

The world in need of fundamental change: Key Issues for Rio+20

The expectations for the Rio+20 outcome are inextricably linked to the unfulfilled commitments and promises of the 1992 Rio Conference on Environment and Development, the accompanying three conventions and the subsequent United Nations agreements and action plans.

The paradigm shift from unsustainable economic growth models to sustainable development was a commitment at the highest political level but this has not taken place.

Today income inequalities between and within States are pervasive. World exports have increased almost 5-fold while world per capita income has more than doubled. However, the top 20% of the population enjoys more than 70% of total income and those in the bottom quintile get only 2% of global income.

The starkly unfair distribution of wealth from globalization and economic growth is epitomized in the United States as seen in a study released by the US Congressional Budget Office on 25 October 2011 that found that the average after-tax real income of the top 1% of the country's households grew by 275% between 1979 and 2007 - about seven times greater than the increase in income by the remaining 99% over the same period. Meanwhile the income of the poorest 20 per cent of the earners in the US grew by only 18% during that period, less than 1% per year.

That distorted distribution of economic wealth is the high price of a deregulated and destabilizing international financial system, and a multilateral trade system that is largely characterized by rules that are not balanced, operating to the disadvantage of developing countries. This system favours transnational corporations and a minority of the population. When financial and economic crises hit, the majority, especially the poor, bear vastly disproportionate impacts.

At the same time, the ecological crisis from resource depletion to pollution and climate change has worsened since 1992. Social marginalization, and even exclusion, is on the rise despite some progress in the social dimension in several developing countries. In recent years and increasingly so, developed countries are also going through social tensions and upheavals.

Developed countries also agreed to take the lead in shifting from unsustainable consumption patterns but these have remained largely unchanged, and instead spread to developing countries with the wealthy adopting similar lifestyles while poverty eradication continues to be elusive. With income inequalities sharpening in all countries, over-consumption and unsustainable consumption dominates production choices (and hence natural resources use and financial resources allocation) while the poor and marginalised are deprived of a dignified standard of living.

The disenchantment of expectations on the part of young people, women, indigenous peoples, rural and urban poor and other marginalized populations across the world, as well as a middle class under threat, constitutes perhaps an unprecedented challenge for governments and the UN in the next few months as we prepare for Rio+20.

Reaffirm the Rio 1992 Principles and re-commit to implement the agreed sustainable development agenda

There are already sustainable development principles and frameworks adopted in 1992 followed by subsequent programmes, action plans and measures worked out at each session of the Commission on Sustainable Development, as well as the relevant treaties and conventions. Between 1992 and 1997 there was a high level of activity as a result of the high political commitment at Rio 1992 – many developing countries made efforts to formulate national sustainable development strategies and policies, a number established national sustainable development bodies and mechanisms, Local Agenda 21 was a framework undertaken by local governments in several countries and the CSD sessions themselves were engaging and productive.

The “Rio Conventions” on climate, biodiversity and combating desertification and land degradation are beyond environmental agreements but rather legally binding agreements that require development paradigm shifts in accordance with the principle of common but differentiated responsibilities, that is based on equity and the historical responsibility of developed countries.

Components of the sustainable development agenda are also in the outcomes of the UN Summits and Conferences since 1992 including on social development, women, financing for development, the impact of the global financial and economic crisis on development, least developed countries, small island developing states etc...

There is also further evolution of human rights as a cross cutting dimension for sustainable development, in particular the adoption by the General Assembly of the UN Declaration on Human Rights, the contributions of the UN Special Rapporteurs on the Right to Food and on the Right to Health, and emerging work on indicators based on the International Covenant on Economic, Social and Cultural Rights, including the United Nations Declaration on the Rights of Indigenous Peoples.

Rio+20 must therefore focus on implementation.

Today the implementation gaps of the sustainable development agenda are widely acknowledged and it is crucial for Rio+20 to acknowledge the fundamental causes for the implementation failure. These include:

- Overshadowing of the sustainable development agenda by globalisation (characterized by economic liberalization that has created ecological and social crises, increased concentration of wealth in a handful of large corporations in each sector (industry and finance) and undermined the policy autonomy and space of States.) Such globalization has itself created economic crises further exacerbating social tensions, conflicts and political destabilization;
- Weakening of multilateralism that is crucial for sustainable development by continuing unilateralism (such as trade protectionism and rejection of some of the Rio principles and even the Conventions by some countries);
- Disproportionate influence of global economic institutions and their lack of public accountability, including to the UN;
- Lack of implementation means (finance, technology and capacity building) that was an integral part of the 1992 Rio global sustainable development partnership with governments at the core of that partnership and developed countries committing to provide the implementation means;
- Lack of integration of the 3 pillars of sustainable development at all levels of policy and governance despite initial efforts in the 1990s and numerous UN commitments and programmes related to the 3 pillars.

