



Sustainable Development

ROUND TABLE ON SUSTAINABLE DEVELOPMENT

Some Personal Reflections on the Eve of the Johannesburg Summit

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This document is a background paper for the Round Table on Sustainable Development, which has as its theme "Preparing for the World Summit on Sustainable Development." The meeting will take place at OECD Headquarters, 2 rue André Pascal, 75016 Paris on 11 July 2002, starting at 9.00 am.

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Roundtable meetings at the OECD are an opportunity for a range of key players to engage, informally and frankly, on some of the difficult issues on the sustainable development agenda. For this meeting the Roundtable has, as is customary, developed some background material that pulls together in a highly condensed format, the essential dimensions of the main issues. Its interpretation is left to the reader.

As Chairman of the Roundtable, I have no privileged insights. But as a former Minister for the Environment and Minister for Development Assistance and, more particularly, Chairman of the 7th Session of the Commission on Sustainable Development in 1999, I have had a number of opportunities to gauge the sustainable development debate since Rio in 1992. What follows are some frank, *personal* observations that may stimulate discussion. It will take you 10 –15 minutes to read. I focus on five issues:

- Simplifying the agenda
- Market access & development assistance
- Understanding and measuring the path we're on
- The global commons
- Institutional reform

➤ **What are we all talking about?**

For some years now, those who wish to make progress have pleaded for an end to philosophising and a commitment to action. But over what field? The Brundtland Commission memorably summarised sustainable development as meeting “the needs of the present without compromising the ability of future generations to meet their own needs.” The Rio conference, which sought to give international momentum to that vision, was, explicitly, a conference on *environment and development*.

The output of that conference – the Rio Principles, Agenda 21 and some important environmental treaties – reflected the environmental concerns of (principally) the industrialised countries and the developmental aspirations of poorer countries. The latter agreed to engage on the environmental front provided their right to develop their resources remained completely unfettered (as had been the birthright of industrialised countries). The price of that engagement was a commitment by developed countries to remove roadblocks to development and actively help to build the capacity needed to lift societies out of poverty. To do so in a more sustainable way was the additional dimension.

It is a ‘deal’ of breathtaking scope. But it’s not an unlimited one. It sought to focus on specific environmental problems, and real barriers to development. And it aimed to see that the pursuit of human well being was not undertaken at the expense of environmental damage that would ultimately undermine human progress everywhere. Hence the focus on integrating policies that had previously been considered in isolation.

Yet since Rio, the sustainable development agenda has at times appeared to embrace the meaning of life itself. It has often been unclear what could possibly lie outside the agenda, so broadly is it conceived in its post-Rio version with three pillars – economic, social and environmental.

Now it might be objected that this is harmless enough; that sustainable development can embrace a wide range of issues – a sort of ‘thousand blooms’ approach to policy analysis - but that any well-informed person knows where the live issues are. But as a basis for practical action there is no substitute for prioritising the key problems and accepting that neither governments nor other bodies can seek to influence or steer every variable. We have neither the information nor the political mandates to do so. Looking for the key points of leverage and the relative gravity of problems (such as their potential irreversibility) is a big enough task.

There is a further risk: in the search for ‘balance’ between the three pillars, we end up in a world where everything is tradeable for everything else. In attempting to take an holistic approach, advocates for sustainable development have found themselves confronting a bewildering array of policy trade-offs that in practice are determined according to the political priorities of the moment. In short, we have risked emptying sustainable development of content by seeking to extend it to everything.

Returning to the Rio ‘deal’ and concentrating on the key environment and development priorities would be one way of regaining momentum.

➤ **Trade & Development Assistance – soft words or hard deeds?**

Given the nature of the Rio ‘deal’ and the timing of the Johannesburg conference, it is inconceivable that the adequacy of market access and official development assistance to developing countries will not feature. Market access is the more problematic of the two given recent events. Since it is the subject of a separate negotiating agenda agreed at Doha, it makes little sense to try to re-open the subject in Johannesburg aside from registering its cardinal importance for many of the poorest countries in the world.

On the development assistance front, the climate is more promising following the successful Monterrey conference on financing for development. Real additional commitments made there represent the most significant boost for the donor community in almost a generation. They come, however, after a significant *decline* in funding in the years immediately following Rio. So those countries that are relying on this part of the deal have good reason to be extremely cautious about what is now being offered.

