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Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development and analysis of the themes for the Conference

Report of the Secretary-General

Summary

The concept of Sustainable Development is like a bridge. It seeks to bring together not only the three domains—economic, social, and environmental—but also developed and developing countries, governments, businesses, and civil society, scientific knowledge and public policy, the city and the country, and present and future generations. It also created the awareness that environment and development were not two separate agendas but two faces of the same agenda. Development is the midwife of sustainability, just as sustainability is the life support system for development. At its advent over two decades ago, this idea offered tremendous excitement and hope. The time has come not only to review and assess what has been achieved on the basis of this vision, but also to build upon it and revive its promise of integration, unity, and aspiration—the Spirit of Rio.

This report is to support the first meeting of the Preparatory Committee for the UN Conference on Sustainable Development (UNCSD) authorized by GA Resolution 64/236. In accordance with the text of the Resolution, the report provides an assessment of the progress and gaps in implementation of sustainable development decisions since 1992, as well as a review of the two themes of the Conference—namely Green Economy in the Context of Sustainable Development and Poverty Eradication, and the Institutional Framework for Sustainable Development.

¹ A/CONF.216/PC/1

The assessment of progress is based on four mutually complementary yardsticks:

- (a) **Separate:** Some progress has occurred in each of the three dimensions—economic development, environmental protection, and social development—but there are important gaps.
- (b) **Joint:** There is evidence of progress towards convergence between the economic and social pillars, but far more limited evidence of convergence than between these and the environmental pillar, where the overall picture is one of divergence. The progress to date is also threatened by the series of crises that have affected the global economy starting in 2008.
- (c) **Commitments:** There are indications of progress on the fulfillment of some of the commitments made by Governments and other stakeholders at major global summits, including integrated policy and strategy development, institutional development, and international cooperation in financing, technology transfer and capacity building. However, many commitments have not been actualized in practice, and there is evidence of fragmentation of policies and actions.
- (d) **Contextual:** Situating recent trends within the longer term context, the emerging crises have imbued a sense of urgency to environmental as well as developmental objectives.

The analysis of the two themes of the Conference is based on the existing literature as well as the contributions of Member States, Major Groups and UN entities.

The green economy approach is an attempt to unite under one banner a broad suite of economic instruments relevant to sustainable development. The report sets out the history of the concept, the contributions of various organizations and their conceptual frameworks, and a set of questions on which further work is needed, especially in order to make it relevant to sustainable development and poverty eradication.

The report also provides a broad picture of the institutions for sustainable development that have been established thus far, with a special focus on CSD and UNEP in the context of the IEG process. It identifies the key functions that need to be kept in mind when considering alternative proposals for the strengthening, support, and reform of existing institutions or creation of new ones.

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I. Introduction

1. In GA resolution A/64/236, paragraph 21, Member States called for a UN Conference on Sustainable Development (UNCSD) to be organized “at highest possible level” in 2012, with three objectives, namely securing renewed political commitment for sustainable development; assessing the progress to date and remaining gaps in implementation of the outcomes of the major summits on sustainable development; and addressing new and emerging challenges. To this end the Conference “will result in a focused political document”. The Resolutions stipulates two specific themes for the Conference:

- a green economy in the context of sustainable development and poverty eradication, and
- the institutional framework for sustainable development.

2. In terms of process², the resolution calls for three Preparatory Committee meetings, lasting a total of 8 days between 2010 and 2012, and requests the Secretary-General, in preparation for the first meeting, to submit a report on “progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development”, as well as an analysis of the two Conference themes.

II. Overview of Report

3. The expectations for the UNCSD, especially the GA’s call for a renewed political commitment to sustainable development, are guided by the history of international agreements on the subject, especially the broadly shared and long standing consensus over a vision of shared prosperity within the carrying capacity of the earth’s ecosystems. While the conceptual framework has a longer history and pedigree, the term sustainable development – and its definition as development that meets the needs of the present without compromising the ability of future generations to meet their own needs – was fixed in public policy discourse and the popular imagination by the Brundtland Commission Report in 1987. The Report laid the ground for the promise of the Rio Declaration at the United Nations Conference on Environment and Development (UNCED, 1992) to provide for healthy and fulfilling lives for the current generation while entrusting to future generation the means to do the same.

4. As the international community prepares for the 20th anniversary of UNCED and the 25th anniversary of the Brundtland Report, this is a time for reflection on what has been achieved and what has been left undone in the past generation. The “interlocking crises” of the Brundtland Report (Energy, Development, and Environment) are still with us, though in more advanced forms, and a few more have been added: food security, climate change, the global economic crisis, and poverty and the MDGs. These crises are interlinked and call for a sustainable development perspective.

² Please refer to Notes by the Secretariat – A/CONF.216/PC.4 and A/CONF.216/PC.3

5. In practical terms, the consensus on sustainable development calls for international cooperation and national leadership to achieve a convergence between the three pillars of sustainable development, namely economic development, social development, and environmental protection, in particular by accelerating the upward convergence of living standards around the globe and bringing about a swift downward convergence of environmental impacts.

6. The assessment below is situated firmly within this vision. It focuses not simply on the three individual pillars but on the convergence between them. It examines not only outcomes but also coherence among national and international policies and institutional structures. This focus on integration, coherence and convergence is consistent with the views of Member States in their submissions on the desirability of the proposed conference; many States used the terms “coherence” or “integration” to refer to the value added by sustainable development.

7. The report uses this assessment to review the state of the art on the issues requested in the GA Resolution, namely the impact of emerging challenges, the potential role of the green economy for sustainable development and poverty eradication, and institutions for sustainable development.

III. State of Implementation and Remaining Gaps

8. This assessment offers four yardsticks to measure progress on sustainable development since 1992: “separate”, i.e., changes in indicators of each of the three dimensions of sustainable development; “joint”, i.e., movement towards convergence between these dimensions; “commitments”, i.e., fulfillment of international and national commitments; and “contextual”, i.e., progress in comparison with the longer term challenge.

9. Traditionally, assessment of progress towards sustainable development has followed the structure of Agenda 21 chapters, which corresponds broadly with the three pillars of sustainable development. The website of the Division for Sustainable Development (www.un.org/esa/dsd) of UN-DESA maintains a continuously updated matrix that charts global progress in terms of key indicators of each chapter of Agenda 21. On poverty and the social pillar in particular, information on MDG indicators has been tracked since 1990 and has been described in detail in the forthcoming Secretary-General’s report for the high-level event on the MDGs to take place in September 2010.³

³ Keeping the promise – a forward-looking review to promote an agreed action agenda to achieve the MDGs by 2015.

A. Progress on the three pillars

10. Overall, the trends are mixed. While progress has been made on the economic front and in the amelioration of poverty in some regions, the dividends have been unequally shared between and within countries, many countries are not on track for achieving key MDGs, and most of the environmental indicators have continued to deteriorate.

