry out, he illustrated the sustainability value of life cycle thinking through examples within the public and private sectors.

*Steve Gorman*, Senior Environmental Specialist at the World Bank (WB) addressed the WB's environmental strategy in promoting environmental improvements as a fundamental element of development and poverty reduction. He gave an update on the new emphasis in the WB's environmental work in linking environmental protection to broader international development goals. The focus of its new Environment Strategy is improving the quality of economic growth, both at the local level and in relation to global problems. He also briefed participants on the WB's Pollution Prevention and Abatement Handbook and its update.

The morning session of 5 October included presentations under the heading "**Trends that shape the market place**". It started with a presentation from *Don Doering* of the World Resources Institute (WRI) on a publication the WRI is developing with the WBCSD and UNEP. The foreseen publication is a user-friendly booklet that will present facts and trends that illustrate the imperative for sustainable business practice, providing business persons with concise indicators to use in their daily decision-making. The draft publication includes more than 200 statistical indicators integrated in twenty trends that are identified in five sections relating to people and tomorrow's markets, innovation, natural capital, doing business in a networked world and earning the licence to operate.

*Jonathan Pershing*, director of the International Energy Agency (IEA)'s Division of Energy and Environment addressed "Trade, Economics and Sustainable Development". He examined some of the dimensions of sustainable development in the energy sector, with special reference to energy security, market reform, renewable energy, energy efficiency, transport and climate change. He drew on recent analytic work undertaken by the IEA on projections of the future of the energy system and recent energy statistics. After him *Konrad von Moltke* of the International Institute for Sustainable Development (IISD) focussed on "Market and political failures - key aspects of trade and sustainable development". He welcomed the fact that trade negotiations under the World Trade Organisation (WTO) today finally appears to be making the link with sustainable development. Underlining the importance of distinguishing between different aspects of the WTO agenda, he explored the agenda of trade linkages and promoting public goods through private actors.

Group discussions on trends that shape the market place highlighted how stakeholder dialogue can help business to be more pro-active, thereby gaining competitive advantage in the market. Mention was also made of the dilemma that "responsible" business solutions do not always respond to the demands of consumers, who tend to look at price first.

On the afternoon of 5 October the meeting focussed on "**Corporate citizenship and accountability**", with a special emphasis on the Global Compact initiative of the UN Secretary-General. *Denise O'Brien* of the Secretary-General's Global Compact Office gave an update on activities under the Global Compact. This included the outcome of the recent Geneva meeting of the 2001 Policy Dialogue on the role of the private sector in conflict areas. UNEP will play a key role in preparations for the 2002 Policy Dialogue, which will be related to the WSSD and focus on sustainability. She described the role of associations as being the multipliers and facilitators, who can help their members to understand and how to implement the Global Compact principles.

Her introduction was followed by an update from the core agencies involved in the Global Compact. In addition to activities under UNEP's voluntary initiatives, participants were informed of actions by the International Labour Organisation (ILO)'s Labour Office to support training related to the Global Compact principles. The Office of the High Commissioner on Human Rights (OHCHR) provided feedback from its recent Global Compact event on "Diversity in the workplace: Discrimination is everybody's business".

*Magnus Enell* of the steering committee of the Global Reporting Initiative (GRI) addressed new developments in the GRI process. He reflected on the experience of companies in using the GRI Guidelines, the revision and sectoral adaptation of the Guidelines, preparations for the creation of a permanent GRI institution in 2002 and a special GRI Charter Group. On the relation with the Global Compact, he argued that the GRI Guidelines provide Global Compact participants with an instrument to demonstrate accountability against the nine principles of the Compact.

The meeting closed with a **panel discussion with inputs from the NGO world, from labour and from employers**. Chaired by *Jane Nelson* of the International Business Leaders Forum (IBLF), the panel comprised *Ricardo Navarro*, Chair of Friends of the Earth (FoE) International; *Jim Baker*, Director Multinational Enterprises of the International Confederation of Free Trade Unions (ICFTU), *Brent Wilton*, Senior Advisor of the International Organisation of Employers (IOE) and *Zoë Budnik-Lees*, Executive Director of the Industrial Environmental Forum (IEF) of Southern Africa. Whilst Wilton focussed on the role of small companies, Baker highlighted the importance of representation and how engaging labour helps to achieve better environmental results. Navarro argued the case for sustainability and "planetisation", which allows for diversity as opposed to the uniformity of "globalisation". He preferred to use the term "sustainability" rather than "sustainable development", which appears to indicate simply development that continues along the same path, good or bad. The chair summarised the discussion as reflecting three c's, namely the issues of complexity, capacity and constructive dialogue.

In her concluding remarks, *Jacqueline Aloisi de Lardere* informed participants that the meeting in 2002 will be held after the WSSD, allowing participants to reflect on its outcome. It was clear from the discussions, she noted, that industry, NGO and labour representatives expect to "be heard" at the WSSD, adding that: "To be heard one must also be ready to listen."