

NETWORK 2015

TRADING PLACES

SEPT. 2003

From Doha to Cancun

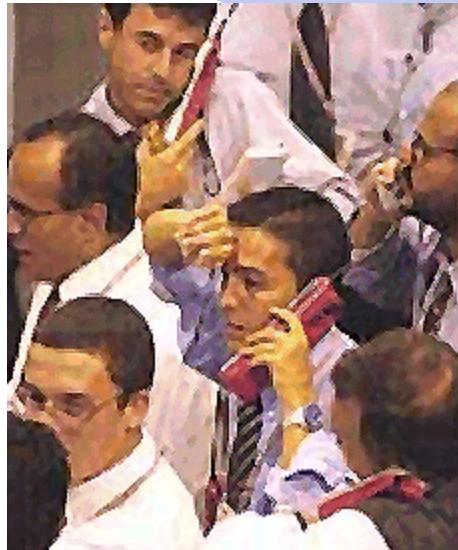
The WTO held its Forth Ministerial Conference in Doha, Qatar, 2001. Member states were resolute in working more constructively, than witnessed during the '*Battle of Seattle*', to ensure a positive outcome from the discussions. The Doha Development Round was launched. The round seeks to reflect the increased number of developing countries in the WTO, and the role, which trade and liberalisation have to play in their development processes.

Two years on from Doha, preparations are currently underway for the Fifth WTO Ministerial Conference, due to take place in Cancun, Mexico, 10-14 September. The aim of the Ministerial is '*...to take stock of progress in negotiations and other work under the Doha Declaration*'. Essentially the fifth WTO Ministerial Conference will serve as an interim progress report on the current round of negotiations of which all but two are due to be concluded by January 2005, within the Single Undertaking Framework. The Final Ministerial Declaration from Doha (14th November 2001) lists 21 subjects that would constitute the WTO Work Programme. The majority of items under this programme involve negotiations. However, other issues to be dealt with include 'Implementation'; referring to the problems experienced by developing countries in implementing current agreements. The 21 subjects include, *inter alia*, the following;

- Agriculture
- Services
- Market Access for Non-Agricultural Products
- Trade-Related Aspects of Intellectual Property Rights (TRIPS)
- Dispute Settlement
- Trade and Environment
- Technical Cooperation and Capacity Building
- Special and Differential Treatment
- Relationship between Trade and Investment
- Interaction between Trade and Competition Policy
- Transparency in Government Procurement
- Trade Facilitation

To date, the Doha Round has been typified by missed dead-lines. Despite the mandate for progress on all items - except the Dispute Settlement Understanding, and those on a multi-lateral register of

geographical indications for wine and spirits - to be reviewed at Cancun, the majority of the negotiating groups have to date failed to have initial discussion drafts prepared for the Ministerial. There appears to be no single explanation for this, other than the complexity and litigious nature of the issues.



Buy, buy-bye sustainable development?

However, a common understanding is that with the world economy in the doldrums, and many national economies in recession, counties are adopting a state-centric, protectionalist stance once again, in fear of the consequences of opening up their markets to foreign products and investment.

View-points on the importance of these missed dead-lines appear divided. At the recent launch of the European Trade Forum, an optimistic John Clark (DG-Trade) told delegates that the trade round was in a much healthier state than the Uruguay Round was at a comparable stage, and that although a number of dead-lines had been over-shot this was inconsequential to the success of the negotiations and the completion of the trade round. Else where, others have expressed concern, arguing that failure is not an alternative. They considered the state of play to be sending out negative signals to an already floundering economy. Reiterating the need for a successful round to ensure the level of liberalisation required to stimulate the global economy.

Preparations for Cancun continue, negotiating committees continue to meet, mini-ministerial get togethers take place, and civil society groups continue to place pressure on governments to go further and make good on their Doha promises. It would therefore be wrong to attempt to give a snap-shot of the current state of play of negotiations, not only because of their complexity, but because reports become outdated on a daily basis. Of the most contentious issues to be discussed at Cancun are; TRIPS and Health, special and differentiated treatment, implementation related issues and in areas of agriculture and market access for non-agricultural products.

