
Perspectives from the German Ministry for Economic Cooperation and Development

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I. Introduction

Every time I come to New York I am immediately struck by the pace, the lifestyle and the consumption patterns of the people in this huge city. I wonder whether this will be the future for our whole planet? Can we all adopt this lifestyle, can we all consume, commute, spend our free time, use resources, and accumulate waste in this manner? Will this be sustainable in the long run?

The UN Millennium Summit reaffirms the commitment to UNCED's concept of sustainable development. There is some doubt as to that. It was also here in New York that only a few months ago heads of state, politicians, diplomats and nongovernmental organizations came together for the Millennium Summit of the United Nations.

Secretary-General Kofi Annan presented his Millennium Report containing alarming observations and an urgent call for action. He stated that the founders of the United Nations in 1945 could not have anticipated the challenge we face today: we need to realize a third freedom in addition to freedom from want and freedom from fear: "the freedom of future generations to sustain their lives on this planet. [But] we have been plundering our children's future heritage to pay for environmentally unsustainable practices in the present."

He further observed that "the natural environment performs for us, free of charge, basic services without which our species could not survive." Hence, "our goal must be to meet the economic needs of the present without compromising the ability of the planet to provide for the needs of future generations."

His plea takes up the discussions of the Earth Summit in Rio in 1992. Ever since, if not for longer, we have been aware of the close interrelationship between environment and development. At UNCED, 178 heads of state committed themselves to a new development paradigm: sustainable development, that is, the integration of environmental, social and economic issues. At Rio we also concluded that global problems could only be solved by joint action on the part of the international community and by the broad participation of citizens at every level of society. Since then we have learned that the latter is key to good governance, both with regard to processes and to institutions.

In our development policy strategies and instruments, we consider the promotion of good governance, democratic structures, and human rights, as well as gender equality, a fourth dimension which complements the triangle of sustainability.

II. State of the World

Where do we stand now as the preparatory process towards the World Summit on Sustainable Development in 2002 unfolds? The latest reports on the state of the environment show alarming findings: climate change is more dramatic than we expected, soil erosion and other land degradation as well as the loss of forests are continuing at a rapid pace, many species of plants and wildlife are becoming extinct, water resources are getting scarce in many regions of the world.

But there are more facts to note, for—as I said before—sustainable development is not only about the environment. The scourge of hunger and extreme poverty is still a bitter reality for more than a billion people on earth. The gap between rich and poor has widened. Some countries are completely losing touch with the world economy and are excluded from the benefits of globalization—the digital divide is just one facet of this exclusion.

Rio+10, the World Summit on Sustainable Development, which the international community is preparing for summer 2002 in Johannesburg, will have to deal with some key questions:

- Have we been determined enough in pursuing the principles and goals of UNCED, including the concept of “sustainable development”?
- Is this concept still valid, and how does the process of globalization affect it?
- What is the impact of the revolutions in technology, biology and communications that have taken place since Rio?
- What further steps are necessary to implement sustainable development at the local, national and international levels? Do we need to devise new instruments, create new alliances?

To make the upcoming Summit a success, we will need careful and sound negotiations and preparations, but also a strong and clear commitment to the goals and principles of Rio on the part of the industrialized countries. Current patterns of consumption, as we all know, are profoundly unequal and unjust, so the industrialized countries have to be prepared for considerable changes in their way of life and production, and they have to agree to concrete steps in this direction.

To my mind, only then will we be able to overcome a certain deadlock in many international negotiations that are presently dominated by the much-deplored “broken promises” and repeated calls for additional financial assistance. I am not saying that this is all we need to do—on the contrary, I believe that developing countries are crucial partners in the process of achieving sustain-

able development. But this has to do with credibility and our preparedness to live up to the spirit of Rio's principle of shared but differentiated responsibilities.

The Green political party has played a crucial role in bringing the principle of sustainability into the German political arena. We are happy to report that the government recently started drafting the German national strategy for sustainable development and that the cabinet has named a committee of renowned advisers. While the Rio commitments remained pure theory under the former government and then Chancellor Helmut Kohl, we started to put them into practice!

