

REPORT ON WORKSHOP ON DEVELOPING SUSTAINABILITY STRATEGIES IN ASIA

Bangkok, Thailand, 8-9 March 2007

Introduction

1. The workshop on *Developing Sustainability Strategies in Asia* was held at the UN Conference Centre in Bangkok, Thailand on 8-9 March 2007. It was co-sponsored by the OECD Horizontal Programme on Sustainable Development, the United Nations Division for Sustainable Development (UNDESA/DSD), and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The purpose was to review national sustainable development strategies (NSDS) in countries in Asia and the Pacific and their relationship to national development plans and poverty reduction strategies (PRS) with a view to better integration. This paper contains a short summary of the presentations and discussions in the four main sessions and the recommendations from the Workshop. The Workshop Agenda is given in the Annex.

Session 1: Challenges to Integrating Sustainability and Development

2. This session focused on the challenges to integrating sustainability and development as illustrated in the Asia and Pacific region. Economic growth in this region has been impressive over the past 40 years and has resulted in dramatic poverty reduction. Asia's share of world GDP has grown from 13% in 1960 to over 25% at present. This robust growth is expected to continue at a rate of 7% in 2007. Increasingly, what happens in Asia affects not only the 2.5 billion people that live there, but also the rest of the world.

3. However, rapid economic expansion in Asia and the Pacific has also had environmental and social costs. Growth has generated high levels of resource consumption, pollution and waste, with the costs of environmental degradation estimated at 4-8% of GDP in many countries. Asian cities are plagued by dirty air, low levels of sanitation, and scarce water supplies. In rural areas, ecosystems are strained by the unsustainable exploitation of natural resources. A large percentage of the poor remain dependent on habitats (agricultural systems, grasslands, forests, rivers, coasts) which are gradually being destroyed.

4. Nor has rapid economic growth resulted in overall better living standards. Fast-paced industrialisation processes and urbanisation remain juxtaposed against continuing poverty and growing social inequities in both urban and rural areas. While poverty has been alleviated in many parts of the region, some 620 million Asians still live on less than \$1 a day. And over 40% of the population live on less than \$2 a day. Sustainable development is part of the broader governance challenge facing many countries. Approximately half of the governments in the Asia and Pacific region have formulated national sustainable development strategies or action plans, but these countries still face serious problems in implementation while others are slow in developing sustainability approaches.

5. Discussion focused on the unique characteristics of the Asia and Pacific region which help and hinder in promoting governance for sustainable development. In this region, spiritual happiness and fulfillment tend to be values equal to material consumption. A fourth pillar of sustainable development is thus the more intangible concept of "happiness". In some countries (*e.g.* Bhutan), "gross national happiness" is considered to be a more important measure than gross national product. In Thailand, the

King has initiated a national development plan to 2011 focusing on a "Competitive and Self-Sufficient Economy", which roots sustainable development approaches in the national culture. The Pacific Islands Forum has also developed a sustainable development strategy for the region based on instinctive notions of spiritualism and focused on common sectoral problems and cultural issues. In Kazakhstan, their strategy is based on five principles: satisfaction of present and future generations, rational production and consumption patterns, conservation of eco-systems, links to national planning processes, and intersectoral co-operation. It was agreed that sustainability strategies in Asia and the Pacific must be multidimensional approaches founded in national planning mechanisms.

Session 2: Good Governance Approaches to Sustainable Development in Asia and the Pacific

6. Countries in the Asia and Pacific region are making progress in developing national sustainable development strategies (NSDS), which governments agreed to prepare as part of *Agenda 21* in 1992. Many of the non-OECD countries in the region are in the process of developing NSDS with technical assistance from the United Nations Environment Program (UNEP), the United Nations Development Program (UNDP), and UNESCAP. These include countries in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan); South Asia (Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka); the Greater Mekong Subregion (Cambodia, Vietnam, Myanmar, Thailand, Yunnan Province in China); and Mongolia in North East Asia.