Further difficulties also lie in the process being adopted by the Chairman, questions have been raised over the production of draft text, which includes statements for agreement, on-which no discussion, let alone consensus, has yet been reached.

That is not to say that on-going negotiations, the potential addition of the Singapore Issue negotiations (and others), and the Single Undertaking concept all add up to an extremely ambitious work-load, and one that sits loaded in favour of those states with available resources to manage such an agenda. It is a very real concern that developing countries will once again find themselves lacking the capacity to engage with and influence negotiations on such complex and interrelated issues, and as such decisions will, once again conclude with their marginalisation. Hypocrisy in the context of a '*Development Round*'.

To complete the workload within four days seems all but impossible, and it is already expected that the Ministerial will run over. Both time and effort will be required on those issues, which have reached an impasse or are progressing too slowly. Flexibility and heightened understandings must be found on at least some issues if the negotiations are to remain fluid, and dead-lines are to be met.

It is anticipated that ten of thousands of representatives of non-governmental organisations will be present in Cancun during the Ministerial, there will therefore be plenty of people on the streets to protest. Stakeholder Forum, amongst others, will be advocating the need for greater openness and transparency within the WTO. With only one representative from each organisation being granted permission to attend the Ministerial at any one time, the need for this issue to be raised, pursued and resolved seems ever more urgent.

Georgina Ayre, Stakeholder Forum

Editorial

The trouble with multi-lateralism is that everyone wants a say, but nobody wants to pay. Within the sustainable development world that is still perceived to mean paying to clean up the mess. For the WTO payment can take a whole number of different forms: '*Yes sir, we accept subsidies, tariffs, taxes, embargoes and, if you know the manager, political favours are always appreciated - just be kind enough to hand them under the table.*'

In Johannesburg burden sharing meant partnerships. In Cancun no such sophisticated engagement exists. It's not as exclusive as it used to be, but some are still substantially more equal than others. That needs to be addressed. Things will never be bowling-green smooth, granted, but the playing field must start to resemble more of a well used football pitch, rather than the Himalayas, if the process is to progress more towards exchanged views and less of thrown stones.

Also the size and scope of the tab must be widened. Presently all is trade, despite the development spin. Environmental and Social issues remain the weak brethren to fiscal policy, especially at a time when global economic conditions call for protectionism. This is near-sighted, as most political terms of office usually are, but at what price?

As with most international processes, commit to a deadline or target that is not within your administrations term of office without taking action and you appear politically insincere. Commit to one before you are due to hand in the keys to the office and you'll look politically dishonest. That's why the stone throwing persists, on both counts. Of course, there are pressures to stay within budget, or at least within the range of stability pacts. After all, every leader is accountable to their domestic governing body. So, willing to give the benefit of the doubt, lets say the targets a best intentioned aspirations. As such, why no delivery?

Well, lets cut to the chase. Similarly to debate in the sustainable development arena, nothing's for free - there is always conditionality. Result? '*If you don't subscribe to my way of thinking, I'm not going to listen to yours.*' Next up, competitive advantage. '*I've spent the last few decades building up the infrastructure around the markets within my boarders and, sure as apples are apples, I'm not going to help you build up yours so you can compete on level terms.*' Finally, people and planet. '*Well, there's loads of people and most of mine are doing fine. As for the planet, it's a big 'un, and my patch is still looking rosy.*'

The outcome of this admittedly glib overview is painfully slow progress on the full range of issues that matter. The solution? Well yes, that would be nice wouldn't it. A useful first step would be to even out the process transparently making it fairer for all. That would deal with a lot of the suspicion and mistrust. Next up, would be to open the doors a little where appropriate. A little more well managed dialogue between governments and stakeholders not only in preparation for the meetings, but at the sessions themselves would put more weight behind the pens, and less behind the stones. Finally, as with other notable intergovernmental processes, some target setting would provide a useful indication of intent and sincerity.

Wishful thinking? Perhaps, at least at the moment. But the times, they are a changing.