In addition to that, there remains a real question about whether pledges are being sought in a useful way. For over 30 years now, a developed country ODA target of 0.7% of GNP has been the benchmark to aim for. Only a handful have met it while the majority continue to proclaim it as a target to ‘aim for’ knowing full well that they are never likely to achieve it. Aside from the questionable ethics of repeating targets that few intend to meet, there is a more practical question: just how meaningful is such a target today? Given the large number of quantifiable challenges (such as those posed by Geoffrey Sachs’ health report), does it not make better sense to link donor commitments to specific long-term goals? For all we know it might take much more than 0.7% of GDP to overcome some of the barriers to development (the Marshall Plan amounted to the equivalent of 1.5% of US GDP).

Whatever the case, it is hard to build a public constituency for significantly enhanced giving with the aid of abstract numbers. The Johannesburg summit could usefully break with tradition by leaving such general goals to one side and focus, instead, on the priorities to which development programmes should devote themselves. The Millennium Goals (some of which are described in the accompanying paper) provide a useful starting point. They are quantified and there are real price tags attached to them. Some of them could benefit from further refinement. For instance, the target of enrolling all children in primary school by 2015 will be meaningless unless there is a minimum quality to that education. Even more importantly, they need to be elaborated in a way that describes how they will be achieved in a way that supports a *sustainable* as distinct from an *unsustainable* development path.

➤ **Do we want to measure progress?**

One of the advantages of the millennium goals is that they are measurable – or can be made so. When attempts are made to link together the different strands of sustainable development, however, the picture becomes murky. The blame for this can, in part, be laid at the door of the all-embracing approach to

sustainable described earlier. Social, environmental and economic dimensions become tradeable, one for the other, so that almost any outcome can be claimed to be 'sustainable'.

Lurking behind this approach is the implication that there never was a hard core to what the Rio conference was about. And further, that if there is no minimum content to sustainable development as a policy paradigm, then there is no way of measuring whether our human development ambitions are environmentally sustainable. Such a conclusion would indeed be a break with what Rio set in motion, since considerable store was placed on the need to develop robust indicators that can inform decision-making about precisely this tension.

Even when the focus of measurement is applied to the more modest set of trade-offs surrounding environment and development, progress since Rio has been modest. This is so, notwithstanding a huge amount of activity in developing indicators at the national level. The problem has two parts to it – the underlying science and our ability to make sense of indicators at a global level.

Science

Science for sustainability is relatively uncontentious but vital. If we don't understand the limits or 'thresholds' in biophysical systems, we have no idea how much pressure we place on the environment before negative feedbacks overwhelm the development benefits. Equally, a lack of hard science could lead us to make some unnecessarily expensive decisions. The Precautionary Principle, as stated at Rio, states that "[W]here there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation." This cuts both ways. In the absence of good science, we may not be able to know what is really cost-effective.

Good science helped avert a disaster caused by ozone-depleting compounds. Only a comprehensive understanding of bio-geochemical cycles at the planetary level can give us confidence that risks we are currently running in respect of atmospheric chemistry, ocean circulation and biological diversity can be managed. Much has been done over the last ten years but in the process we have come to understand just how little we know.

A commitment to better-funded and co-ordinated research at the global level would give all parties more confidence that difficult efforts are indeed focussed on the right issues. Currently, global change science probably attracts about US\$500 million per annum across all countries. Compare this with the sums spent within single OECD countries on a wide variety of matters from medical to military research and a fair question can be raised about whether we have our priorities right.

Indicators

Indicators of sustainability have also been an area of intense activity since Rio. But they have proved to be much more controversial. The reason for this is not altogether surprising. Information that links together economic output and social development with environmental limits raises profoundly contentious distributional issues. If it can be established that there are limits to the 'footprint' human development can impose on biophysical systems, the future consumption pattern of rich countries and the development 'space' of developing countries are immediately seen to be in conflict.

Perhaps this explains why a wariness of indicators has found allies with, on the face of it, surprisingly little in common. Much of this goes back to the fact that analysis is conducted on a country by country basis – inevitably inviting comparisons. The ensuing 'beauty contest' – and the use to which it might put – causes many countries to adopt an extremely cautious approach.

But there are grounds for questioning whether national indicators of sustainable development (and many are in the process of development) are particularly meaningful. Certainly, data has to be collected at that level. But we live in an increasingly integrated, global economy. And nationally collected data can't tell us much about the impact of consumption on many of the really difficult threats to the global commons. Neither can bald national averages of living standards. Even quite poor countries can be home to significant minorities whose lifestyles and consumption differ little from those in developed countries.

Finding a way through the bewildering array of possible measures – and the political minefields raised by inappropriate inter-country comparisons – may seem to many a subject of academic interest. But without progress on this front, we will not be in a position to develop really meaningful measures of whether or not – for all our activity – we are making a difference. If we are happy to live with GDP as a yardstick of economic activity (even though it fails to measure many of the things that make life tolerable), it must surely be possible to find useful measures that can chart our progress towards sustainable development.