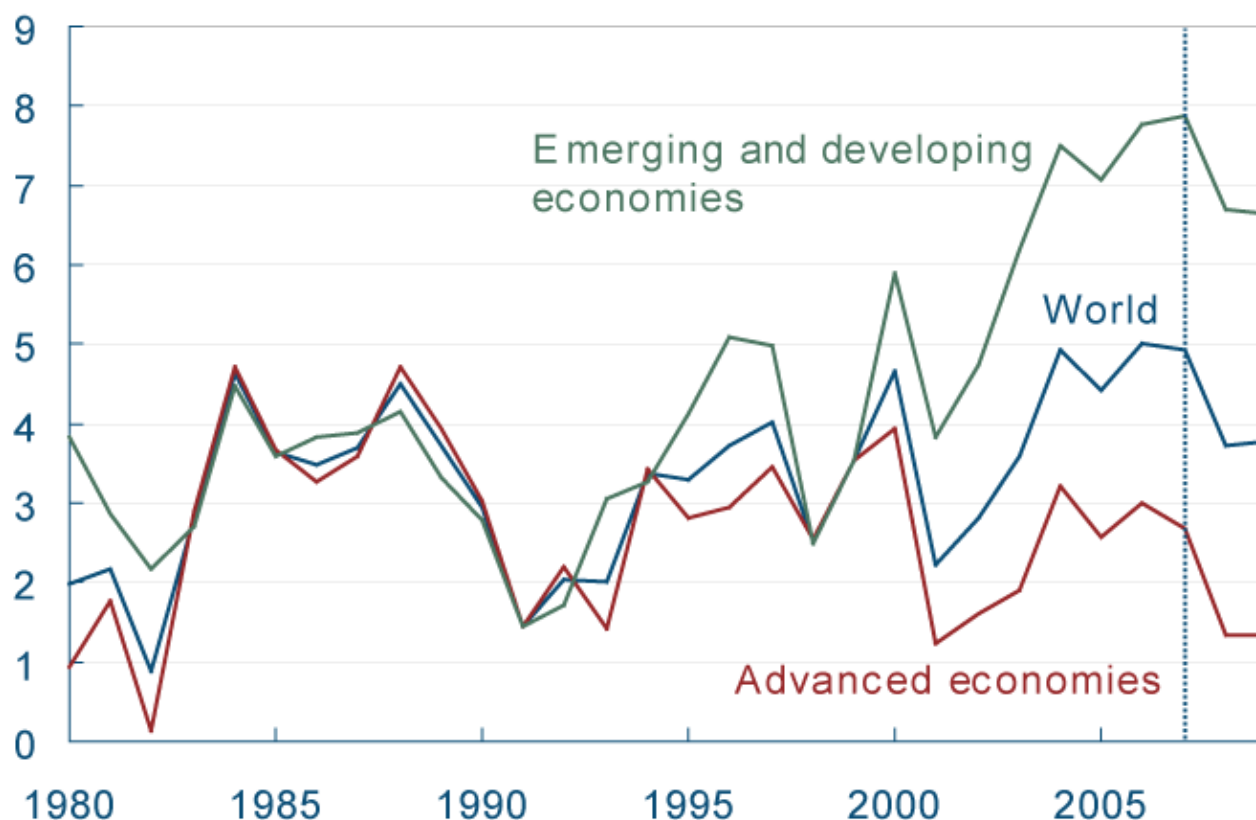
11. *Economic:* On the positive side is the acceleration of economic growth in developing and emerging economies since the mid-1990s (see figure), especially in several large developing countries that cover the majority of the world's population. But this pattern is far from universal. Sub-Saharan Africa has fallen further behind the other regions in terms of per capita income, and the growth momentum also remains slow in other least developed countries, landlocked countries, and SIDS. The ongoing global economic crisis has substantially slowed growth in many developing countries, though the robust growth of key emerging economies has prevented an even deeper global recession.

12. The growth momentum has been especially notable in East Asian countries, and its contributory factors have been debated extensively in the professional literature. A recent review⁴ traces this success to strong and competent state institutions that were able to channel investment into critical infrastructure and R&D, create a conducive policy environment for entrepreneurship, promote high savings and investment, including in education, and stimulate exports as well as integration into international markets.

⁴ See e.g., J. Stiglitz and S. Yusuf, eds. (2001), *Rethinking the East Asian Miracle*, Oxford Univ. Press.

World Economic Growth

Annual percent change



* Estimates after 2007

Source: International Monetary Fund, *World Economic Outlook Database*, April 2008.

13. Notwithstanding the recent increase in the growth rate, the remaining challenge continues to be significant. Per capita income levels, which are closely correlated with the achievement of human development goals, reveal a huge dispersion around the world. Countries with high human development, mainly industrialized countries, have per capita incomes of \$40,000 or more. The least developed countries, especially in Sub-Saharan Africa, have less than \$1,000 per capita. In between, there is growing dispersion. Some of the faster developing countries (mainly in Latin America, but including e.g., Malaysia, South Africa, Turkey), and economies in transition have reached levels between \$5,000 and \$10,000. The two most populous economies, China and India, are one step behind, at \$3,000 and \$1,000 respectively. A unique situation is the Republic of Korea, which at \$20,000 is rapidly moving into the league of developed economies. Even at conservative estimates, income levels of the poorest nations will need to increase by a factor of 20 or more in order to achieve adequate human development, while those of the broad range of countries in between may need to increase five- or ten-fold. Even at the heady growth rates experienced by China and some other emerging economies in recent years, it will

take at least a generation for the middle income countries to accomplish this task, and much more for the poorest countries.

14. In the mean time, questions have begun to emerge whether the recent economic crises heralds an end to the period of rapid growth in emerging economies, whether resource constraints will become binding too fast to be able to complete the development transition, whether the international commitment to development goals would be sustained despite the pressures of the economic crisis or the resource crisis, and whether the benefits of the faster growth could be distributed more equitably within countries. All these questions constitute, in brief, the challenge of sustainable development, and therefore the challenge to the UNCSD.

15. *Social*: The acceleration of growth has contributed positively to social indicators and MDGs in the faster growing economies. However, progress is uneven across countries, regions, and key indicators; and even the limited progress has been set back in many places by the recent multiple and interlocking crises. Of the 84 countries (out of 144) with available data on MDGs, only 45 are on track to meet the poverty reduction target. The rest including 75 per cent of African countries and 10 out of 12 fragile states are not⁵. On the remaining targets as well, Sub-Saharan Africa shows too slow progress, no progress or deterioration across the range of MDG targets. Limited progress or deterioration is also commonplace in Oceania and Western Asia, though on many indicators the starting point was more favourable than Sub-Saharan Africa's.

16. UN-DESA (2010)⁶ describes the situation regarding income poverty in 2005 (below \$1.25 per day per person) and the differences between countries in reducing it. Poverty remains an enormous problem in Sub-Saharan Africa and South Asia, where 50.9 and 40.3 per cent of the population respectively were poor by this measure. In 1990 East Asia and the Pacific had similar poverty rates as these regions, but had reduced it to 16.8 by 2005, far exceeding the MDG target. Similar dispersion between regions is also evident on other key indicators. For example, although there is some convergence in primary school enrollment, progress has been slow in Sub-Saharan Africa and South Asia on secondary enrollment and removal of genders disparities⁷. Similarly, while there have been significant achievements in some health indicators (especially in measles vaccination, and improvement in the fight against malaria)⁸, other indicators show uneven and unacceptable trends. Maternal and child health care has deteriorated in HIV/AIDS afflicted areas, under-five mortality rates remain unacceptably high, life expectancy has declined by a year or more since 1990 in fifteen countries (11 in Sub-Saharan Africa) overwhelmingly because of HIV/AIDS, and the maternal mortality indicator continues to show the largest gap between the rich and the poor both between and within countries⁹.

⁵ World Bank, Global Monitoring Report 2009; United Nations, Millennium Development Goals: 2009 Progress Chart.

⁶ Rethinking Poverty: Report on the World Social Situation 2010.

⁷ World Development Indicators 2009, World Bank.

⁸ WHO (2008), *World Malaria Report 2008*.

⁹ A. Case and C. Paxton (2009), The impact of the AIDS pandemic on health services in Africa: Evidence from Demographic Health Surveys, Princeton University, March, processed.

17. The magnitude of the remaining challenges cannot be overemphasized. Deep poverty and malnutrition not only are still widespread, but have increased with the recent crises, highlighting the fragility of the successes achieved so far. One billion persons are still undernourished. Unemployment and underemployment remain the reality for a large fraction, sometimes the majority, of the population in developing countries. In many countries, social safety nets remain elusive for workers in the informal sector as well as for poor families. In time of crises, developing countries have been hard pressed to develop or maintain social protection systems because of lack of fiscal space, which has prevented them from adopting stimulus packages like those in developed countries¹⁰.

18. The critical role of modern energy services in advancing progress towards sustainable development and the MDGs is becoming more widely appreciated. There is an opportunity for the international community to support developing countries in a swift modern energy transition centred on low-carbon energy sources. Renewable energy technologies have a large untapped potential and provide an effective means to satisfy decentralized and remote electricity demand. Effective deployment and transfer of renewable technologies, however, will require global private and public cooperation to scale up investments and drive down costs. As renewable electricity is still too expensive for most consumers in developing countries, international financial support will be crucial during the transition to cost parity.