T.Middleton, Stakeholder Forum

Network 2015

Building Partnerships for Sustainable Development

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SUSTAINABLE NEWS

World Resources & The Access Initiative

For twelve years, four groups -- WRI, UNEP, UNDP, and the World Bank -- have partnered to produce the biennial series, World Resources. The latest edition, World Resources 2002-2004 Decisions for the Earth: Balance, Voice, and Power, focuses on the importance of good governance for the environment. Through the report, the four partner organizations endorse The Access Initiative and the Partnership for Principle 10, and recommend that governments and civil society groups join in implementing these critical government initiatives.

The report was launched simultaneously in London and Washington, DC last week. The London launch was planned to coincide with the Progressive Governance Summit where Jonathan Lash, president of WRI, was an invited speaker. Nine separate events were held over the course of two days to introduce the book to the diplomatic, government, corporate, media, and NGO communities. In London, our five events were extremely well attended, and we are particularly thankful for the assistance of the Environment Policy Department of the UK Foreign and Commonwealth Office. The four events in Washington included a press conference at the National Press Club and three receptions. A brief description of the nine events is at the bottom of this message.

The complete World Resources 2002-2004 report can be downloaded at http://pubs.wri.org/pubs_description.cfm?PubID=3764. Chapter 3 (which can be downloaded separately) describes TAI and its findings.

Please contact Amy Lesser at aless@wri.org if you would like to receive a complimentary copy of the report.

Cardoso Civil Society Panel & the UN Holds 1st Meeting

The Secretary-General's High Level Panel on Civil Society, chaired by the former president of Brazil Mr. H. F. Cardoso, held its first meeting at UN Headquarters in New York, on 2-3 June 2003. The Panel members also had working lunch meetings with Secretary-General Kofi Annan (on 3 June) and with the Under Secretary-General for economic and social affairs Nitin Desai (on 2 June).

This first meeting of the Panel reviewed in detail its terms of reference and the modalities with which it would conduct its work. The Panel will use multiple means and vehicles to reach civil society and other relevant actors including surveys, consultation meetings, hearings, briefings, and analytic studies. Further detail on these modalities will be announced by end of June. The Panel's second meeting is scheduled for December 2003. The coming summer and fall months will engage the Panel members in various consultation efforts.

Background materials, including a contextual piece by President Cardoso on the role of civil society in today's world and a review of UN's relationships with civil society prepared by the Panel's secretariat, were used by the Panel members during this meeting. These papers will be available at www.un.org/

[reform/index.html](#) by mid-June.

Opening the meeting, President Cardoso reflected on the growing civil society engagement at all levels, but especially at the multi-lateral level, coupled with a growing public disenchantment with the current world order. Civil society wants a voice, not a vote, in shaping the future; and dialogue with the diverse civil society actors helps expand democracy.

In the course of the meeting, the panelists highlighted a number of concerns regarding the UN and civil society relationship. These included the need to clarify the rules of engagement to align them with the realities of the 21st century, the need for improvements in the relationship with civil society at both international and other levels (national and regional), and the need to create environments and opportunities for genuine dialogue. Many challenges are before the panel in developing the practical recommendations it has to deliver to the Secretary-General by April 2004. Among these are how to continue reinforcing the relationship between civil society and the United Nations in the absence of upcoming large global conferences, how to increase the influence of civil society experience in the making of global decisions, how to define the concept of 'civil society', and how to balance concerns of civil society with those of the states while also responding to the scale and quality pressures.

The Secretary-General established the Cardoso Panel in February 2003, as part of his broad set of reform measures, announced on 30 September 2002 in a report to the General Assembly. The reform process aims to make the United Nations more able to respond to the new demands of the 21st century, and highlights the growing interaction between civil society and the United Nations as one of the areas that need improvements. The Panel's expected output is a set of practical recommendations on how and in which areas such improvements can or need to be made.

UN Department of Public Information

Persistent Organic Pollutants: A Legally Binding Agreement in Sight

Following its high billing at last year's Johannesburg Summit, and through the Global Environment Facility's increased focus, progress on Persistent Organic Pollutants was consolidated at the 7th meeting of the Intergovernmental Negotiating Committee (INC), convened in Geneva, July 14-18th.