7. Several countries, such as China, Kazakhstan, Indonesia, the Philippines and Vietnam, have based their sustainability planning on *Agenda 21* processes, which are valuable for making links to sub-national governments to leverage their involvement. The China Agenda 21, first formulated in 1994, is the basis for the programme of action for sustainable development in the 21st Century. This focuses mostly on developing sustainable energy strategies, including greater substitution of renewables, and on reducing population growth. Vietnam, which is a pilot country for the UN "Delivering as One" approach, has made advances in integrating sustainable development concepts in the national development plan through its Agenda 21 Office. The Philippine Agenda 21 (PA21) serves as the planning document for policy integration and includes a set of indicators to monitor progress towards sustainable development objectives.

8. Other countries, such as Cambodia, Mongolia and Thailand, are building on their national development plans to formulate sustainable development strategies. Mongolia established a National Council for Sustainable Development, chaired by the Prime Minister, which is engaged in developing an NSDS based on the Mongolian Action Program for the 21st Century (MAP-21). Pakistan is basing its NSDS on the National Conservation Strategy. Sri Lanka, which was the first country in Asia to prepare a National Environmental Action Plan (NEAP), is mainstreaming environmental concerns into sectoral development plans through its draft NSDS. The island of Tuvalu, which ascribes to the *Programme of Action for the Sustainable Development of Small Islands Developing States*, held a national conference to map out a strategy link to its environmental action plan.

9. Discussion focused on the problems which persist in obtaining sufficient political commitment for developing and implementing sustainability strategies. A lack of institutional capacity and weaknesses in legislative and regulatory frameworks remain a constraint to integrated planning processes and keep sustainable development plans compartmentalised in single agencies. These strategies are generally not linked to national development plans nor involve a range of ministries. It was suggested that countries in the region are also suffering from "UN fatigue" owing to reporting demands from several different international agencies. Financial support to advance sustainable development strategies is still difficult to attain in Asia. Approaches for involving stakeholders, promoting sustainable local governance, and informing the public are evolving only slowly.

Session 3: Increasing the Role of Stakeholders in Sustainability Strategies

10. This session assessed the role of stakeholders in developing and implementing sustainability strategies, particularly through National Sustainable Development Councils. A main tenet of sustainable development is openness and inclusiveness, underlining that these strategies should be transparent, multi-stakeholder processes. The development and implementation of sustainability strategies should involve groups such as environment and development NGOs, business, unions, farmers, youth, women and indigenous people. In Europe, the councils themselves are coordinated through the network of European Environmental and Sustainable Development Advisory Councils (EEAC).

11. Many OECD countries have national councils that bring together governments and stakeholders to discuss sustainability strategies. Some include governmental and non-governmental representatives in the same body, while another approach is where stakeholders meet together separately and then provide advice to governments. Countries should adopt structures for including stakeholders which are based on their political experiences and culture, but should be sure to involve business, unions and NGOs in the strategy process.

12. Some countries (including Japan, Korea, Mongolia, the Philippines, and Thailand) have established National Sustainable Development Councils as vehicles for involving a range of stakeholders in sustainable development strategies. The Philippine Council for Sustainable Development (PCSD) was established in 1992 to help coordinate sustainable development initiatives in the country. The Thai National Council for Sustainable Development was set up in 2000 to include more civil society and business participants in sustainability planning. Similarly, the National Council for Sustainable Development in Mongolia was created in 1996 to coordinate government, business and NGO representation in sustainable development activities. Elsewhere, Earth Council structures are used to integrate civil society in government planning.

13. Discussion focused on the effectiveness of these approaches. Unfortunately, many of the sustainable development councils in Asian and Pacific countries have not met on a regular basis and remain ineffective in influencing government policies towards sustainability. Governments in the region have not created a political climate conducive to encouraging outside participation in decision-making processes. Nor have countries realised the importance of the gender dimension of sustainable development and the need for gender mainstreaming of policies. OECD countries should demonstrate how stakeholder involvement can provide insights and stimulate informed debate as well as increase public awareness and acceptance of sustainable development objectives.

Session 4: Integrating Sustainability into Development Planning and Development Co-operation

14. This session featured representatives from international organisations discussing how to achieve greater integration of sustainability concerns in development planning. In addition to the OECD, the World Bank, the International Monetary Fund (IMF) and the United Nations Development Programme (UNDP) were on the panel. It was generally agreed that tackling environmental degradation and social inequities are preconditions for reducing poverty. Financial resources alone are not sufficient.