19. *Environmental:* The environmental pillar is perhaps where progress has been the slowest, though the picture here too is mixed. Per capita use of resources as well as fossil energy, and consequently greenhouse gas emissions, remain stubbornly high in developed countries, at several multiples of those in developing countries. In the fast growing developing countries, while per capita use is still low, rapid industrial development, urbanization, and expansion of the middle class has exacerbated local environmental problems of pollution, waste, and congestion. At the same time, these countries have seen improvement in such other local environmental indicators as access to clean water and sanitation; even in these, progress is still too slow in rural South Asia and Sub-Saharan Africa. Globally, the pressure on ecosystems continues to increase, and loss of forests and biodiversity has continued albeit at a decelerating rate. A recent scientific study suggests that in three areas the safe boundary may already have been exceeded, ecosystems, climate change, and the nitrogen cycle¹¹.

20. Although it is widely accepted that a rich mix of species underpins the resilience of ecosystems, little is known quantitatively about how much and what kinds of biodiversity can be lost before this resilience is eroded. In the absence of this information, scientific advice focuses on the rate of extinction and impact on poverty. The rate of species loss is estimated to be between 100 and 1000 times what is considered to be natural, which may be between 10 and 100 times above the safe threshold. The IUCN

¹⁰ See UN-DESA (2009), A Global Green New Deal for Sustainable Development, Policy Brief #12.

¹¹ Rockstrom J. et al. 2009. A safe operating space for humanity. Nature 461: 472-475 (September).

Red List indicates that 17,291 species out of 47,677 evaluated species are under threat including 21 percent of mammals and 70 percent of plants¹². Up to 30 per cent of mammal, bird, and amphibian species will be threatened with extinction this century. Marine species are under pressure from global warming, ocean acidification, pollution, and overexploitation¹³. Targets set by the Convention on Biological Diversity (CBD) for a significant reduction in the rate of biodiversity loss by 2010 and to protect 10 percent of the world's forests will not be met. Since the majority of the world's poor live in rural areas and rely on local biological resources for their lives and livelihoods, the rate of biodiversity loss has a direct impact on the most vulnerable populations.

21. While there is a scientific and political consensus over the threat posed by climate change, remedial and mitigation efforts have been slow and inadequate. As of 31 March 2010, 114 countries had communicated their support of the Copenhagen Accord, which includes a commitment to limit temperature rise to 2° C, national commitments by Annex 1 countries on emissions reductions, a range of nationally appropriate mitigation actions by developing countries, establishment of a Technology Mechanism and REDD plus, and immediate financial commitment by developed countries of \$30 billion between 2010 and 2012, rising to \$100 billion by 2020.

B. Progress in convergence of the three pillars

22. The core message of sustainable development is that the three pillars represent not three separate targets but a single one, that development is the midwife of sustainability, just as much as sustainability is the life support system for development. The goal, and indeed the ultimate test, of sustainable development is the convergence among the three trajectories of economic growth, social improvement, and environmental protection.

23. Notwithstanding a few promising trends, the overall record fails to meet this test. The most promising trend is the improved convergence between the economic and social dimensions, and although this too is partially compromised by rising income inequality, the growth rate remains as the strongest predictor of timely achievement of key social targets. Beyond this, most indicators of environmental improvement have not demonstrated appreciable convergence with those of economic and social progress; indeed, the overall picture is one of increased divergence, although a few positive developments can be applauded.

24. The slow progress can be attributed in part to the overall low consumption in developing countries, which will require increases in material consumption before reaching a stable level. Furthermore, while developed countries have succeeded in ameliorating some of the adverse impacts on the environment through higher application of chemical, mechanical or electrical energy (e.g., in treating polluted water bodies, expanding the use of recycling, reclaiming metals from waste), developing countries are handicapped in this regard because of the high costs and low availability of modern energy services.

¹² http://www.iucn.org/about/work/programmes/species/red_list/?4143/Extinction-crisis-continues-apace

¹³ UNEP Yearbook, http://www.unep.org/pdf/year_book_2010.pdf

25. Furthermore, these handicaps are situated within a number of persistent structural trends, which respond very gradually to policy interventions (demographics, urbanization, globalization, technological change, changes in national economic structures). Thus, while globalization has contributed to the rapid income growth and poverty reduction in emerging economies, it has made it possible to shift environmental impacts across borders, thus rendering them resistant to national policy instruments. The de-coupling of production activity from environmental degradation in one country has often been produced by the shift of resource-intensive production to another country.

26. Finally, there is also a slippage in terms of the commitments to adopt integrated national policies, establish necessary coordinating institutions, and provide international financial and technical support. These are covered in the next section.

C. Progress in fulfillment of commitments

27. There are several critical gaps with regard to the fulfillment of national and international commitments, although a number of achievements have been made. While countries have expanded their menu of policy options, this has not led towards greater policy coherence. While integrated planning or policies and national sustainable development strategies have become acceptable, their impact remains limited because of ad hoc and inconsistent application. While important institutions have been established to promote or monitor the integrated pursuit of sustainable development, many have not received adequate support, some have languished, and most have not been able to synergize well with complementary processes or institutions. While financial and other commitments of international support have been made, they have neither achieved greater coherence nor always been fully realized in practice. While the participation of Major Groups has become the norm, there is limited success in scaling up or replicating promising multistakeholder initiatives. Finally, while political commitment to addressing climate change has risen dramatically, it has not yet translated into concrete actions and results; this is in part because climate change has not been approached as an integrated sustainable development challenge.

28. The international consensus on sustainable development envisaged integrated decision making at national and local levels, in the form of national or local Agendas 21 or sustainable development strategies. While some of this has happened in practice, it has not yet taken a form that could promote convergence on a sustained basis. For example, as of 2009, 106 countries have reported that they are currently implementing national sustainable development strategy (NSDS), but these are rarely viewed as the principal vehicles for policy coordination. In practice, a number of coordinating and planning mechanisms have been used in developing countries, often in parallel, and with similar or overlapping tasks, including conventional development planning, PRSP, UNDAF, DWCF, NCS, NEAP, and others. These reflect not only the diversity of institutional arrangements but also differences in the understanding of what sustainable development means. The resulting proliferation undermines their very purpose by weakening and fragmenting the efforts to introduce coherence. Thus while it cannot be said that the

commitment to prepare an NSDS has been ignored, the action has not had the desired impact.

29. This is also true at local levels. In the immediate aftermath of UNCED, there was considerable interest in Local Agendas 21. A report prepared by the International Council for Local Environmental Initiatives (ICLEI)¹⁴ in preparation for the Johannesburg World Summit in 2002, showed that 6,416 local governments in 113 countries had committed to the Local Agenda 21 process by 2001, and of these 61 percent had advanced to an action planning phase; almost all (89 percent) had been developed with stakeholder involvement. No comparable survey has been undertaken recently, although anecdotal evidence does not indicate an equivalent level of activity or enthusiasm. However, the preparatory process for UNCSD could re-ignite this enthusiasm, especially given that information and communications technologies have made possible global networking among local authorities, civil society organizations and other actors in a manner inconceivable 20 years ago.

30. Besides the formal Agenda 21 process, a number of cities and local governments have institutionalized integrated approaches to key issues (transport, waste management, water, and energy), with the support of UN-Habitat and Regional Commissions. In addition, several pro-poor initiatives have supported integrated sustainable livelihood approaches, and have received support from UN programs and agencies (UNDP, FAO, IFAD, and Regional Commissions) as well as bilateral donors. Several pro-poor programmes (e.g., the RSPN in Pakistan, BRAC and Grameen in Bangladesh, Bolsa Familia in Brazil, Progresia in Mexico, and MGNREGA in India) have adopted an integrated sustainable development perspective in their operation. All these have reached national scales in their home countries, but the key challenge remains of wider replication and adaptation of such successful experiences. More importantly, there is a lack of a proper framework for vertical integration between local and national processes. Even the prominent Local Agenda 21 processes were hardly reflected in national processes.

31. There has also been a lag in the actualization of the international support needed for such initiatives. The Rio Summit was not only a significant milestone in setting the agenda for sustainable development, but it established a new framework for international cooperation, which received a further impetus from the emphasis placed by the Johannesburg Summit on implementation and partnerships, and has also extensive symbioses with other global events, including the Millennium Summit (2000), the Financing for Development Summit (2002), and the Barbados (1995) and Mauritius (2005) Conferences on Small Island Developing States.

