

# **PERSPECTIVES ON AN INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT (IFSD)**

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Speaking notes by Martin Khor (Executive Director, South Centre) as a Panelist at the DESA/Indonesian Government high level dialogue on institutional framework for sustainable development, 19 July 2011.

## **1. Introduction**

Twenty years after the Rio Summit 1992, the global sustainable development situation has deteriorated. The environment crisis has worsened. After a period of good development performances in some developing countries, the prospects for the global economy have worsened, with the financial-economic crisis now affecting Europe and the US, which has implications for developing countries. Many developing countries followed an export-led growth strategy; however if the economies of developed countries are stalling, this strategy has to be reviewed. The social dimension is bound to be affected by the environment and economic crises, which has adverse effects on poverty, employment and social services, food security, health, etc.

## **2. Weakness of institutional follow up and framework**

The key pillars of sustainable development are thus coming under major challenges. Thus there is need to examine what has gone wrong. A major problem is the weakness of institutions set up to follow up the outcomes of Rio. The Rio vision was far-reaching, and the agenda was very ambitious, but the institutions to follow up were weak. The CSD as the main institution had a limited mandate to monitor the follow-up activities of agencies and governments, it had few resources and few staff, and it only convened meetings for one or two weeks in a year. There was no time to deliberate on issues and then on actions to address them. Important topics can be discussed only once in a few years on a rotating basis, some worthwhile subjects disappeared, and due to shortness of time only resolutions or declaration were negotiated. As a result there was little implementation capacity or strategy either at the CSD or in the various other agencies. There was also a weak framework to liaise with or stimulate national level sustainable development policies and agencies. The great deficiency has been in implementation, and in the institutional framework for implementation.

Thus there is need to greatly strengthen the SD architecture. Rio Plus 20 is a great opportunity for doing that, which will not come again for a long time. Because of the complexities, the

easiest and perhaps most likely outcome at Rio on IFSD will be merely to say we will strengthen the CSD and UNEP and other agencies. This is a minimal outcome, and will be an inadequate response to the huge challenges.

### **3. Principles and Objectives**

The foundation for the institutional framework are the principles and objectives. The principles that underlie the sustainable development framework are well known. It came out of the wisdom of the preparations for Rio and at Rio. It started with the environment crisis and then came to the realisation that this could be addressed properly only if development as an objective could be equally addressed. Thus the Rio Summit became the UN Conference on Environment and Development. The integral connection between the two, and the holistic approach to environment and development, became the centerpiece of sustainable development. This is enshrined in the Rio Principles which had environment principles of precaution and polluter pays as well as the development principles of the right to development and the equity principle of common but differentiated responsibility.

The Agenda 21 became the action programme, augmented by the Johannesburg Plan of Action. It was agreed that sustainable development has three pillars – economic, social and environment—which have to be balanced and taken and developed together. Added to the three pillars or underlying them is the international cooperation components of developed countries' commitment to providing financial resources, technology transfer and capacity building to developing countries so that the world as a whole benefits from addressing the environment crisis. This whole package of principles, pillars and international cooperation commitments which we know as sustainable development need not be invented again, but it has to be reaffirmed at Rio Plus 20, and it should be the foundation of the IFSD. The objectives of the IFSD should be to effectively operationalise and implement these principles.

### **4. Elements of the Three Pillars**

The three pillars of sustainable development are social, economic and environment. There are many issues in each pillar, and specific issues in one pillar should be related to relevant issues in the other two pillars. A sample of categories of key issues in the three pillars is as follows.

## **SOCIAL PILLAR**

### **A.General**

Poverty

Social equity

Social security

Employment and livelihoods

Macro-economic policies for social development

International Cooperation Dimensions of Financial resources and technology transfer

### **B.Basic and human needs**

Food security

Health care and services

Water and sanitation

Access to energy

Housing and habitat

Education

Culture

ITC, media

## **ECONOMIC PILLAR**

Macroeconomic policies

Development strategies and policies

Overall, institutional

Industry

Agriculture and Food

Services

Trade

Finance

Finance policy

Financing for development

Institutional issues

Debt management

Technology

Assessment

Innovation

Access, Transfer, deployment

## **ENVIRONMENT PILLAR**

### Land Based Resources

Soil

Land use

Agriculture

Forest

Watersheds

### Atmospheric Issues

Emissions and air pollution

Climate Change mitigation and adaptation

### Seas and Oceans

### Biodiversity

Toxics: Chemicals, Heavy Metals, Radiation, etc

### Water Resources

### Energy

### Environment and Health

## **5. Strengthening Functions and Activities**

- The IFSD has a function of convening governments, agencies, civil society, experts, to discuss key issues, explore better ways to do things in cooperation, to coordinate and be more coherent in the policies and actions, and identify areas or topics of deficiency, in which further action or new norms have to be developed.
- The IFSD needs to negotiate norms. These include “soft” norms such as consensus reports or decisions of meetings and political declarations, with recommendations and action plans. They also include more legally binding norms such as treaties, and new decisions by members of treaties that update and revise existing norms. They also include new treaties and protocols where needed, including to deal with new issues or identified important areas where there is an absence of norms.
- The IFSD requires adequate Secretariat actions and functions. These include: (a) Research, analysis and reports and recommendations, to alert governments and the public

of the situation and to give alerts on emerging problems. (b) Provide technical assistance and advice in general; (c) To make arrangements for convening meetings, their reports and follow up on the outcomes.