15. With regard to bilateral donors, the 2006 OECD Ministerial Meeting between the Environment Policy Committee and the Development Assistance Committee (DAC), which coordinates 90% of official development assistance from bilateral donors, recommended that instruments be developed for better integrating local and national environmental factors into national development plans. Ministers also discussed integration of climate change adaptation mechanisms into development planning. In general, sustainable development perspectives, *i.e.* attention to environmental and social concerns, should be a greater part of monitoring of the *Paris Declaration on Aid Effectiveness*.

16. The World Bank and the International Monetary Fund (IMF) are giving greater emphasis to the integration of environmental factors in poverty reduction strategies (PRS). Intended to help the least-developed countries secure debt remission and low-cost loans, PRS are agreed spending frameworks based on a country's macroeconomic and structural policies and external financing needs. Updated every three years, PRS provide the programmatic basis for co-operation between developing country governments and donors. However, studies show that the average level of mainstreaming environmental and social concerns into PRS is still low. The funding programmes of international organisations such as the World Bank and IMF must be aligned with the priorities and strategies of the recipient countries, where awareness of these issues should be increased.

17. The United Nations Development Program (UNDP) and regional funding organisations such as the Asian Development Bank (ADB) are putting higher priority on sustainability aspects in their assistance programmes. For example, the ADB has established a Poverty and Environment Fund (PEF) to support environmental interventions that reduce poverty and improve the capacity of poor people in Asia to contribute to environmental management. The UNDP is helping countries implement strategies and approaches for achieving the multifaceted Millennium Development Goals (MDGs), which include environmental and social targets. The MDGs could serve as integral policy goals for national sustainable development strategies.

18. Discussion focused on how international and regional organisations could increase the coherency of their development co-operation and assistance approaches, ensuring their conception and delivery in sustainable development terms. Development planning in the Asia and Pacific region, as in other parts of the world, needs to link economic, environmental and social concerns. Action plans for development, sustainable development, poverty reduction, and achieving the MDGs remain disjointed in most countries, which endangers the achievement of their overall objectives. One avenue to improved policy coherence in Asia and the Pacific is through sustainable development strategies which build on existing mechanisms and plans.

Session 5: The Way Forward

19. This session presented proposals for moving forward on developing more integrated sustainability approaches at country level. These do not necessarily have to be called national sustainable development strategies, but should have certain desirable characteristics: they should: 1) link economic, environmental and social concerns, 2) go beyond the environment, 3) build on existing planning mechanisms, and 4) connect to budget processes.

20. Other workshop recommendations were to:

- 1) expand the role of stakeholders in developing sustainability strategies through establishing sustainable development councils or other mechanisms (*e.g.* the European Environmental and Sustainable Development Advisory Councils (EEAC));
- 2) develop networks of practitioners to share experiences and good practices in sustainability approaches (*e.g.* the European Sustainable Development Network (ESDN));
- 3) extend peer reviews and shared learning experiences on sustainable development strategies (*e.g.* the reviews of France, Korea and the Netherlands by the European Commission and the United Nations); and
- 4) strengthen co-operation among international and regional organisations and bilateral donors in promoting sustainability strategies in accordance with the proposals given in **Box 1**.

Box 1. Proposals for coordinated action on sustainable development

The “sustainable development partners” – including international and regional organisations and bilateral donors – will work together and coordinate activities to:

1. *Policy integration* – promote the development of sustainability strategies at country level as integrating frameworks for achieving economic, social and environmental objectives based on existing tools and frameworks.
2. *Capacity-building* – enhance country capacity to develop and implement sustainability strategies and related good governance practices in accordance with mechanisms of social and economic planning.
3. *Financial planning* – ensure the integration and complementarity of sustainability strategies with national planning and budgeting frameworks, including poverty reduction strategies (PRS).
4. *Environmental awareness* – ensure proper treatment and awareness is given to environmental variables in development plans and co-operation, including natural resources, pollution, energy use and efficiency, responses to multilateral environmental agreements and conventions, etc.
5. *Social awareness* – ensure proper treatment and awareness is given to social variables in development plans and co-operation, including employment, access to education and health care, equity and income distribution, gender, sustainable livelihoods, etc.
6. *Impact assessment* – assist national governments in developing sustainability assessment methodologies to identify synergies and trade-offs across economic, social and environmental dimensions of national policies, plans and strategy options.
7. *Indicators and targets* – make commitments to upgrade national statistical systems and develop indicators to assist in monitoring progress in sustainability strategies and in meeting the Millennium Development Goals.
8. *Transparency and participation* – promote the principles of multistakeholder participation to increase transparency, public participation, consultation and consensus building in implementing sustainability strategies.
9. *Monitoring and evaluation* – engage in joint monitoring and shared learning of country progress in implementing sustainability strategies in accordance with agreed criteria.
10. *Reporting* – streamline national requirements for reporting on national sustainable development strategies, poverty reduction strategies, MDGs, etc.