32. As vulnerable developing countries grapple with the effects of multiple crises, and the threat of climate change looms on the horizon, the international community's commitment to international cooperation needs to be reinforced. The donor community needs to meet its commitments in respect of financing and investment support for

¹⁴ http://www.iclei.org/documents/Global/final_document.pdf

development by ensuring that already agreed ODA commitments are met, and the support is adequate, sustained, focused, and predictable in order to be able to make a difference.¹⁵

33. Recent literature as well as policy discussions within some donor countries has also begun to focus on the question of coherence of development cooperation policies with other international policies, especially those pertaining to trade, investment, debt, environment, security, and migration. Failure to reach agreement in the Doha Development Round of multilateral trade negotiations represents a continuing challenge to international cooperation, as does the inability to deliver on the HIPC initiative in support of heavily indebted poor countries, and on support for climate change adaptation and mitigation actions in developing countries.

34. Moving the global development agenda forward requires strong and innovative partnerships. Development co-operation these days is multi-faceted. It incorporates North-South flows of ODA, South-South co-operation, and the role of very large scale philanthropic initiatives, vigorous civil society involvement, and the role of the private sector. It is equally important to build strong partnerships within the UN development system because each UN agency has something special to offer to advance the implementation of the global development agenda.

D. Progress in a Longer Term Context

35. Every small step towards sustainable development is of value, but it needs to be assessed in relation to the scale of the longer term challenge, especially in the light of emerging challenges. The ultimate goal of sustainable development is steady progress towards a future of universally shared human well-being and prosperity within the resources of a finite planet. Sustainable development is based on the knowledge that there is an ultimate limit to the growth of material consumption, but no limits to improvements in quality of life, prosperity, or social well-being. The urgent goal is to achieve the development transition – to raise the living standards of poor countries and households, which will need an increase in material consumption to meet their basic needs – before critical planetary boundaries are crossed. This means, in effect, accelerating the growth in living standards of the poor, while decelerating or reversing the impact – in particular of high-income consumers – on natural resources of the planet.

36. In order to assess the progress until now in the context of this long term challenge, it is useful to think of sustainable development as three inter-twined “transitions”:

- *Demographic*: The ultimate goal is to stabilize the global population. This transition is roughly at the two-thirds mark. The global population will increase from its current level of 6.5 billion to stabilize between 8 and 10 billion during this century.
- *Developmental*: The ultimate goal is to extend the benefits of development equitably to all segments of the global society. This transition has picked up

¹⁵ See report of MDG Gap Task Force for progress in meeting ODA and other commitments; http://www.un.org/esa/policy/mdggap/mdg8report_engw.pdf

speed since Rio but it is at best at the one-third mark of the ultimate target, given that the share of the global population with a high HDI is only between 25 and 30 per cent. Some uncertainty has been created by the recent crises as well as the threat of climate change.

- *De-coupling*: The ultimate goal is to ensure that the use of materials and generation of wastes is within the regenerative and absorptive capacities of the planet. While it is difficult to predict the planetary boundaries precisely, the goal is to ensure that the peak in human consumption is reached before such boundaries become binding. The recent crises as well as fresh scientific analysis suggest that the boundaries might have moved closer; this implies additional efforts both to accelerate the development transition and to decouple resource use from consumption and production.

E. Addressing New and Emerging Challenges

37. In 2008 a series of crises hit the global economy, including a rapid escalation of food prices, unprecedented volatility in energy prices, the unfolding of the financial crisis in some developed countries, and the ensuing global recession. In addition, new evidence emerged to suggest that climate change was a more imminent danger, and also that a number of other environmental trends had worsened far more rapidly than anticipated and that some “planetary boundaries” might even have been exceeded. All countries are vulnerable to these crises, but they differ widely in their ability to cope with the risks and shocks inherent in them. Challenges have been exacerbated in developing countries by poverty, competition for scarce resources, the rapid pace of rural/urban migration, and the concomitant challenges to provide food, infrastructure and access to basic health, water and energy services. This vulnerability was exposed most tragically in the recent earthquakes. Besides the loss of human lives, the development agenda was set back many years, additional pressures on the environment were generated, and the potential for other unanticipated consequences (such as involuntary migration) was enhanced.

38. To use a cliché, these challenges have created threats as well as opportunities. On the one hand, they lend urgency to the pursuit of all three dimensions of sustainable development—and not only to the environmental dimension. On the other hand, the challenges have created a more prominent role for global and national public policies.

39. Billions of people remain poor and their living standards must rise. Can the development transition be completed (as indicated for example by near universal attainment of a threshold level of human development and well-being) before resource depletion and environmental degradation short circuit the process? That depends in part on developed countries’ blazing the trail towards a decoupling (or sustainable consumption and production) transition, in part on developing countries’ pursuing a *sustainable* development transition.

40. The practical import of sustainable development thinking for development policy has been diluted by the still common perception that, even if in theory limits hold, in

practice they are sufficiently remote in time and malleable as to be ignored in practice. More than anything else, climate change has begun to challenge such complacency.

41. The sustainable development challenge posed by climate change illustrates well the importance of a holistic response from the international community. As argued in a report to GA64¹⁶, the response to the climate change threat must be multi-pronged: strongly addressing the mitigation challenge head-on in ways that are supportive of sustainable development; promoting inclusive economic growth in developing countries as a key means of building resilience and adaptive capacities; urgently increasing international financial and technical support for the adaptation of developing countries, especially vulnerable countries; strengthening institutions at local level to manage resource scarcities and environmental stresses peacefully; strengthening UN and other international institutions to be able to provide effective humanitarian, reconstruction and development support to countries faced with climate-related disasters and longer-term impacts.

42. Inclusive economic growth remains the only known route out of poverty for developing countries – as it was for developed countries – and continues as a centerpiece of development thinking and practice. What sustainable development thinking has added is the appreciation that this growth should be situated within the overall capacity of the earth's ecosystems and life-support systems. This suggests two corollaries: first, that necessary growth in material consumption (e.g., that which is needed to eradicate poverty, achieve and exceed the quality of life targets, and extend the benefits of development universally) be completed within the available resource window; and second, that further growth in economic well-being be oriented in such a way as to remain within the regenerative and absorptive capacity of the planet.

IV. Green Economy in the context of Sustainable Development and Poverty Eradication

43. The concept of the green economy is one of the several mutually complementary constructions that have emerged in recent years to enhance convergence between the different dimensions of sustainable development. Other constructions include national sustainable development strategies, MDGs, integrated policy and planning (especially in key sectors), sustainable livelihood and pro-poor approaches, sustainable urban management, and sustainable consumption and production (SCP).

44. The green economy approach seeks in principle to unite under a single banner the entire suite of economic policies and modes of economic analyses of relevance to sustainable development. In practice, this covers a rather broad range of literature and analysis, often with somewhat different starting points. In terms of starting point, four different strands can be identified, representing slightly different modes of economic analyses. One strand approaches the question through the analysis of market failure and the internalization of externalities. Another takes a systemic view of the economic

¹⁶ Climate change and its possible security implications, A/64/350, 11 September 2009.

structure and its impact on relevant aspects of sustainable development. A third focuses on social goals (e.g., jobs), and examine ancillary policies needed to reconcile social goals with the other objectives of economic policy. Finally, a fourth strand focuses on the macroeconomic framework and development strategy with the goal of identifying dynamic pathways towards sustainable development. While each of these is partial to particular sets of policy instruments, these can crudely be grouped into a few categories:

- Getting Prices Right, including removing subsidies, valuing natural resources, and imposing taxes on environmental “bads” in order to internalize externalities, support sustainable consumption, and incentivize business choices. It builds upon some of the earliest writings in environmental economics, especially Pearce, Barbier, and Markandya (1989).
- Public Procurement Policies to promote greening of business and markets;
- Ecological Tax Reforms (ETR)¹⁷, based mainly on the experience of European countries. The basic idea is that shifting the tax base away from “good” factors of production such as labour to “bads” such as pollution will allow for a double dividend: correcting environmental externalities while boosting employment.¹⁸
- Public investment in sustainable infrastructure—including public transport, renewable energy, or retrofitting of existing infrastructure and buildings for improved energy-efficiency—as well as natural capital, to restore, maintain, and where possible, enhance the stock of natural capital. This has particular salience within the current recessionary context, given the need for public expenditure on stimulus packages.
- Targeted public support to R&D on environmentally sound technologies, partly in order to compensate for private underinvestment in pre-commercial R&D, and partly to stimulate investments in critical areas (e.g., renewable energy) with potentially high dynamic scale economies, and partly to offset the bias of current R&D towards dirty and hazardous technologies.
- Strategic investment through public sector development outlays, incentive programs, and partnerships, in order to lay the foundation of a self-sustaining process of socially and environmentally sustainable economic growth.
- Social policies to reconcile social goals with existing or proposed economic policies.