Heightened international attention has led to an increased number of ratifications of the Convention since the INC meeting. With a likely entry into force some time in 2004, and a first meeting of the Conference of the Parties in 2005 (COP), INC 7 devoted much of its attention to the modalities for the Convention and rules of procedure.

While delegates managed to rattle admirably through the chair's programme of work, a notable sticking point concerned the financial mechanism of the Convention. Predictable battle lines were drawn between the developed and developing countries that will have to play out through the first few COP's. Now a waiting game ensues for the 50th ratification. In the meantime attention will shift elsewhere as the GEF funds flow.

CSD

CSD 12 - A New Dawn?

Johannesburg + 1 is looming ahead of us and the preparation for CSD12 is well underway.

The challenges this year will be that the system that has been set up from CSD11 will have a very short time to deliver the hoped outcomes. The first cycle of Freshwater, Human Settlements and Sanitation Poverty eradication will be reviewed through a cross cutting lens of changing unsustainable patterns of consumption and production, Protecting and managing the natural resource base of economic and social development, Sustainable development in a globalizing world, Health and sustainable development, Sustainable development of SIDS, Sustainable development for Africa, Other regional initiatives, Means of implementation, Institutional framework for sustainable development, Gender equality, and Education.

How this is made meaningful and be seen to deliver is the challenge that the new Chair of the CSD H G Borge Brende the Minister of Environment for Norway since 2001 and the former Deputy Leader of the Conservative Party in Norway will have to address this next year. He said recently:

"The international community has set itself ambitious goals for sustainable development. The CSD must help ensure that these commitments are delivered upon. We have no time to lose when it comes to transforming global commitments into action at the local and regional levels.

It is significant that the Johannesburg Summit reconfirmed the global goal of substantially improving the lives of at least 100 million slum dwellers by 2020. This commitment is strongly interrelated with the Johannesburg and Millennium Development Goals to halve the proportion of people without access to safe drinking water by 2015 and the Johannesburg target to halve the proportion of people without access to basic sanitation by the same date. Clearly, there are win-win opportunities by integrating the issues of human settlements, water and sanitation like we are now able to do in the CSD. Water-borne diseases kill a child every eight seconds. A majority of these victims live in urban areas. Statistics in a new UN Habitat report show that 83 per cent of the population in 43 African cities live without connection to a sewerage system.

We must take a step- by- step approach. The global goals on water require that safe drinking water be delivered to another 270 000 people every day for the next 12 years. The sanitation goal means that basic sanitation must be made available to another 370 000 people every day for the next 12 years. Although a daunting task, I believe this can be done. We owe it to ourselves and to future generations to strive towards these key goals. The Water Decade 1981-1991 gave approximately 350 000 people access to clean drinking water and 200 000 access to sanitation services every day during its duration. We did it then. We can do it again."

Joining him as members of the Bureau for CSD12 are H G Bruno Stagno Ugarle who was on the Bureau for CSD11 and is the new Costa Rican Permanent Representative to the UN, Mr Bolos Paul Zon Lolo from the Nigerian Mission and Mr Toru

Shimizu from Japan. The representative from Eastern Europe has yet to be selected.

The CSD Secretariat under the leadership of its Director, Ms. Joanne DiSano has initiated a number of creative things:

- A scooping paper on the three themes for CSD12 - those being human settlements, water and sanitation - these papers are synthesized with the commitments, goals and targets from Rio, CSDs and Johannesburg;
- Inter-agency workshops on each of the three themes;
- A meeting of the Regional Commissions to develop consistency among the regions on:
 - Regional overview of state of implementation
 - Status of national implementation on CSD thematic clusters
 - National experiences/peer reviews
 - Challenges and achievements
 - Multi-stakeholder involvement
 - Partnerships
 - Expected outcomes
- Outlines for the reports from the Secretary General are being produced by September and then first drafts will be available from mid November and will be build on previous reported information on the three themes.
- Guidelines for Major Groups participation will be issued in the next couple of months and posted online at: www.un.org/esa/sustdev/mgroups/mgroups.htm

Rio gave us the nine Major Group chapters recognising that each stakeholder group had a role in implementation of Agenda 21. UNGASS in 1997, the five-year review, gave us the multi-stakeholder dialogues - or how to empower stakeholders to fulfil their role in sustainable development policy making. Johannesburg recognised that to implementing the Sustainable Development Agreements and achieving the Millennium Development Goals there was the need for effective stakeholder participation and collaborative stakeholder action.

