



19th Consultative Meeting with Industry Associations

7 – 8 October 2002

Meeting Report

FORTY representatives of national and international industry associations joined representatives of eleven NGOs and officials from UNEP, UNDESA, OHCHR and the ILO at UNEP's 19th annual Consultative Meeting with Industry Associations held in Paris on 7 - 8 October 2002. Participants were welcomed by *Jacqueline Aloisi de Larderel, Assistant Executive Director of UNEP*, who highlighted the significance of the meeting both in the aftermath of the World Summit on Sustainable Development (WSSD) and in identifying follow up action for industry associations working with related stakeholders and UNEP.

The World Summit on Sustainable Development (WSSD): what next ?

The opening session on WSSD outcomes started with a UN perspective given by *JoAnne DiSano of the UN Department of Economic and Social Affairs (UNDESA)*. She highlighted the focus on sustainable consumption as one of the most exciting outcomes of the Summit. Recalling extensive discussion on partnerships and voluntary initiatives, she expected their contribution in implementation to come under closer scrutiny in the years ahead. Within the CSD, increasing efforts will be devoted to monitoring follow up action. This will include the creation of a new database and website on partnerships.

TUAC President John Evans noted that in partnerships, be it "public-private" or otherwise, the scope of government responsibility needs to be made clear. Evans reported that the WSSD discussions on integration made progress in making the link with issues such as jobs and living standards more explicit. Looking at follow up actions, he stressed the need of integrating sustainable development into framework agreements between unions and business. He also argued that work place assessments need to be integrated into the sector reports process that has been started and facilitated by UNEP.

Pieter van der Gaag of ANPED underlined the value that the sector report process can play in monitoring follow up to the call for work programmes on sustainable consumption and production over the next ten years. Linked to this, he argued that current macro-economic policies need to be reformed (for example eco-taxes) and the use of information tools improved to advance transparency. He called for increased policy impetus on corporate accountability by promoting transparency through reporting and by setting clear liability rules.

Duncan McLaren of Friends of the Earth (FoE UK) argued that paragraph 49 of the Johannesburg Plan of Implementation opens the way for the development of a binding international convention on corporate accountability, which is to be welcomed. On the role of partnerships, he stressed they will only work if the right regulatory framework exists.

Referring to the Johannesburg Declaration, *Lene Wendland of the OHCHR* welcomed the explicit recognition of the link between human rights and sustainable development.

In his response, *Lord Richard Holme of the International Chamber of Commerce (ICC)* cautioned against unnecessary scepticism regarding partnerships and argued that many stakeholders are truly working through these to solve problems. He confirmed the importance of accountability and reporting, adding that reporting also has great value in helping companies to do better and improve their performance.

Closing the session, *Jacqueline Aloisi de Lardere* highlighted four key areas for follow-up: poverty, corporate responsibility, energy, and sustainable production & consumption. She further noted that a governance problem is at the heart of all of these issues and that effective implementation of the WSSD outcomes is the challenge ahead for all parties.

Industry Sector Reports: the follow-up

UNEP consultant Laura Williamson outlined the results of the sector report process developed in the lead up to the World Summit on Sustainable Development and presented a proposal for taking the process forward. This was structured around three key themes (internal and cross-sector consultation, stakeholder dialogue and corporate citizenship) with the overriding objective of building capacity within industry to improve sector governance.

Group discussions on this proposal highlighted the difficulties that international industry associations and organisations encounter to engage developing world businesses, chambers of commerce and employers organisations. This, NGOs warned, introduces a bias to the reports and limits their benchmarking potential, both within and between sectors. In this context, mention was made of the fact that the GRI reporting guidelines provide a unique reference tool for sector reporting (albeit users need to be mindful of the difference in terms of readership between a company report and sector report). Participants agreed, however, that data collection is a more fundamental problem, as little consolidated information is available and improvements will be costly.

A far less demanding complement to bottom up data collection, industry pointed out, is the top down process of compiling and using best practice case studies from different regions, which was seen as a valuable benchmarking tool. In general, limited resources often cause associations to face a trade-off between addressing specific issues in-depth and reporting on a broader focus. As a consequence, participants agreed that cross-sector reporting has to be done on a topic-by-topic basis – and can have high value on issues such as improving energy efficiency. They further welcomed UNEP's role in giving impetus, providing a neutral platform to facilitate the process.

Two key themes for follow up appeared to be (i) indicators and data collection, and (ii) accountability. UNEP feels that a second, strengthened reporting process would be instrumental to build capacity on these (and other) areas, and will prepare a proposal on this.

Quality Management and Stakeholder Engagement to improve business practices

Claude Fussler of the World Business Council for Sustainable Development (WBCSD) presented the company performance model he developed with a working group under Global Compact Policy Dialogue 2002. Based on the example of quality management, the model is aimed at helping leading companies to be more responsive to universal principles and public expectations.

In a critique of the model, *Harsh Saini of Nike* noted the following: (i) The model tends to be too academic. (ii) It needs simplicity, in order to be more user friendly for smaller companies. (iii) It competes with existing tools. (iv) It would be interesting to collect success stories of companies using the model. Fussler argued that well-run large companies use the small company approach (the "empowered team") in a multitude of production places, sales offices, labs, etc. A quality model such as the one presented is suitable to all the elements that make a small team successful.