➤ **The Global Commons: Think *and* act globally – when you have to**

Rio spawned the challenge “*think global, act local*”. Obviously, it is the cumulative impact of local resource use that ultimately puts pressure on biophysical processes at the planetary level. But there are a limited number of issues that demand treatment at the global level. There is no ‘world government’ to appeal to, so tackling an issue at the global level requires a huge commitment of diplomatic and negotiating resources. For that reason, the number of fronts that can sensibly be tackled at any one time is strictly limited.

Since Rio, a huge array of subjects has been raised under the sustainable development banner. Many are not obvious candidates for global action. There will be those who underline the usefulness of exchanging views and knowledge at the global level. But whether that should be institutionalised through inter-governmental processes is another matter. The recent popularity of so-called ‘type two non-negotiated partnerships and initiatives’ provides a sensible way forward in many areas.

But so-called type two initiatives require the framework that inter-governmental processes can provide. This is nowhere more evident than in respect of the ‘global commons’ that lie beyond national sovereign jurisdictions such as the oceans and the atmosphere. If scarce diplomatic resources are to be galvanised at the global level, there is a strong case for focusing them on creating a framework of governance for these domains and the means to enforce rules relating to them. The intersection of any such regimes with national interests means that only painstaking inter-governmental processes can achieve durable outcomes.

There is no shortage of international treaties relating to the global commons that remain either incomplete or unratified. Here are some of the more important ones that relate to the global commons:

- The Straddling & Migratory Fish Stocks Agreement
- The Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas
- Convention on Persistent Organic Pollutants
- 1996 Protocol to the London Convention on Ocean Dumping
- Biosafety Protocol to the Convention on Biodiversity

Not surprisingly, the high seas pose some of the biggest problems with serious enforcement difficulties caused by the use of flags of convenience. There is still no basis for marine protected areas on the high seas even though countries would not consider having absolutely no provision for reserves on land.

Beyond the global commons, however, political good-will and interest is distinctly limited. To expend it on inter-governmental processes that, in the end, have no impact on national policies will invite a gradual erosion of interest and risk portraying sustainable development as the preoccupation of a self-perpetuating clique of negotiators and interest groups. This is increasingly the fate of the Commission on Sustainable Development (CSD) – Rio’s contribution to the stable of international forums.

➤ **The Commission on Sustainable Development**

The CSD was set up in the wake of Rio to “ensure the effective follow-up of the [Rio] Conference, as well as to enhance international cooperation and rationalise the intergovernmental decision-making capacity for the integration of environment and development issues and to examine the progress in the implementation of Agenda 21 at the national, regional and international levels...”

It would be hard to argue that the CSD has fulfilled any of these roles. To be successful, CSD needed swiftly to establish itself as a forum that no one wanted to miss. It’s multi-stakeholder remit held out the hope that ministers, academics, business leaders and NGO leaders would be able to engage frankly and constructively on some of the blockages to a more sustainable future. We have had, instead, a replication of the country-based negotiating mindset that has long prevailed in New York. The result is that a diminishing number of people relish the thought of attending given the extremely low expectations the CSD has been able to generate.

It need not have been this way. After all, the CSD has no power to do anything other than make recommendations to the Economic & Social Council of the UN (which in turn can only make recommendations to the General Assembly). It is truly amazing that a forum established to oversee policy debate and review practical implementation should have managed so quickly to transform itself into a process whereby the overwhelming focus is on negotiating consensus-based texts that reflect lowest common denominator positions.

Fortunately, another role for the CSD suggests itself. Rather than using it as a negotiating forum, it could become a catalyst for one-off, time-bound commissions that are set up to investigate and report on difficult issues that require international attention. We already have examples of what can be achieved in the results of the *World Commission on High Dams* and the *Commission on Macroeconomics & Health*. In both cases, useful reports have been assembled that provide the basis for frank analysis, debate and implementation by whoever chooses to take them seriously. CSD would be an excellent forum in which to debate such reports.

The key to making such a transformation work would be two-fold. In the first place, membership would have to embrace the sort of interests who currently attend CSD *including* elected ministers who can, thereby, start to reclaim a popular grass-roots mandate for the UN from its current diplomatic ownership. Secondly, such commissions would need to be supported by purpose built teams of experts assembled for the task. No permanent bureaucracy should be engaged. Rather, each Commission would seek to assemble teams of the best and the brightest for no more than two years after which the whole process would be terminated.