None of this stakeholder involvement should minimise what governments themselves have to do. There were serious questions raised during the WSSD process concerning the commitment of governments to 'play their role'. We still have the issue of how to ensure that stakeholders whether they are industry, local government or that matter NGOs also abide by global agreements. The issue of 'voluntary initiatives' v regulation raised by a number of NGOs needs revisiting. CSD6 set up a multi-stakeholder working group to review the voluntary initiatives. This group did not deliver the assessment requested due to in part a lack of funding. Perhaps an independent commission an idea floated by Simon Upton should address the issue. There are a number of leading edge companies who might find this a very attractive idea and an opportunity to see some 'blue water' between them and some of their competitors who they feel are just speaking 'green wash'. A good look at EMAS, ISSO, the Global Compact and other voluntary initiatives might help us all understand what is needed better.

Felix Dodds, Stakeholder Forum

PRODUCTION+CONSUMPTION

Moving Forward or in Circles?

An international expert meeting on the 10-year framework programmes on sustainable production and consumption was held in Marrakech, Morocco, June 16-19. The meeting was organized jointly by the United Nations Department of Economic and Social Affairs (UN DESA) and the United Nations Environment Programme (UNEP) to "work towards the development of a 10-year framework in support of national and regional initiatives to promote sustainable production and consumption" (SPAC) as highlighted in the World Summit on Sustainable Development (WSSD).

The meeting brought together experts from around the world to discuss elements of the 10-year framework. However, of the 115 participants, only 5 represented civil society.

The participants were divided into 4 working groups, each discussed various aspects of the 10-year framework. They focused on the following questions (i) What works and what doesn't? (ii) What are the main challenges to implementation? (iii) What are the main priorities of future SPAC work at the national level? (iv) What actions are needed at the international level to support SPAC?

The first working group, "Human settlements and sustainable consumption and production," examined four main issues – waste management, transportation, construction and water and sanitation. The group cited various examples of good practice including the 3-Rs approach to waste management (reduction, reuse and recycling), developing clean transportation technology and public transportation, improving energy efficiency and water conservation practices. However, they gave less attention to the challenges to implementation, which was unfortunate given the "implementation crisis" noted in the WSSD. Future priorities included transferring environmentally sound technologies, stimulating integrated planning (urban, land use and spatial), and learning from traditional knowledge.

The second working group, on "General policy instruments and analytical tools," held that poverty reduction and meeting basic human needs are overarching goals of sustainable production and consumption. The group encouraged using Integrated Product Policy (IPP), and de-linking economic growth from environmental degradation. Barriers to fair trade and "the internal resistance of some stakeholders to implementing SPAC programmes" were identified as two important obstacles to implementation. These could be addressed by ensuring the competitiveness of sustainable goods and services and increasing political will and commitment for implementing SPAC strategies. The group not only called for regional initiatives, but also financing mechanisms to implement the regional priorities that had been identified.

The third working group, "Tools for promoting sustainable consumption patterns" discussed eco-labeling, education and awareness raising, the UN Guidelines on Consumer Protection and sustainable institutional procurement. The group called for implementing the UN Guidelines on Consumer Protection, a key but underused tool for policymaking. While advertising was identified by some as an obstacle to implementation, this point was watered down; rather than a major factor promoting consumerism, the problem of "unsustainable products in the context of ill informed consumers" was noted.

The fourth working group examined "Tools for changing production practices." The group acknowledged the need for a mix of instruments including environmental audits, sanctions & fees, economic instruments (e.g. tax & subsidy reform), voluntary instruments (labeling, standards & reporting), information, education and capacity building. Main challenges were low awareness about clean technology practices and inadequate capacity in developing countries. Participants called for mainstreaming production and consumption, encouraging stakeholder involvement & partnerships, disseminating information, practical tools, capacity building, education, and promoting future work on the 10-year framework.