45. Broadening the concept of the green economy to make it applicable to sustainable development and poverty eradication will need to address the concerns that imposing a “green economy” model could actually slow the development process. This could require the identification of ancillary policies and instruments, including safeguards, safety nets, targeting, capacity building, and requisite international support. Put simply, one can ask:

¹⁷ Also called Green Tax and Budget Reform or “ecological tax reform”.

¹⁸ In theory though, higher growth and employment are not automatic compared to the baseline situation, even for a revenue-neutral tax change. Indeed, in a dynamic framework the changes in the amount and type of capital that is accumulated due to the tax shift can result in changes in productivity improvements over time that might dampen growth. In practice, the result of the tax reform on growth rates has to be assessed empirically.

how would a “green economy” or “green growth” contribute to accelerating the development transition?

46. In order to provide a background for the next phase of work, it is useful to describe the four major strands of analysis undertaken by the UN system on the green economy. First, there is the pioneering contribution from the UN Economic and Social Commission for Asia and the Pacific (ESCAP), which eventuated in the adoption of a Green Growth strategy by the 2005 Ministerial Economic and Social Council for the Asia-Pacific Region. The strategy included four tracks: Sustainable Consumption and Production; Greening Business and Markets; Sustainable Infrastructure; and Green Tax and Budget Reform. Two additional tracks were inserted later, Investment in Natural Capital, and Eco-efficiency Indicators. All these tracks were based on practical experiences or ongoing global processes. Some of the recommendations have been taken up systematically by the Republic of Korea in its Green Growth Strategy (see Box).

Box: Korean Green Growth Strategy

The Republic of Korea is the first country to embrace Green Growth as national strategy. Its Green Growth strategy focuses on three elements, industry, energy, and investment; specifically, it aims to (i) maintain productive economic activities while minimizing the use of energy and resources; (ii) minimize environmental pressure with every use of energy and resources; (iii) make investments in environment a driver for economic growth. While the first two comprise the conventional notion of delinking economic growth from resource extraction and environmental degradation, the third is a more strategic objective – shared by other forward-looking governments as well as corporations – viz., to be early movers in emerging global “green” industries and technologies.

47. A major recommendation of the green growth strategy is on ecological tax reform. Like the remaining recommendations, this was based upon a review of experience, particularly in European countries (especially in Scandinavian countries and Germany), where a gradual introduction of ecological taxes did not significantly dampen GDP growth, had positive but small impacts on employment, and was highly beneficial in terms of pollution reduction¹⁹. However, the application to developing countries and the incorporation of distributional concerns requires further study in country specific contexts. The net impact depends on such ancillary policies as the use of revenues from the tax²⁰, or the targeting of taxes or subsidies. In Costa Rica, for example, a study finds a 10 percent tax on gasoline to be progressive but an equivalent on diesel to be regressive (since diesel is used heavily in public transport)²¹.

¹⁹ R. Patuelli, P. Nijkamp, and E. Pels (2005), Environmental Tax Reform and the Double Dividend: A Meta-analytical Performance Assessment, *Ecological Economics* 55: 564-583.

²⁰ T. Callan, S. Lyons, S. Scott, R.S.J. Tol, S. Verde (2009), The distributional implications of a carbon tax in Ireland, *Energy Policy* 37: 407–41.2

²¹ Allen Blackman, Rebecca Osakwe, and Francisco Alpizar (2009), Fuel Tax Incidence in Developing Countries: The Case of Costa Rica, Resources for the Future, Discussion Paper RFF DP 09-37.

48. The second strand was initiated by UNEP in October 2008 under the title of the Green Economy Initiative (GEI²²). Its aim is to assist governments in “reshaping and refocusing policies, investments and spending towards a range of sectors, such as clean technologies, renewable energies, water services, green transportation, waste management, green buildings and sustainable agriculture and forests”. This initiative includes two major projects, namely The Economics of Ecosystems and Biodiversity (TEEB), and the Global Green New Deal (GGND), which was a response to the global financial and economic crisis. The Green Economy Report currently under preparation builds upon both these projects.

49. TEEB computed the (unpaid) environmental costs of the economic activities undertaken by the world’s major firms and compared it to the profits of those firms at an aggregate level. The results suggest that a significant proportion of the world’s biggest firms would be rendered unprofitable were they required to pay those environmental costs, and therefore that the structure of the economy with a price system that better reflected environmental and social costs would look very different from the existing one. However, in order to refine the intuition provided by the TEEB results, new studies would be needed on the one hand to incorporate developmental, social and poverty related goals explicitly, and on the other hand to assess general equilibrium outcomes of the price changes, by factoring in consumer responsiveness to price changes, scope for substitution, and technological change.

50. UNEP’s Global Green New Deal²³ made a case for directing economic stimulus spending of governments towards green sectors and activities. The idea quickly emerged in multiple fora that “greening” stimulus packages could yield an additional dividend in the form of facilitating the transition of national economies to a greener path. It is too early to assess the impact of green stimulus packages on the structure of economies and jobs, on productivity and on resource use and pollution. While the proposals were meant to create jobs and pump spending into the economy quickly, green infrastructure investments tend to have long gestation periods. Much depends on the scale of interventions, absolutely and in relation to not-so-green stimulus spending like new and improved highways, and the presence or absence of economic linkages.

51. These considerations are also relevant to the third strand of the green economy analysis, which is represented in the contributions by UN-DESA, UNCTAD, and ESCAP. The logic of this approach derives not from the microeconomic analysis of internalizing externalities, but from a macroeconomic analysis of using public policies strategically to orient the process of economic growth towards sustainable pathways. For example, UN-DESA’s work on climate change and sustainable development²⁴ shows how infrastructure investment, especially in renewable energy, can bridge the current chasm between climate and development agendas. A big push on renewable energy can

²² <http://www.unep.org/greeneconomy/AboutGEI/tabid/1370/language/en-US/Default.aspx>

²³ http://www.unep.org/pdf/A_Global_Green_New_Deal_Policy_Brief.pdf

²⁴ WESS 2009, and UN-DESA Technical Note: A Global Green New Deal for Climate, Energy and Development, December 2009.

help not only in increasing energy access for the poor, it would help bring down the costs of renewable energy, thus making it affordable at market prices for poor countries and competitive with fossil energy. This follows a long line of development analysis, which assesses the role of investment in terms not only of its internal productivity but also of its backward and forward linkages and capacity to incentivize complementary investments. DESA's "A Global Green New Deal for Sustainable Development" applies the same logic to the global response to the economic crisis, and stresses international cooperation to enable developing countries to create fiscal space to respond to the financial and economic crisis and to foster transfer and scale up of environmentally sound technologies²⁵.

52. Another argument for targeted public investment is that the shift to a green economy or onto a green growth path requires major structural changes in energy and transport systems, which are infrastructure-dependent. Thus, the switch will need to involve close coordination between private investment in new industries and activities and public-supported investment in new infrastructure – e.g., for public transport, battery replacement of electric vehicles, smart grids and grid extension and upgrade to accommodate renewable sources, etc. Another area where public investment will be critical to green growth is in providing the decent, affordable and environmentally friendly housing to accommodate rapidly growth populations of low-income households in the cities of the developing world.