III. Key Issues of Concern

I will now address some of the issues on which I believe the World Summit should bring about progress.

A. Climate Protection and Sustainable Energy for All

The latest IPCC report has shown once more, in an alarming way, that it is necessary to make a fundamental adjustment internationally in the course pursued so as to prevent, or at least reduce, the negative effects it is predicted that climate change will have on the natural environment and on human beings. It is clear in this context that the people of the world's poorest regions are threatened the most—for instance by extreme weather events or the spread of tropical diseases in the wake of climate change—even though they are certainly not the ones who have caused the climate disaster. For instance, per capita CO₂ emissions in India are not even one-tenth of per capita emissions in the U.S.² Yet greenhouse gas emissions are rising rapidly and will soon account for half of the annual emissions.

What we need as a matter of urgency are binding agreements on a limit on emissions in the industrialized countries that damage the climate, and some initial action to adjust to climate change—the latter especially in the poorest regions. At the same time, there is a large demand for energy in the developing countries, which will need to be met in the most environmentally compatible manner possible. Reliable supplies of energy is a topic which is high on the agenda of the developing countries in particular and also offers many openings for synergies with climate protection.

Development policy is already making a contribution to sustainable energy supply in developing countries and, simultaneously, to climate protection, for instance by supporting renewable energy. The Federal Ministry for Economic Cooperation and Development (BMZ) provides about DM 200 million per year to that end. Support is also given to measures for energy efficiency and to energy sector policy reform. Moreover, Germany is the third largest contributor to the GEF, which supports the protection of global environmental goods, such as the climate, biodiversity, or international waters.

One important contribution is also intended to be made in the future by the CDM (Clean Development Mechanism) of the Kyoto Protocol. The CDM is an instrument, which allows the industrialized countries to undertake projects in developing countries and to be credited with the relevant reduction of emissions. Germany advocates clear rules for the CDM because only then will it be possible to achieve real reductions in emissions and to make a contribution in the developing countries towards sustainable economic practices.

Since it is absolutely vital that action be taken on a global scale, but also because of the opportunities implied by climate protection, we continue—in spite of the most recent developments—to pin our hopes on the conclusion of the negotiations on the Kyoto Protocol and ratification in 2002. We hope that all parties to the Framework Convention on Climate Change will take part in that effort in a constructive manner, including the United States.

B. Water—An Issue Affecting our Future

After the risk of climate change, the freshwater crisis is the greatest ecological threat of our time. On the one hand, demand for freshwater increases with population growth and urbanization. On the other hand, water is getting more and more scarce as ecosystems are seriously damaged or destroyed by overexploitation and pollution. As it stands, 1.3 billion people have no access to clean water. Twice as many have no adequate sanitation facilities. Children, women and small farmers in particular are affected by the lack of water. World Health Organization data shows that approximately eighty percent of diseases and one-third of deaths are attributable to polluted water and lack of hygiene.

And the water crisis is more than an environmental issue—water shortages are already a source of tension and conflicts between nations, and this is likely to get worse in the near future. An Oslo based peace and conflict research institute has found that disputes over access to water and land are amongst the most important structural causes of conflict. Conflicts over water may become a threat to world peace.

Therefore, water must be put prominently on the international agenda. Some progress has already been made in this regard: water is a major issue for international debate. The urgent need to take action has just been emphasized in the United Nations Millennium Declaration, in which heads of state committed themselves to halving, by the year 2015, the proportion of people who lack sustainable access to adequate sources of affordable and safe water and to end the unsustainable exploitation of water resources.

The implementation of this objective is a focal area of our development cooperation. While developed countries mainly need to reconsider their consumption patterns, developing countries need to introduce, at national, regional and local levels, appropriate water management strategies that promote both equitable access and adequate supplies. An issue that is closely related and often neglected is wastewater treatment, for we mostly find that where waste-

water treatment is inadequate, hygiene is below standard and scarce water resources are polluted and wasted. In the future, we hope to be able to draw even more on German know-how in this area and to develop appropriate technologies.