Thus there is an urgent need to reaffirm the internationally agreed principles contained in the Rio de Janeiro Declaration on Environment and Development of 1992, in particular the fundamental principle of common but differentiated responsibilities, as the political framework for sustainable development.

Secondly, political commitment must be renewed to implement the agreed sustainable development agenda, building on accumulated knowledge and experiences over the past 20 years, starting with Agenda 21 and the Johannesburg Plan of Action.

Thirdly, a “revitalized global partnership for sustainable development” must be based on States resuming their responsible role and asserting policy autonomy as a counter to the unfettered market forces that are causing instabilities at all levels. Accordingly, Rio+20 must revive the work of the UN on a global framework for corporate accountability.

Fourthly, in any private-public sector collaboration there is a need to ensure independence of public policy and governance from undue influence by the private sector, especially transnational corporations and large enterprises. There is a need to distinguish these from family and community enterprises and small and medium sized enterprises that are often left out of consideration or not given their due recognition.

Fifthly, recognizing the importance of appropriate technology for sustainable development, Rio+20 needs to establish an intergovernmental body on technology that facilitates technology transfer and innovation (and deals with barriers such as intellectual property rights) and builds capacity for technology assessment. The CSD in its first session had already stressed the need for technologies to be assessed for their health, safety, environmental, economic and social impact.

Rebuilding confidence and seeking consensus for post-2012 implementation

Confidence building is needed in the next few months due to the retreat by most developed countries of their international sustainable development commitments, and even the rejection by some of the principle of common but differentiated responsibilities (CBDR). Since equity is the necessary framework for operationalising sustainable development at all levels, the emerging divergence of views on CBDR in various multilateral fora where decisions and commitments are being negotiated raises deep concerns.

UNGA Resolution 64/236 called for discussion and refinement of “a green economy in the context of sustainable development and poverty eradication” as one of the 2 themes.

However, it is clear from the preparatory process and numerous related discussions that there is still no universally accepted definition or common understanding on the term “green economy”. While parts of the UN system such as ESCAP have facilitated Member States in arriving at some common understanding of green growth, its details and operationalisation remain unclear to most governments.

At the same time concerns by many developing countries are being reiterated especially on the substitution of the sustainable development framework by an undefined concept of green economy, trade protectionism and new conditionality for development assistance.

However, it is also emerging strongly from the preparatory process, especially the regional preparatory meetings (including those of civil society and Major Groups prior to each regional meeting), the Beijing Symposium and the Delhi Ministerial Dialogue that there is a growing consensus on reaffirming the Rio principles and sustainable development framework at the international level and allowing national strategies to be formulated that can integrate better the 3 pillars along the best principles, approaches and practices. In these efforts the best of the “green economy” could be assimilated within the sustainable development paradigm and the context of national and (sub) regional realities.

Instead of a disproportionate focus on the green economy theme and on goals and roadmaps at this juncture that could undermine confidence building and consensus at Rio+20, the Outcome document could address the widely expressed concerns (this is gaining support from Member States) and reflect the above growing consensus.

Institutional framework for sustainable development

The UN is the primary forum for an Institutional Framework for Sustainable Development (IFSD) for the integration of the three pillars of sustainable development and the implementation of the sustainable development agenda. In this context, there is an urgent need to strengthen institutional arrangements on sustainable development at all levels in accordance with the Rio principles, especially common but differentiated responsibilities. The meaningful participation of developing countries in the IFSD is also a key principle.

Multilateral environmental agreements have increased in number in response to environmental challenges and effective leadership is needed to address policy fragmentation, and avoid overlapping and duplication. Major agreements such as the 3 “Rio Conventions” are in fact about sustainable development requiring fundamental shifts in all the 3 pillars to deal with climate change, biodiversity and land degradation. Accordingly the institutional framework needs to facilitate the interface and integration of the 3 pillars.