There are no ‘right’ answers here, but as a former CSD chairman I am acutely aware of ministerial disillusionment and waning interest in pursuing sustainable development issues at the global level. Certainly, it is hard to believe that further summits beyond Johannesburg can (or should) be generated by the current process.

➤ **Some concluding comments**

What would a successful outcome for the Johannesburg Summit look like? It all depends on your standpoint. Answered in diplomatic terms, success is commonly judged to be the conclusion of a political declaration. Sometimes, the mere fact that a declaration is achieved is grounds for claiming success. The content is secondary.

From a political point of view – and even more so from the point of view of businesses and NGOs – the value of any political declaration depends very heavily on its content. If the process of negotiation yields up a consensus text that represents a lowest common denominator, there is likely to be a sense of futility.

The prospect of such an outcome has led some to discount the importance of any inter-governmental engagement at the Summit. On this view, the Summit should seek to showcase many of the public/private ‘partnerships’ that have been attempted across a wide array of fields. This has undoubtedly been one of the more fruitful results of what was launched in Rio. But is it enough?

The truth is that governments hold the keys to many of the barriers that stand in the way of development. Trade barriers for instance, or subsidies, are creatures of government. As long as they persist, inter-governmental processes will remain engaged. Similarly, when it comes to many environmental pressures that cross borders and invade the global commons, governments are the only actors that can create the framework of rules and enforcement needed to curb harmful externalities.

Rather than seeing so-called ‘type-two’ partnerships as a substitute for government action, governments need to reflect on a different problem: are the institutions and instruments they have traditionally used to solve problems any longer suited to the sort of global community that is emerging? A repeated refrain by many businesses and NGOs is that they have transformed their modes of operation but governments haven’t.

The Johannesburg Summit will keep faith with the sustainable development agenda if it is able to confirm the crucial importance of **market access** and the vital role of **development assistance** in saving lives and building durable human resources and institutions in the world’s poorest countries. In parallel with that it must be able to give impetus to **protecting the global commons** on which all the world’s people rely.

Countries and stakeholders will almost certainly disagree on the best solutions in some cases. But there would be at least a focussed agenda to work on. Coupled with this is the need for a **much better scientific under-pinning** of the debate and **credible indicators** in which all countries have confidence.

A further modest, but important outcome, would be a commitment to commence a frank and open process to consider the sort of **institutions of inter-national governance** that are needed to match the sort of commercial and civil institutions that are rapidly emerging, in many cases spontaneously, at the global level. If Johannesburg could leave the negotiating mindset of the twentieth century firmly behind *in* the twentieth century by thinking laterally and flexibly about how global dialogue and rule-making should proceed, it would have done more than many dare to hope.

It goes without saying that to do that, countries would need to be prepared to challenge long-established reflexes that condition their approach to multi-lateral engagements. And that requires leadership by individuals who can engage others in their vision.

Whether we have that leadership remains to be seen. But the conditions for it may be more hopeful than many assume. In this regard, let me conclude with a personal anecdote. During my chairmanship of CSD7, I travelled to Brasilia to meet with one of the attendees at this gathering, Celso Laffr who was then

Brazil's trade minister. As someone whose career spanned the lead-up to the Rio and the summit itself, I was eager to learn from him how it was that the climate of optimism and hope that seemed to surround the Rio Summit had evaporated. His answer was magisterial: "*Rio was a Kantian moment*" he noted. "*We live today with Hobbesian realities*".

It is a profoundly important observation that is even more relevant today than it was in 1999. I also think it should be a source of hope. Euphoric moments are few and far between in international relations. They don't necessarily make for far-reaching, durable policy decisions. We have had a decade to come to grips with what was realistic and what wasn't at Rio. We are still coming to grips with a globalisation that is at once profound but far more complicated and dangerous than many had imagined. Hobbesian reality is an excellent starting point for cool-headed, far-sighted reasoning.

If leaders attending Johannesburg can demonstrate a grasp of the world as it has changed since Rio and talk candidly and frankly about things that have for too long been diplomatically removed from the agenda as being unmentionable or unresolvable they would make a breakthrough. *Citizens are not expecting lofty promises (which they know to be unfulfillable) or fresh treaties (which they suspect will be unimplementable). They do not hold high hopes for the Summit.*

It is an ideal climate in which to establish a new way of communicating, of establishing priorities on the basis of good analysis and supporting institutions that give the world community confidence to disagree where necessary rather than seek to paper over differences with words of consensus. It is time governmental processes matched the candour and flexibility that increasingly (but by no means universally) characterises dialogue between businesses and communities not just locally but regionally and even globally.

Success in Johannesburg requires, above all, an ability to carry forward whatever agenda is agreed upon. Without institutional reform that will be all but impossible.