53. A fourth strand has been developed in the collaborative work of ILO and UNEP on "green jobs"²⁶, and the subsequent initiative by ILO to organize training courses and technical assistance on the issue. This strand is consistent with a longer history of economic analysis that focuses on the reconciliation of social and economic objectives. A classic reference in this regard is UNICEF's *Adjustment with a Human Face*, which provided concrete examples of structural adjustment policies that were able to incorporate social concerns effectively. Other initiatives in this regard reverse the causality and examine how social initiatives could incorporate environmental objectives. These include, e.g., the examination of the green jobs potential of government employment programmes (e.g., the Indian MGREGA scheme) or stimulus programmes (e.g., the US Recovery and Reinvestment Act²⁷). While this work is promising, it is very preliminary and based on limited empirical evidence. Further work will be needed in future.

54. More broadly, the fact remains that developmental and social dimensions, in particular poverty eradication, are not covered adequately in some of the policy prescriptions on the green economy. Although the prescriptions on internalizing externalities are consistent with economic theory, they can have adverse social impacts if not carefully designed, and will need to be complemented in most cases by additional

²⁵ UN-DESA Policy Brief 12, April 2009.

²⁶ Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World, 2009; http://www.unep.org/labour_environment/features/greenjobs.asp

²⁷ Pollin, Heintz and Garret-Peltier (2009), *The Economic Benefits of Investing in Clean Energy*, PERI, University of Massachusetts, Amherst, June.

demand and supply side policies, and could be difficult to implement without external support for capacity building and establishing compensatory facilities.

55. Similarly, the TEEB recommendations on valuation could, in principle, be tailored in such a way as to support poverty eradication, for instance, by linking valuation of and payment for ecosystem services to community empowerment and protection of the poverty rights of poor communities. In practice, this is an additional component of work, which will have to be undertaken in earnest before some of the recommendations could be adopted. The REDD+ approach in the context of climate change follows this logic.

56. In summary, “green economy” is an omnibus term, like sustainable development itself, which comprises a suite of economic instruments that could harness economy activity in support of one or more sustainable development goals. Like all economic instruments, their application requires a careful understanding of the social, institutional, and political context of the country, the availability or otherwise of international support, and a commitment to learning and adaptation. The foregoing discussion of the green economy and green growth points to some topics for work in the coming period leading up to UNCS D.

- First, greater conceptual clarity is needed with regard to the links between green economy and sustainable development. In particular, there is a need to be explicit on the practical implications of the approach, namely the menu of policies and actions proposed under the banner of the green economy. This could be compiled in the form of a global online database of green economy/green growth policies, policy mixes, and analyses.
- Second, more analysis is needed on the developmental, social, and distributional implications of each policy prescription, and on additional actions or interventions, including international cooperation, which would be needed to reconcile economic, social, and environmental goals. Such analysis will need to be undertaken in specific national contexts, and could include scenario simulations for the transition to equitable, green, rapid and sustainable growth paths. Of particular importance is to include institutional conditions explicitly in the analysis, and incorporate recommendations on institutional strengthening in the overall mix.
- Third, besides national studies, some global modeling and scenario work would also be needed to assess national green economy and green growth policies in a global context, including interactions for example through international trade, investment and technology transfer.

V. Institutional Framework for Sustainable Development

57. A number of Member States have expressed their views on sustainable development governance in connection with the UNCSD, with one submission stating for example: “The 2012 conference could aim at debating on governance through a reform of the institutions currently involved in the implementation of the sustainable development agenda in the UN system, with an emphasis on the CSD and UNEP. It can offer an important point of convergence for deliberation on the reform of the international institutions for sustainable development, while also catalyzing high-level political commitment for the outcome”²⁸. Another submission placed emphasis on “achieving international agreements on sustainable development taking into account different international instruments”²⁹.

58. This section provides an overview of the institutional architecture pertaining to sustainable development, its evolution over time, and the main lessons from this evolution, including areas of promise as well as challenge. The principal focus is at the international level, mainly on the mandates and objectives of the key entities of the United Nations with responsibility for sustainable development and its component economic, social, and environmental pillars.

59. The Rio Earth Summit energized the international community. The international community, in preparing for UNCSD, now needs to re-energize. A key question is how to strengthen the institutional framework for sustainable development at all levels.

60. Over the years, a number of institutions have been established formally to enhance the convergence between economic, social, and environmental goals. At the global level, the principal policy making institution is the Commission on Sustainable Development (CSD). Among other contributions, the CSD has actively solicited the participation of Major Groups in policy making and promoted a particular institutional form, multi-stakeholder partnerships, to implement sustainable development. Within the UN, the EC-ESA has played a role in enhancing system-wide coherence over economic and social goals. Besides this, UN-Water, UN-Energy, and UN-Oceans have been established to promote system-wide coherence in the areas of their competence. At regional levels, regional commissions have organized ministerial conferences and implementation meetings. At national levels, a number of institutional formats have emerged, including national sustainable development councils, the NSDS processes, and incorporation of sustainable development goals in other processes or institutions, including development plans, PRSP, and others. At local levels, Local Agendas 21 were developed by local institutions and urban municipalities.

²⁸ Submission by Brazil for the report on Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development regarding views of Member States on UNCSD,
http://www.un.org/esa/dsd/resources/res_docugaecos_64.shtml

²⁹ Submission by Colombia for the report on Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development regarding views of Member States on UNCSD,
http://www.un.org/esa/dsd/resources/res_docugaecos_64.shtml

61. A major component of the discussion on institutional development has focused on the environmental pillar. The last four decades have seen significant changes in the nature and reach of environmental institutions, including the establishment of UNEP in 1972 and secretariats of a growing list of environmental conventions in the years thereafter. At national levels, the number of countries with environmental ministries and protection agencies increased rapidly after 1972. Many urban municipalities and local governments also established departments or agencies looking after environmental concerns. Finally, national and international environmental NGOs have grown dramatically in strength and size, many business entities have created environmental departments, and many new research and educational institutions were established. This rate of institutional growth is faster than in the other pillars of sustainable development, namely economic development (in which much of the expansion and consolidation took place in the 1950s and 1960s), and the social pillar.

62. Yet, the proof of the pudding is in the eating. The test of institutional efficacy and relevance lies in the ability to demonstrate results. On this count, as indicated in the previous sections, there are several areas of concern. In particular, the evidence on environmental indicators continues to be below par, as does that on the convergence between the three dimensions of sustainable development. As mentioned, some of this inadequacy could be attributed to the inertia of the system or the urgency of other problems, especially poverty eradication and MDGs. Yet, the key question is whether institutional or structural changes could help accelerate the achievement of the sustainable development agenda in all three of its dimensions.

A. Commission on Sustainable Development

63. The Commission on Sustainable Development (CSD) was created in December 1992 to ensure effective follow-up of the UN Conference on Environment and Development (UNCED) through monitoring and reporting on the implementation of the Earth Summit agreements at the local, national, regional and international levels. Following the World Summit on Sustainable Development (WSSD) in 2002, the CSD was also charged with providing policy guidance to follow up the Johannesburg Plan of Implementation (JPOI). The CSD is a functional commission of the UN Economic and Social Council (ECOSOC), with 53 members.

64. The UNGA has repeatedly emphasized that the CSD should continue to function as the high-level commission on sustainable development within the UN system and serve as a forum for consideration of issues related to the integration of the three dimensions of sustainable development³⁰.

65. In 2002, the WSSD called for a strengthened CSD to play a larger role in accelerating action at all levels in the implementation of Agenda 21 and the JPoI. Accordingly, CSD at its 11th session decided to function on the basis of two-year implementation cycles until 2016/17, including review and policy years. The review year was to evaluate progress made in implementing sustainable development goals and

³⁰ Most recently in A/64.236.

identifying obstacles and constraints, while in the policy year decisions would be made to speed up implementation and mobilize action to overcome obstacles and constraints. Moreover, a number of cross-cutting issues was agreed to be discussed together with the main themes identified for each cycle.

66. An important innovation that received recognition and impetus at WSSD as an implementation tool and action-oriented outcome is the concept of partnerships for sustainable development. Since WSSD, over 360 such public-private partnerships have been registered with the CSD secretariat. At the request of Member States, Partnerships Fair activities have been organized during CSD sessions to allow the opportunity to discuss, review and monitor the contributions of registered partnerships to the implementation of sustainable development. The time has come to take this idea to a higher level by assessing achievements, identifying lessons and best practices as well as obstacles and constraints, and exploring views on replicability, scaling up, and adaptation.