The chairpersons of the meeting concluded that the "Marrakech process" had emphasized the importance of integrating SPAC in national strategies for sustainable development and in poverty reduction strategies, although it was still unclear how to overcome the obstacles. They called for political commitment for SPAC among all stakeholders – including government, industry and civil society – and the active involvement of stakeholders in all relevant fora. Again, it was unclear how that could be ensured, given the similar yet unmet "commitments" made at Rio and in the past decade. They also recommended specifying national and regional priorities on SPAC. Capacity building, technology transfer, financial assistance and information dissemination were identified as overriding priorities for the 10-year framework. The future programme of work of the Marrakech process would include:

- Targeting responses by international organizations according to identified national and regional priorities;
- Encouraging and supporting information and experience sharing;
- Involving all stakeholders and establishing of concrete partnerships;
- Preparing and disseminating a report based upon the findings of the Marrakech meeting;
- Strengthening regional processes at all levels.

The "Marrakech process" must be appreciated for refocusing attention on SPAC, especially highlighting the renewed emphasis given by UNEP, UNDESA and many governments (although some governments were less than enthusiastic). The meeting could have generated more value had it evaluated the lessons from similar work done on this issue in previous years – e.g. the Oslo Ministerial Roundtable, which invested several years discussing the elements for an international work programme on sustainable production and consumption. The report from the meeting gives disappointingly token mention of the role of the civil society in the process. Perhaps unsurprisingly, they fail to take note of the "watchdog function" of civil society in monitoring and evaluating progress towards SPAC, although this was one of the recommendations from the 1995 Oslo Ministerial meeting as well as by many NGOs in Johannesburg. The working groups noted the importance of corporate responsibility "and accountability" in achieving sustainable production and consumption, yet there was clearly some "internal resistance" in articulating viable corporate accountability mechanisms. The critical question remains: In the coming ten years will enough be done to change production and consumption patterns to reverse the worsening social and environmental trends killing our planet?

by Veena Ramani, Integrative Strategies Forum

PROJECTS UPDATE

Implementation Conference Johannesburg, 1 year on

The purpose of the “Implementation Conference: Stakeholder Action for Our Common Future” (IC), held in the 3 days before the World Summit in Johannesburg last year, was to inspire stakeholders to create collectively, clear, measurable on-going action to deliver the Sustainable Development Agreements. The Conference was the result of a 15 months process designed to support the movement of citizens and organisations coming together in multi-stakeholder processes or partnerships, at local, national and international levels. Over 400 participants from over 50 countries were engaged in the process. Supported by a 25 strong international facilitation team, 25 small, multi-stakeholder Action Plan groups worked over the three days, developing more than twenty concrete, agreed and owned collaborative actions plans focussing on specific aspects of existing and emerging policy agreements within one of the 4 issues (Freshwater, Energy, Food Security and Health)

The IC represents a new approach and an initial review is being carried out to assess progress to date. There are many lessons that can be learnt from the experience of the action plans groups and also from their experience of the IC itself. To appreciate the outcomes of we have chosen three example Plans to review their progress, nine months after it was agreed.

The **Eco-Agriculture** Action Plan Group brought together a key group of organisations committed to finding and implementing ways of achieving the twin goals of Food Security and Biodiversity. The plan that they developed at the IC proposed the formation of a partnership aimed at promoting the use of Eco-Agriculture through research, capacity building, education, and policy facilitation. Through the proactive efforts of the participants many of the short term goals have been realized. Eco-Agriculture Partners has now been formally established and is registered as a WSSD Type II partnership. A Strategic Planning Workshop was hosted by IUCN in Switzerland enabling the group to create and consolidate the organizational structure and to elaborate plans for developing an international database on eco-agriculture systems and practices, a small grants programme and an eco-agricultural training module. An international conference and practitioner's fair in Nairobi, September 2004 has now been announced which will focus on eco-agriculture and be oriented towards farmers and community members. Informal working groups have been set up in Washington DC and there are plans for working groups to be established in South America and Africa.