To accomplish this integration of the three pillars and achieve sustainable development, the IFSD should at least meet the following functions:

1. Identify specific actions to fulfil the sustainable development agenda, starting with the implementation Agenda 21 and the Johannesburg Plan of Action
2. Provide support to regional structures and national mechanisms in developing and implementing their national sustainable development strategies
3. Provide support for developing countries to participate meaningfully at the international and regional levels of decision making
4. Provide guidance and identify specific actions in order to fulfil the sustainable development agenda
5. Monitor progress in the implementation, including commitments for provision of means of implementation and recommend actions to correct and address challenges
6. Assess the balanced integration of the 3 pillars in the international system and establish the necessary mechanism to follow up commitments on sustainable development and to identify weaknesses or gaps that affect the full implementation of the sustainable development agenda
7. Promote the participation of civil society in the sustainable development agenda.

The IFSD requires adequate Secretariat actions and functions. These include: (a) Research, analysis and reports and recommendations, to alert governments and the public of trends and developments and to give alerts on emerging problems; (b) Provide technical assistance and advice in general; (c) Make arrangements for convening meetings, reports and follow up on the outcomes.

The IFSD should take a balanced approach to the three pillars, so that each pillar is equitably developed in concepts, outcomes and actions. There should be cross-fertilisation and cross-referencing between the three pillars. For example, the social pillar has to take account of the economic and environmental dimensions; the economic pillar has to take account of the social and environmental dimensions; and the environment pillar has to take account of the social and economic dimensions. In some issues, the connections are even more obviously direct, for example, the management of energy and water resources have to link to access of the poor to energy and water resources.

Further, the following would enhance the IFSD:

1. ***Creation of a Council on Sustainable Development under the General Assembly:*** This would be the umbrella organization, building on the experience and roles of the Commission on Sustainable Development, with the core function of the Council being the integration of the three pillars, the development or updating of the general sustainable development principles, and the international cooperation components of finance, technology and capacity building. This general component could include mechanisms for

coordinating among the agencies, committees or secretariats of the three pillars; the mobilizing and operations of finance and technology transfer; and the convening of high-level meetings of Ministers or Heads of Governments and States on “Sustainable Development” overall in which the issues of the three pillars are on the agenda. The Sustainable Development Council is a necessary component to ensure that all three pillars of sustainable development are intact and integrated, while providing a platform with elevated status and mandate to address the issues adequately.

Under this umbrella architecture, there should be more time given for the convening of meetings on specific sustainable development pillars and issues, for example climate change, biodiversity, financial and economic issues, intellectual property and sustainable development issues in general where there is now a felt need for more time for intergovernmental discussion. There would be space to explore new mechanisms or better coordination for important but relatively neglected issues such as water or energy. There can be more time for more effective mobilizing of financial resources and technology development and transfer.

2. *International financial architecture reform: International financial architecture reform:* the latest series of financial crises has not triggered the political momentum for the much needed reform of the international financial architecture largely due to the reluctance of the major developed countries to make this a priority at the UN and the international financial institutions (IFIs) or to put in place a rigorous regulatory framework on the private financial sector. The UN has a legal mandate in its Charter to deal with financial issues and Member States have adopted far reaching recommendations in the wake of the 2008 financial/economic crisis. Rio+20 needs to provide political commitment for the needed reforms as the road to Rio continues to be paved with fresh financial scandals.

3. *Fair and equitable trade rules:* the current impasse at the World Trade Organisation largely reflects the rejection by many developing countries of further liberalization that undermines sustainable development and the imbalances in the existing agreements. For example, implementation of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) is violating the right to affordable medicines and access to information, facilitating private expropriation of seeds, plants, animals, microorganisms and traditional knowledge, and restricting technology transfer and innovation. The growing trade disputes over subsidies for renewable energy technologies and products and other climate related unilateral trade restrictions between developed and developing countries reveal the flaws in existing rules.

At the same time there is a proliferation of bilateral free trade agreements (mostly between developed and developing countries) that go beyond trade to almost every aspect of a country’s development and require liberalization beyond WTO requirements, undermining sustainable development.