67. Since the adoption of the multi-year programme of work, the CSD has embraced several innovations. These include an enhanced role of regional and sub-regional institutions; sharing of best practices and lessons learned (e.g., through partnership fairs and learning centers); promoting greater collaboration between the UN system and other institutions and networks; strengthening engagement with the major groups; promoting partnership initiatives between governments, major groups and other stakeholders; and introduction of multi-stakeholder dialogues to generate action in support of implementation.

68. Despite these reforms and their positive outcomes, there is an interest in inquiring whether explicit changes to the institutional framework for sustainable development would help in bringing about greater coherence between the different goals. A number of suggestions along these lines have been made³¹ by governments and stakeholders for an overhaul of the international sustainable development architecture, including such proposals as: transforming the CSD into a sustainable development council under the General Assembly; converting the UN Trusteeship Council into a sustainable development council; and initiating a sustainable development segment as part of the annual sessions of the UN Economic and Social Council.

69. Since several different proposals are already in the public domain, this report will not go into details of their pros and cons. Instead, the following points try to bring this discussion back to the underlying functions. One major goal is to clarify that sustainable development is not restricted to the environmental pillar, and therefore that the test for sustainable development lies in the extent to which its three components are brought together. The global community should avail of the opportunity offered by the UNCSD to examine thoroughly how the different functions involved in the integration of the different components of sustainable development can be performed most effectively.

³¹ Stakeholder Forum (2010), Discussion Paper 1: International Governance for Sustainable Development and Rio+20: Initial Perspectives.

Some of these will indeed require institutional changes, but others could be addressed through interventions within existing institutional formats.

- *Strengthening Coherence at National Levels:* A significant component of the challenge of integrating economic, social, and environmental goals pertains to the national level. This can be encouraged, e.g., through the revival of national sustainable development councils which would help engage a broader range of ministries and stakeholders from each country. This could require dedicated financial support and capacity building for developing countries. This could be advanced through existing UN channels, e.g., by the UN Development Group (UNDG), which provides guidance to country work not only on sectoral issues (as at present) but on the integrated agenda of sustainable development.
- *System wide Ownership:* Another major component of work is taken up by international organizations. Their effective participation in the CSD process is required to ensure that CSD decisions are reflected in the work programmes of their organizations. A number of actions could help promote such active engagement. Some initiatives are already under way and could be assessed over the next two years (e.g., inviting Chairs of governing bodies of UN entities to CSD meetings). Besides this, there may be a justification for an ongoing process linking the CSD decisions to the work programmes of the UN entities.
- *From Policy to Implementation:* Ideally, the integrative role of the CSD with regard to the three dimensions of sustainable development should not end with the adoption of a decision, but should result in actions by implementing partners, especially Governments, reflected in their national or institutional plans. A number of options have been floated on this question, including, e.g., dedicating one day during the high-level segment of the policy year as Implementation Day for sharing and reporting of information on how decisions made during the previous cycle have been included in national development plans.
- *Mobilizing Major Groups:* The CSD process is still recognized as the most interactive and inclusive process within the UN system, allowing for active civil society engagement. In recent years, close to one thousand representatives of nine Major Groups have pre-registered to CSD sessions, and several hundred participate actively in the process. Accelerating implementation at country level however requires, in addition to current efforts, engaging with many international IGOs and NGOs which are managing large scale implementation of sustainable development projects. Thus, broadening the base of major groups participation in the CSD process is considered important.
- *Partnerships:* Since WSSD, CSD has played an important role in facilitating partnerships among Governments, major groups and other national and international institutions with the objective to implement CSD decisions on the ground. This experience needs to be taken to the next stage, and several options are being floated, including dedicated partnerships (or partnerships of partnerships) for each set of policy decisions.

B. Broader Sustainable Development Processes

70. The apex of the global institutional architecture for all three UN goals (peace, development, and human rights, which together bear a strong overlap with the three dimensions of sustainable development) remains the United Nations General Assembly. The UNGA, with its universal membership of 192 states, one-nation-one-vote governance structure, and broad mandate enjoys a unique representativeness and legitimacy. The UNGA has taken a consistently forward looking position on the sustainable development agenda; it mandated the UNCHE (1972), UNCED (1992), UNGASS (1997), WSSD (2002) and UNCSD (2012). It established the Brundtland Commission in 1983, and enshrined the concept of sustainable development as internationally agreed language. The outcomes of UNCSD will be endorsed by the UNGA at its 67th Session, and through the UNGA should set a global standard for national legislation on sustainable development.

71. The UNGA is the ultimate convergence point for legislative outcomes from the three individual pillars of sustainable development. Under the JPOI (paragraph 143), the General Assembly was tasked with giving “overall political direction to the implementation of Agenda 21 and its review.” One question for consideration is whether further action may be needed to ensure that matters related to the three pillars of sustainable development come before the UNGA in an integrated form instead of (or in addition to) as isolated strands³².

72. Similarly, the Economic and Social Council (ECOSOC) has a charter mandate to integrate the three strands of sustainable development. Special integrative sessions of the Council have been held such as the 2007 substantive session devoted to the theme of sustainable development. However, the main theme of the Council varies greatly from year to year and sustainable development in its broad sense as defined in Agenda 21 is not taken up every year. Once again, a question has been raised whether the Council should institute an integrative debate on sustainable development during its General Segment or limit its review to separate reports from the three pillars.

C. International Environmental Governance and Governance of the Economic and Social Pillars of Sustainable Development

73. The motivation for the discussion on international environmental governance (IEG) as well as institutions for sustainable development is the same, namely the need for a more effective deployment of resources to address unprecedented environmental change at all levels and its potentially negative implications for economic and social development, especially for the poor and vulnerable groups in society. There has also been a call for greater coherence in the work of the UN on sustainable development. The IEG discussion has been pursued in a number of intergovernmental platforms convened by UNEP, which is mandated by the UNGA to oversee the implementation of the UN system’s environmental agenda. In January 2010, a Consultative Group of Ministers or High-level Representatives presented to the UNEP Governing Council, at its eleventh

³² Stakeholders Forum (2010), *op.cit.*

special session, a set of options for improving international environmental governance (IEG)³³.

74. The Consultative Group identified five objectives for strengthening IEG: creating a strong, credible and accessible science base and policy interface; developing a global authoritative voice for environmental sustainability; achieving effectiveness, efficiency and coherence within the UN system; securing sufficient and predictable funding; ensuring a responsive and cohesive approach to meeting countries' needs. The options for incremental reform are enumerated in paragraph 12 of UNEP/GCSS.XI/4, while the options for broader reform are enumerated in paragraph 13.

75. A number of Member States expressing views on the UNCSD have also referred to IEG saying that, 40 years after the Stockholm Conference when UNEP was created, "there is an opportunity to seek political impetus from the highest level for a strengthened international institutional structure for environmental governance"³⁴. Some emphasized the need to integrate IEG with two other pillars of sustainable development³⁵.

76. A particular question in the IEG process, namely cooperation with other intergovernmental bodies, has been a standing topic in both CSD and the UNEP GC. The recent developments in the area of international cooperation have centered on the further development of international law in particular for addressing climate change, biodiversity and chemicals. The Joint Liaison Group of the three Rio Conventions is intended to ensure inter-secretariat and programme coordination as well as coordination of legislative processes and coordinated follow-up of legislative outcomes. Some lessons from the positive synergies achieved in the work under the three chemical conventions (Stockholm, Basel and Rotterdam) could be useful here.

77. Such questions of cooperation extend beyond formal convention processes. The UN system has established a number of soft law instruments of a non-binding nature, which sometimes evolve into binding agreements. Examples include the International Undertaking on Plant Genetic Resources and the Global Plan of Action for Animal Genetic Resources both in FAO, and the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities managed by UNEP.

78. An example of a nonbinding instrument that has laid the ground for a comprehensive approach in a critical sector emerged from the ECOSOC Resolution 2000/35 to establish the United Nations Forum on Forests (UNFF), a subsidiary body with the main objective to promote "... the management, conservation and sustainable development of all types of forests and to strengthen long-term political commitment to

³³ UNEP/GCSS.XI/4.