The goal for the **Global Rainwater Harvesting Partnership** was to establish a global partnership to focus on all aspects of Rainwater Harvesting: to promote Rainwater Harvesting; to raise the issue on the sustainable development agenda; to exchange ideas and experience; to influence policy at the international, national and local levels; to provide a vehicle for creating partnerships and to promote a globally representative approach, allowing regional and other variety. Progress was

greatly assisted by the provision of seed funding from Blue Planet Run, a US based NGO. The partnership has now been established in the form of the International Rainwater Harvesting Alliance (IRHA) with a secretariat based in Geneva and supporting clusters of networks in the Small Island States, South Asia, South East Asia, the Middle East, Africa, Oceania, South America, Eastern Europe and the Mountains. The aim is to build an Alliance of rainwater harvesting networks, united yet diverse, that will promote a worldwide consensus that Rainwater Harvesting is a major option in many regions and that sustainable delivery of freshwater needs to be at the top of the political agenda of national and international development strategies. The Alliance is now moving on to its next stage with a concrete plans for institutional strengthening for effective rainwater networking.



Come Together

The “**Drop Malaria Tax**” Campaign Action Plan Group was one of the smallest at the IC but this enabled a detailed Action Plan to be developed. The original goal set out in the Plan, was clear: at the onset of Johannesburg, twenty-six countries had failed to keep the pledge made by their Heads of State in Nigeria, 2000 to remove taxes and tariffs on mosquito nets, netting materials and insecticides. A particular focus of the group’s activities has been on Africa Malaria Day which is fast becoming an annual event with over 100 organizations and partners coming together

to deal with the devastating malaria crisis. The lead members of the group, MassiveEffort and WorldVision, have been systematically working through the Plan and their hard work has been reflected in the decision by the South African Government to drop the Malaria tax.

For these Action Plans, actual implementation has commenced well within the nine months, often aided by the receipt of early seed funding. For some others, the seed funding was not secured and as a result real action on the ground has had to await the completion of the fund-raising process. In some cases, however, people have worked on the Action Plan even without the necessary support, demonstrating a level of commitment and dedication that is simply admirable.

The importance of funding is clear, the importance of the right skills and knowledge to fund-raise successfully is clear. The importance of providing support for newly conceived plans to see the full light of day is clear (facilitation; governance structures; fund raising).

The power of bringing stakeholders together to pool their experience, and enhance their creativity and their commitment – this also is clear.

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Minu Hemmati, Meredith Abrams, Stakeholder Forum

STAKEHOLDER VIEWS

Sustainability through the market: A WBCSD perspective

The World Business Council for Sustainable Development (WBCSD) has long advocated that well functioning, open markets are crucial to good business operations.

As we get closer to September and the WTO's Fifth Ministerial meeting, discussions center around the challenge of determining if markets can do more than create shareholder value. A common view, some years ago, was that we were in a zero-sum game and that those in the developed economies needed to reduce their standard of living to help populations in the rest of the world. As a business organization, we believe that the very premise of business's existence is to create goods and services that can improve people's quality of life.

In a report called *Sustainability through the market: Seven keys to success*, the WBCSD outlines the

necessary elements to achieve sustainability by using market forces. The seven keys are: innovate, practice eco-efficiency, move from stakeholder dialogues to partnerships for progress, provide and inform consumer choice, improve market framework conditions, establish the worth of earth and make the market work for everyone.

7 keys to achieving sustainability through the market

Today, all businesses must innovate to be successful. Technological and social **innovation** can do much to improve quality of life and address the depletion of resources and pollution. But innovation processes must take into account public concern, or run the risk of being rejected. How to conciliate society's expectations with innovative development is of much debate today.

Eco-efficiency is a management strategy that combines environmental and economic performance. In short, it is about creating more value with less impact. It has evolved into a widely accepted policy concept. As an example, the European Eco-Efficiency Initiative, which involves the European Union, the WBCSD and European Partners for the Environment, was launched in 1998, to turn eco-efficiency into a prime business and policy concept throughout Europe. Furthermore, the Implementation Plan from Johannesburg also builds on the eco-efficiency concept.

The **dialogue** among business, civil society, and governments has matured since the 1992 Rio Earth Summit, and Johannesburg exemplified this trend. In particular, public-private **partnerships** were embraced as a prerequisite for yielding positive results. Now the time has come to move beyond talking to one another to acting together.