- The IFSD should take a balanced approach to the three pillars, so that each pillar is developed in concepts, outcomes and actions equitably. 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.
- Implementing Actions and Agencies: This is a crucial function, which has been deficient in the past many years. The functions include:
  - (a) Assisting countries with formulating their institutions, action plans, policies, laws and implementation mechanisms
  - (b) Assisting countries obtain information, knowledge, technologies, good practices, recovery from natural disasters, etc.
  - (c) More effective coordination and cooperation in implementation activities among policy-formulating and implementing agencies, at international and regional levels, and national level.
- Connections and division of work between global and regional institutions, as well as the UN institution/s based at country level is important, especially as sustainable development should be a country-driven process.
- The role of civil society is critical and adequate space should be given to its role in the design and operationalising of sustainable development frameworks and activities.

## **6. Need for Mechanisms for Coherence and Coordination**

There is need for coherence and coordination among different agencies representing different norms and objectives, and this function of coherence and coordination is also a crucial one for the IFSD. One objective of the IFSD is to work out practical methods and mechanisms for policy coherence and coordination of implementation actions. The coordination is needed:

- (a) Within an issue, so that there is less duplication, more synergy and more effectiveness among agencies dealing with the same issue. Mechanisms for coordinated actions could be explored that lead to better results. One example cited is the setting up of UNAIDS by

several agencies dealing with AIDS, to coordinate strategy so as to have better overall results by implementing agencies.

- (b) Within an area, where there are many different aspects and agencies which all have to be included to obtain a solution. For example, there is need for coordinated action to address the food crisis. This requires addressing issues and agencies that include food production and sustainable agriculture practices; access of farmers to land, technology, credit, storage; marketing; appropriate trade policies and trade reforms; biodiversity and benefit-sharing arrangements; international cooperation in finance and technology transfer.
- (c) Across areas where there are trade offs or potential conflicts and differing perspectives, and solutions to the trade-offs have to be taken. For example, there may be a potential conflict between open trade and environmental regulation; intellectual property and access to medicines and environmental technology; finance issues (currency fluctuations) and trade stability. At national level, the Cabinet would be an institution to resolve the different objectives according to national priorities. At the global level, mechanisms are also needed for the resolution of trade-offs.

## **7. Options for Institutional Architecture**

There are several options and scenarios for reforming the institutional framework for sustainable development (IFSD).

The first is to mainly have the status quo, with a decision to strengthen the CSD, the UNEP and other relevant organizations like UNDP, the MEAs, Commission for Social Development, etc. This may lead to radical changes. However, the likelihood is that there will be minimal changes or at least changes inadequate to the task.

The second is the proposal by some to convert UNEP to a World Environment Organisation. The aim is to strengthen environmental action. There are some questions raised, such as the roles then of other UN agencies that have a bearing on environment and natural resources (such as FAO regarding forest and agriculture), or the UNFCCC regarding climate change; the upgrading of one pillar while not the other two pillars and whether it is better to develop the three pillars in a more balanced way; the foundational principles of the new organization (whether they are based on the Rio sustainable development package), and the political feasibility at the present.

The third is the institutional reform of the CSD, perhaps with its re-naming as a Council on Sustainable Development. This is a variant of the concept of a sustainable development umbrella. Such a transformation could include the following elements:

- Design the architecture with a general component and with the three pillars.

- The overall Council should have its status clarified with regard to the General Assembly (is it a Council reporting to the GA?) and with regard to ECOSOC (the division of work between the new CSD and the ECOSOC).
- The general component could have the function of 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 formulation of elements and issues in each of the three pillars. These could include a Sub Council or Committee (intergovernmental) for each pillar, with a supporting secretariat department, and the coordination of implementing actions by relevant agencies in the pillar.
- As illustrative example, (a) the agencies in the social pillar could include UNDP (poverty, MDGs), ILO (employment, social protection), DESA (social policy analysis), WHO (Health, access to water, sanitation), FAO (food security), UNESCO (education, information), Habitat (housing and services), Human Rights Council (with regard to the right to food, health and social rights; UNRISD (policy analysis) etc.
  - (b) The agencies in the economic pillar could include DESA (macro-economic analysis, development strategies, financing for development and finance policies); UNCTAD (trade, macroeconomic and development strategies, finance, technology policy); UNDP (policy analysis, networks and capacities at country level).
  - (c) The agencies in the environment pillar could include DESA (environment aspects taken up by CSD), UNEP (chemicals, toxics, and wide range of environment issues), UNDP (environment, forest, energy especially at country level); FAO (forest, agriculture), WMO, IPCC, UNFCCC (climate), CBD and Desertification Convention, other MEAs and other agencies.
- The regional commissions and agencies of the UN system should also be involved in the three pillars, as well as the role of the UN at national level.
- The methods of interaction with and involvement of the Bretton Woods institutions and the WTO in the three pillars should be worked out.
- The status of the reformed CSD with the General Assembly, and its relations with ECOSOC, as well as other UN organs such as the Commission on Social Development, the GA Second Committee, etc. has to be worked out.
- Under this umbrella architecture, there should be more time given for the convening of meetings on sustainable development pillars and issues, for example climate change,

biodiversity, financial and economic issues, 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.

A fourth option is to carry out the reforms referred to in the third option, but to make it happen in ECOSOC rather than a Council on Sustainable Development. The advantages and disadvantages of option 3 and option 4 have to be considered.

## **8. Conclusions**

The above options are perhaps not the optimal one. In the optimal model, we may even have a UN Organisation for Sustainable Development, with a powerful integrated mandate to deal with all the issues of the three pillars, and with a large Secretariat that may subsume the secretariats or parts of the secretariats of several existing UN departments, funds, programmes and agencies. Maybe this may happen in 20 years. However, it is more realistic to envisage an intermediate model, that upgrades from what we have today. The “business as usual” model has not worked, and an upgrade is necessary to face the sustainable development challenges of today, 20 years after Rio.