³⁴ Submission by Indonesia for the report on Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development regarding views of Member States on UNCSD,
http://www.un.org/esa/dsd/resources/res_docugaecos_64.shtml

³⁵ Especially mentioned by South Africa and Switzerland,
http://www.un.org/esa/dsd/resources/res_docugaecos_64.shtml

this end...” based on the Rio Declaration, the Forest Principles, and Chapter 11 of Agenda 21. The Resolution led to the establishment of the Collaborative Partnership on Forests (CPF), an innovative partnership of 14 major forest-related international entities to support UNFF and its member countries; and in 2007 the landmark Non-Legally Binding Instrument (NLBI) on All Types of Forests, adopted by Seventh Session of the UNFF. Recent developments have created significant opportunities for cooperation. One possibility is a joint work programme around REDD+ with the UNFCCC secretariat, UNEP, and the GEF.

D. Sectoral Coordination and Consultation Mechanisms

79. Sectoral coordination and consultation mechanisms in the economic, social and environmental areas have existed in the UN System from the 1950s under the principal interagency coordination mechanism at executive head level, the Administrative Committee on Coordination (ACC), which was renamed the Chief Executives Board (CEB) following a reform in 2000. Under the CEB, cross-sectoral coordination is undertaken by the High Level Committee on Programmes (HLCP), comprising senior programme managers below the Executive Head level. In the wake of the 2000 reform of the ACC, designed to create a lighter standing structure with more time-bound ad hoc task forces on specific issues, only three standing sectoral bodies emerged, taking over the mantle of earlier sub-committees of ACC with similar sectoral mandates: UN-Water, UN-Energy and UN-Oceans, which deal with specific aspects of sustainable development.

80. Other system-wide coordination mechanisms of note include the Executive Committee of Economic and Social Affairs (EC-ESA), headed by the Under-Secretary-General for Economic and Social Affairs, the UN Development Group (UNDG), headed by the UN Development Programme, and the Environmental Management Group (EMG), headed by the UN Environment Programme.

81. For a wide range of sectors under Agenda 21, no sectoral mechanisms exist and the specific multi-sectoral ACC mechanism on sustainable development, with its task manager system, was disbanded as part of the 2000 reform, purportedly in the interests of streamlining and simplification. However interagency cross-sectoral coordination on sustainable development, beyond water, energy and oceans, has clearly suffered as a result. UNCSD should consider the utility of creating a new interagency mechanism to ensure future coordination on sustainable development.

E. National and Local Processes and Institutions

82. Progress towards sustainable development needs to be supported by institutional reform not only at the global level but also at the national level. As a result of large variations in history, overall institutional capacity and sustainable development challenges and priorities, a common blueprint for an institutional foundation of sustainable development at the national level is neither beneficial nor feasible. Appropriate institutional structures will need to take shape based on local realities,

though there is certainly scope for sharing experiences across countries and localities with similar characteristics and challenges.

83. National councils for sustainable development (NCSD) have been a major institutional innovation, bringing non-government stakeholders directly into policy consultations and decision-making processes. However, due to a number of reasons which would be worthwhile exploring, many NCSD have ceased to function. Revitalizing them could be part of efforts at strengthening institutional development at the national level. In doing so, establishing clear mandates and effective coordination with traditional decision-making processes is important. Having them co-chaired by lead economic/development ministries could help bring them into the decision-making mainstream. For NCSD, the selection of stakeholders and their representatives is key, as it is important to ensure that the views and interests of stakeholders that cannot easily organize themselves are adequately reflected. Revitalized NCSD could be tasked with following up the implementation of CSD decisions, and reporting back to CSD on the progress made.

84. National sustainable development strategies (NSDS) are another key institutional issue for sustainable development. In many countries, they are the result of gradual reform of existing institutions. In the absence of planning processes or in cases where these were ineffective, the establishment of new NSDS processes was helpful. It should be underscored that an NSDS is a process requiring continuous learning. Within the context of NSDS, establishing effective coordination mechanisms within the government is an important institutional aspect. The establishment of inter-ministerial councils and working groups led by a central agency (Prime Minister or President's Office or Ministry of Finance or Planning) has often been found effective. Finding institutions for increasing vertical coherence between national and sub-national level, however, is generally less developed. Another institutional aspect of NSDS is the need to find mechanisms for reviewing existing NSDS, with internal and external expert reviews, international peer or shared learning processes as well as reviews by established official institutions being options.

85. Another institutional challenge for an NSDS relates to the multi-scale nature of sustainable development. National strategies and policies may have impacts on other countries as well as on regional and global commons. These need to be adequately considered and addressed in national processes, including through external peer review. The participation of representatives of developing countries in the NSDS review processes in developed countries over the past years could be seen as a step in this direction. Further strengthening participatory processes for sustainable development also requires a continuation of improving transparency and access to information. In this regard, harnessing advances in information and communication technologies could be instrumental.

F. Knowledge creating and sharing institutions

86. The diffusion of the internet has made available to people around the world an abundance – if not always a wealth – of information on a virtually unlimited variety of topics, including sustainable development. The proliferation of information sources and the ease of information access have rendered the task of organizing and consolidating useful information and knowledge on sustainable development both difficult and urgent.

87. While a significant body of knowledge has emerged on the concept and practice of sustainable development, much of this information is fragmented and is often not available in a form that is convenient for policy makers and practitioners. For example, while analytical tools and methods relevant to addressing sustainable development issues such as life-cycle thinking, environmental valuation, ecosystem services, and others have been developed, they tend to have limited reach to the policy level, though there are noteworthy exceptions³⁶.

88. Similarly, the practical knowledge that has accumulated since Rio in terms of policies and institutions that work has not been used as systematically as it could have been for the benefit of policy-making. This is in part due to the absence of Sustainable Development as a recognized knowledge category, which has made knowledge relevant to sustainable development fragmented and hard to find³⁷. A visit to leading knowledge sites (e.g., wikipedia) demonstrates such fragmentation. The entries on sustainable development are not connected to others and do not give the impression of a framework for integration. Journals and books on sustainable development are mostly about one of its pillars, environment.

89. Overcoming these barriers would require, in addition to addressing institutional issues, advances in several directions. First, the web-based information on Sustainable Development needs to be organized and made available to the policy making and other communities in coherent and user-friendly forms. Second, it would be necessary to build relations among existing networks working on SD and make their activities more visible to policy-makers. Those could contribute to a third undertaking: documenting success stories, best practices, evaluations of policies and programmes in the sustainable development domain and making them available in web-based, user-friendly form. Most importantly, a synthesis of the accumulated knowledge on sustainable development over the past two decades, in the form of a dynamic stocktaking exercise, could be undertaken with the objective of providing a sound basis for thinking ahead on how to address 21st century sustainable development challenges.

90. At the UN level, it would be important to encourage and support stronger links of the SD science and policy research communities both with CSD and with other institutions and processes (e.g. ECOSOC). The Sustainable Development Knowledge Partnership (SDKP), which includes a wide range of policy research institutions, is a

³⁶ IDRC (2010), Valuing the Environment: Economics for a Sustainable Future (preliminary citation).

³⁷ On the other hand, a growing number of institutions of higher learning are establishing degree programmes or schools devoted to the study of sustainability or sustainable development.

notable example of a concrete initiative to enable CSD to inform and be informed by the knowledge of major groups. UNCSD will provide an opportunity to seek ways to strengthen knowledge creation and sharing with all major groups with a view to ensuring wise sustainable development decision-making and governance at the local, national, regional and global levels.

VI. The Way Forward

91. Sustainable development is a bridge between different goals, countries, stakeholder groups, knowledge systems, and generations. It promises not only the harmonization between economic, social, and environmental dimensions, but also a reasoned basis for international cooperation, a mechanism to engage the private sector and civil society, a means of placing scientific knowledge in the hands of policy makers and local communities, and a way of expressing our responsibility towards future generations. At its advent, it created tremendous excitement and mobilized the energies of a vast range of stakeholders. The Report offers a balanced assessment of the history since 1992, which provides important pointers to issues that may need attention. Today, as the challenges have become more urgent, the world is again in need of the “Spirit of Rio”. UNCSD offers a chance to revive the enthusiasm and the energy by showing how to build upon the foundation that was laid in Rio in 1992.