These three keys deal with aspects with which business has



Choice, dialogue, eco-efficiency & innovation

some practical experience. Innovation, eco-efficiency, dialogue and partnerships have become familiar elements of business action on sustainable development. The next four keys represent a much tougher challenge for companies and its partners in government and civil society.

Consumer choice in a transparent and competitive market economy can improve quality of life for everyone. It can help to achieve sustainability via a triple-win: by improving quality of life for consumers, by reducing environmental and social impacts and by increasing the market share of sustainability-minded companies.

Markets depend on a stable and supportive **framework of public policy**. The rule of law, transparent accounting standards, and a safe social context all contribute to the ability of business to create wealth. Market aspects that hinder sustainability include monopolies, corruption and perverse subsidies. Governments' most effective means toward better market frameworks is specifying a desired result rather than a path toward that result.

Another key to sustainable production and consumption is establishing the **worth of Earth**. The market system needs accurate price signals. Proper valuation is the key. One of the big problems is the amount of subsidies. Total subsidies in the world economy are estimated to represent 1 trillion US dollars per year. This is creating an enormous amount of distortion in the world economy.

And finally, the seventh key is **making the market work for everyone**. Poverty is one of the single largest barriers to achieving sustainability through the market. The 2.8 billion people living on less than two dollars a day have little or no access to the market to improve their lives. How can companies create more opportunities and a better quality of life for the poorest? Many of these opportunities will lie in the areas of healthcare, water, housing, nutrition, electricity, education, appliances and sanitation.

Shared responsibility

Realizing the vision for sustainability through the market is a shared responsibility for governments, business and civil society. It requires of business to act on issues that have traditionally been considered outside its primary function, to create wealth through economic activities.

Business must work with government and civil society to determine what roles are best for companies and what roles best left to others. Because clearly, no part of society can achieve sustainable development on its own. We need to join forces in constructive partnerships. Business cannot thrive in societies that fail. I believe there is a strong business case for sustainable development and for sustainable production and consumption.

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CONFERENCES & EVENTS

4 Aug. - 8 Aug.	Pacific SIDS Regional Preparatory Meeting. Apia, Samoa. Contact: www.un.org/esa/sustdev/sids/sids.htm
11 Aug. - 14 Aug.	2003 World Water Week & Stockholm Water Symposium. Stockholm, Sweden. Contact: www.siwi.org/waterweek2003
18 Aug. - 22 Aug.	Caribbean SIDS Regional Preparatory Meeting. Port of Spain, Trinidad & Tobago. Contact: www.un.org/esa/sustdev/sids/sids.htm
11 Sept.	Financing Sustainable Development. Hong Kong, China. Contact: www.enviroseries.com/2003/fsd/index.html
25 Aug. - 5 Sept.	UN Convention to Combat Desertification 6th Conference of the Parties. Havana, Cuba. Contact: www.unccd.int/main.php
8 Sept. - 17 Sept.	5th World Parks Congress - Benefits Beyond Boundaries. Durban, South Africa. Contact: www.wcpa.iucn.org/wpc/wpc.html
10 Sept. - 14 Sept.	5th World Trade Organisation Ministerial Conference. Cancun, Mexico. Contact: www.wto.org/english/thewto_e/minist_e/min03_e/min03_e.htm
11 September	Financing for Sustainable Development. Hong Kong, China. Contact: www.enviroseries.com/2003/fsd/index.html
21 Sept. - 28 Sept.	12th World Forestry Congress. Quebec City, Canada. Contact: www.wfc2003.org
23 Sept. - 24 Sept.	2003 Annual Meeting of the World Bank Group and the International Monetary Fund. Dubai, UAE. Contact: www.dubai2003.org
29 Sept. - 3 Oct.	3rd World Conference on Climate Change. Moscow, Russia. Contact: www.meteo.ru/wccc2003/econc.htm
20 Oct. - 21 Oct.	UNEP Finance Initiative Global Roundtable. Tokyo, Japan. Contact: www.unepfi.net/tokyo/

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