Thus, there is a need for existing trade rules to be reviewed to assess if they have contributed to sustainable development or have undermined it for eg: trade rules on agriculture which allow the dumping of subsidised food products from developed countries on developing countries, thus displacing farmers and food production. There has also been increasing discussion on the need for trade and investment agreements to be assessed for their human rights impacts, such that States can ensure that the agreements they conclude are consistent with their obligations under international human rights instruments.

4. *ECOSOC to play its mandated role:* the socio-economic policy role of ECOSOC and its coordination role vis-à-vis the various functional commissions have been discussed and refined over the years and its relationship with the proposed Council on Sustainable Development would need to be defined.

5. *Broaden UNEP's mandate and increase its resources:* UNEP should be enabled to function to support developing countries in the implementation of the sustainable development agenda, assisting countries with formulating their institutions, action plans, policies, laws and implementation mechanisms; assisting countries to obtain information, knowledge, technologies, good practices, recovery from natural disasters, etc., and fostering more effective coordination and cooperation in implementation activities among policy-formulating and implementing agencies, at international and regional levels, and at the national level.

Sustainable Development Goals

The proposal of Sustainable Development Goals (SDGs) has gained support and traction since 2011. Originally proposed by Colombia and later endorsed by Guatemala and Peru, it seeks to advance a set of commonly agreed sustainable development goals for all nations to progressively implement. However, the relationship of the SDG concept and specific goals with the overall development agenda is still unclear.

Discussions on SDGs should not pre-empt, or undermine, discussions on the post-2015 MDG agenda or the discussions to reform the international financial architecture.

Before considering or approving the concept any further, it is important to understand how these goals can/should allow for differentiated approaches among countries in conformity with the principle of common but differentiated responsibilities and how these/this would reflect an integrated and balanced treatment of the three dimensions of sustainable development.

Initial discussions at the intergovernmental level indicate a focus on the environmental dimension of these goals. These would create a conflicting approach and structure with the MDGs that focuses on broader development objectives (albeit not comprehensive), undermining the call for a balanced/coherent approach to sustainable development. This discussion must therefore take place in the General Assembly.

Before defining a list of SDGs, it is essential to determine the context, obligations, scope and principles. These should be driven by and in adherence to the principles and commitments agreed in Rio 1992, Johannesburg 2002 and the other relevant UN conference outcomes over the past 20 years. For now, it is too early to begin listing sectors and putting forward quantitative proposals.

Nevertheless, in accordance with the discussions in preparation for the Rio+20 conference, it seems appropriate for any goal to be ambitious and to address systemic flaws and obstacles, including as a result of bilateral and regional free trade agreements that weaken the capacity of developing countries to achieve both sustainable development and equitable growth.

Some of these goals should include global financial and trade reform, debt relief/debt cancellation, regulation of the financial market etc., towards achieving sound global economic governance, as well as goals for strengthening the social and environmental dimensions. These goals should be accompanied with measures to prevent and respond to financial and economic crises and support sustainable development; prevent austerity programmes in countries without sovereign debt problems; prevent excessive debt creation, and speculation, especially in the commodities market and natural resources management as new areas of instability; regulate speculative capital flows to prevent currency instability and bubbles, and provide policy space for developing countries to control such flows; prevent debt crises and manage them when they happen through orderly debt restructuring/resolution and MDG fulfilment as a minimum base; ensure emergency financing for developing countries (including through financial transaction tax revenues, levies and Special Drawing Rights allocations) when excessive commodity price volatility occurs through exogenous shocks or through no fault of their own commodity prices fall drastically, etc.

Additionally, rather than trying to 'invent' and lock in new goals, the discussions on potential SDGs should seek to incorporate existing internationally agreed goals, including the existing commitment of 0.7% ODA and other Monterrey commitments on Financing for Development and debt cancellation.

The preparation process for discussion on this subject should also review the appropriate use of tariffs and subsidies to enable sustainable development and allow for policy space in developing countries.

In addition, there is need to ensure obligations are imposed on foreign investors. In particular, the trend to entrench investor-state dispute rights for corporations, needs to be reversed and obligations such as those in the UN Code of Conduct on TNCs (aborted in the aftermath of Rio 1992) be reinstated.

Further, the IMF's demonstrated pro-cyclical fiscal and monetary conditions and policy advice should not derail the goals of productive investment in social and human needs (education, health, pensions), affordable credit for loans and SME financing, and economic diversification and value-added gains in multiple sectors.