ANNEX: WORKSHOP AGENDA

	<p>Thursday, 8 March 2007</p> <p>WORKSHOP CHAIR: GUN-BRITT ANDERSSON, Swedish Ministry of Foreign Affairs and former Swedish Ambassador to the OECD</p>
9h15 – 10h00	<p>Opening Remarks</p> <ul style="list-style-type: none"> • Kim Hak-Su, Executive Secretary, UN Economic and Social Commission for Asia and the Pacific (UNESCAP) • JoAnne DiSano, Director, UN Division for Sustainable Development (UNDESA/DSD)
10h00 – 13h00	<p>Session 1: Challenges to Integrating Sustainability and Development</p> <p>Overview: Rae Kwon Chung, Director, Environment and Sustainable Development Division, UNESCAP</p> <p>Discussants:</p> <ul style="list-style-type: none"> • Asdaporn Krairapanond, Director, Ministry of Natural Resources and Environment, Thailand • Padma Lal, Sustainable Development Advisor, Pacific Islands Forum Secretariat (PIFS) • Bakhyt Yessekina, Academy of Public Administration, Kazakhstan <p>General Discussion</p>
13h00 – 14h30	<p>Lunch</p>
14h30 – 16h00	<p>Session 2: Good Governance Approaches to Sustainable Development in Asia and the Pacific</p> <p>Overview: Surendra Shrestha, Regional Director and Representative, United Nations Environment Programme for Asia and the Pacific</p> <p>Discussants:</p> <ul style="list-style-type: none"> • Muthusamy Suppiah, Principal Assistant Director, Economic Planning Unit, Malaysia • Xu Huaqing, National Development and Reform Commission, People's Republic of China • Nguyen Duc Thang, Agenda 21 Commission, Vietnam • B. Khuldorj, Secretary General, National Council for Sustainable Development, Mongolia <p>General Discussion</p>

	Friday, 9 March 2007
9h00 – 10h30	<p>Session 3: Increasing the Role of Stakeholders in Sustainability Strategies</p> <p>Overview: Guenther Bachmann, European Environmental and Sustainable Development Advisory Councils (EEAC)</p> <p>Discussants:</p> <ul style="list-style-type: none"> • Chaiyod Bunyagidj, Executive Director, Thailand Business Council for Sustainable Development • Ella Antonio, Director, Earth Council-Asia Pacific • Yukiko Oda, Chief Researcher, Kitakyushi Forum on Asian Women (KFAW) • Chang-hyun Shin, President, Korea Environmental Dispute Institute <p>General Discussion</p>
13h00 – 14h30	<p>Lunch Keynote Speaker - Akio Morishima, Chair, Board of Directors, The Institute for Global Environmental Strategies (IGES), Japan</p>
14h30 – 16h00	<p>Session 4: Integrating Sustainability into Development Planning and Development Co-operation</p> <p>Overview: Remy Paris, Development Co-operation Directorate, OECD</p> <ul style="list-style-type: none"> • Akira Ariyoshi, Director, Regional Office for Asia and the Pacific, International Monetary Fund (IMF) • Jitendra Shah, Country Sector Coordinator for South East Asia, World Bank • David Abbott, Pacific Sub Regional Centre, United Nations Development Programme (UNDP) • Phillippe Allen, AusAID, Counsellor on Development Co-operation, Australia <p>General Discussion</p>
16h00 – 17h00	<p>Session 5: The Way Forward</p> <ul style="list-style-type: none"> • Kathleen Abdalla, Chief, National Information, Monitoring and Outreach Branch, UNDESA/DSD • Candice Stevens, Sustainable Development Advisor, OECD <p>General Discussion</p>