Responding to the role of reporting in the performance model, *Jacqueline Aloisi de Lardere* argued that companies should be asked to report against all nine principles under the Compact. This followed comments about Global Compact outreach, follow up and the role of governments in creating an enabling environment.

Information for Decision Making

The day closed with a presentation by *Patricio Bernal of the Intergovernmental Oceanographic Commission (IOC, UNESCO)* on how global observation systems can contribute to sustainable development.

Promoting Sustainable Consumption and Production Patterns

The second day started with an introduction by *Bas de Leeuw* of UNEP's proposal concerning a framework for promoting sustainable consumption and production patterns. He highlighted the intention of following a functional approach to define the interrelation between consumption and production more clearly. Participants were asked to consider possible activities in support of the foreseen work programme. During discussion mention was made of the importance of policies that can help bring about sustainable production and consumption patterns. Some argued that more work is needed to help governments reconsider the benefits of ecological tax-reform, extended producer responsibility, product liability rules, subsidy reform, and consumer information tools. In addition to the role of governments and the need for training in support of technology dissemination, discussion focussed on "convincing the consumer" issues. The latter highlighted considerations such as the sustainability of the product, getting appropriate information to consumers so that they can make informed choices, and the role of different cultures and beliefs when we determine "needs".

An overview of initiatives undertaken in Finland and Korea was given by *Camilla Lommi-Kippola* of the Finnish Ministry of the Environment and *Kim Jaiok* of the Citizens' Alliance for Consumer Protection in Korea. These include the launch of an energy efficiency movement in Korea and the start of a new consumption and production programme in Finland over the next two years. *Karim Dahou* of Environmental Development Action in the Third World (ENDA) reminded participants of the importance of trade, and how fragile local producers in Africa are in the face of global demand that encourages mass production and export of raw materials. A representative of the International Association of Universities confirmed the importance of revising educational curricula, offering to work with UNEP on this, whilst the Forest and Paper Associations representative noted the importance of sustainable procurement by government. The value of indicators and reporting in measuring progress was underlined by *Paul Hohnen* of the Global Reporting Initiative (GRI).

From discussion it appeared that UNEP could undertake the initial work under the foreseen programme, starting with thematic areas such as construction, mobility and education. Participants agreed to send UNEP additional comments on the proposal by 25 October.

UNEP Consulting with Stakeholders

The afternoon session covered consultation on sustainable development issues by companies, by associations and by UNEP. The new UNEP strategy for engaging civil society organisations was introduced by *Strike Makandla* on behalf of UNEP's Division of Policy Development and Law (DPDL). During discussion participants noted the value of the annual consultative meeting convened by UNEP as a forum to dialogue with associations and related stakeholders on global issues. Mention was also made of the resource problems small associations and NGOs face in attending international meetings.

Stakeholder dialogue by business was addressed by *UNEP consultant Clare Cocault*, who highlighted ways of moving from one-way consultation to two-way dialogue and the business case for multi-stakeholder dialogue (in terms of risk management, licence to operate and competition).

Richard Sandbrook gave feedback on his personal experience of the mining sector (MMSD process), providing practical advice such as the need to convene a first meeting in a neutral manner, diversifying the funding of participation, making sure representatives are truly representative, leaving the outcome open (not predetermined), not allowing participants to declare the moral high ground before the end of the process, applying consistent rules for evidence produced, and making sure the consultants employed are not self serving.

The subsequent panel discussion focussed on criteria for developing successful partnerships. *Jack Whelan of the ICC* highlighted good examples taken from the recent World Summit Business Awards for Sustainable Development Partnerships that was presented by the ICC in association with UNEP. A new partnership award scheme is being planned by the Stakeholder Forum with support of the German Government and in association with the IUCN and UNEP. *Minu Hemmati of the Stakeholder Forum* introduced the goals of this new project, which will focus on the WEHAB themes and Millennium Development Goals over the next ten years.

Giving a labour perspective, *Harrie Bijen of the ICFTU* underlined the importance of common interests in partnerships and dialogue. A multi-stakeholder dialogue process and capacity building can be mutually supportive. He also noted the need to engage also the micro companies and informal sector.

Looking at criteria for successful partnerships, *Miguel Araujo of the IUCN* argued that they need to be pragmatic, results oriented, transparent, accountable, participatory, mutually beneficial, innovative and catalytic.

Following plenary discussion, it was agreed that Clare Cocault will incorporate comments received and develop a new paper for presentation at UNEP's Global Ministerial Environment Forum (GMEF).

Offsetting greenhouse gas emissions from travel

The final item on the agenda was a presentation by *Jonathan Shopley, CEO of Future Forests*, of the Johannesburg Climate Legacy Project as an example of an innovative financing scheme for sustainable development. WSSD participants were given the option of paying for carbon emissions resulting from their travel to the Summit, money that will now be used in energy conservation projects in South Africa.

Closing Session: 15 years of Industry and Environment

The two day conference ended with a tribute to "15 Years of Industry and Environment", giving participants of the 19th annual consultative meeting the opportunity to join a formal farewell to UNEP DTIE Director Jacqueline Aloisi de Larderel. Special guest *Serge Antoine of Comité 21* gave a historical overview of the Paris office and described it as a success story example of the ability of UNEP to operate and catalyse change in a decentralised manner.