Germany is active in promoting global and regional water dialogues. In order to assist with clarifying remaining questions in this field, Germany will be hosting an “International Conference on Freshwater” in Bonn in December 2001 with which we hope to achieve real progress with a view to a Rio+10 Summit document.

C. Combating Poverty

Poverty is both a consequence and a cause of the scarcity and destruction of resources and of increasing violent conflict, growing migration, and displacement. Because of the close links between economic and social development on the one hand and the use of environmental assets and resources on the other, poverty reduction is not just a matter of ethical and moral responsibility and international solidarity but also a contribution towards securing the future for ourselves and for future generations. Federal Chancellor Schröder announced at the Millennium Summit that Germany would be submitting a Program of Action on poverty reduction. Just a few days ago, the German Cabinet adopted the Program, which was drawn up under the lead of BMZ. It makes all Ministries part of this epochal task—not just development policy. It contains concrete statements on how to fight extreme poverty worldwide and what contribution we in Germany can make to halving the proportion of people living in extreme poverty by 2015. What is vital now is to apply all our energies and our dedication to implementing this Program of Action!

D. Fair and Environmentally Sound Trade—A Precondition for Sustainable Development

Some people see the General Agreement on Tariffs and Trade (GATT) and the WTO system as detrimental *per se* to the cause of sustainable development. I would personally not go so far, but it is also my opinion that we need more discussion on the connections between the multilateral environmental agreements and GATT/WTO, especially on the interpretation of Article XX of the GATT, which allows the regulation of trade in products that could pose a serious threat to humankind and the environment.

The issue at stake is whether process-oriented standards can be acceptable in addition to product standards. And certainly the GATT/WTO system, including the dispute settlement body, needs to take account of the precautionary principle that has become widely accepted since Rio. Therefore, the next round of WTO negotiations needs to be a “sustainable development round.”

In this next development round, the agenda should also include topics which are relevant from the developing countries’ point of view, such as tariff escala-

tion, trade in products which are banned domestically, or subsidies in the transport sector. One important issue in the discussion on international trade is constituted by social standards and, especially, what is called the social clause. We know that many developing countries fear that a social clause may be a gateway for protectionist ambitions of the industrialized countries. They therefore reject the introduction of such a clause. We need to broaden the debate and ask how trade can foster social standards using positive incentives.

In this connection, we pin our hopes, in particular, on voluntary instruments such as labels and codes of conduct for fair and environmentally friendly products. Experience suggests that these voluntary instruments have a huge potential to foster improvements in socially and environmentally sound production methods—and that they appeal to consumer responsibility. My Ministry supports such labels and codes by assisting labeling initiatives such as Rugmark, transfair, FIAN's Flower Label, certificates for sustainable forestry and others, as well as by promoting the dialogue between company, consumer, union and civil society representatives. We also sponsor capacity building measures that assist developing countries in introducing and monitoring fair and sustainable production methods, such as organic farming.

E. Financing Sustainable Development: What Can We Achieve?

In order to finance sustainable development, we need to activate all resources conceivable. In the international debate, the focus is, from the point of view of many developing countries, on external sources of funding. The industrialized countries are clearly committed to their responsibility as donors. However, given the dimension of the effort we also need to point to the developing countries' own capacities. We are jointly working to see how they can be supported in making better use of their great potential of domestic resources: tapping savings and public revenue and fighting capital flight, strengthening financial systems and also formalizing property rights so as to mobilize assets which the poor can use as collateral.

Trade is another option for the developing countries to contribute to their own prosperity. We therefore advocate that the developing countries' interests be accommodated in the new WTO trade round, which is referred to as a "development round."

Additional funding for poverty reduction and environmental protection is being mobilized as part of debt relief agreements. The debt relief initiative for heavily indebted poor countries proposed by the German government at the 1999 G8 Summit in Cologne is helping to ensure that the developing countries no longer have to spend a large portion of their gross national product and their export earnings on debt service.

I am glad that the various sources of financing for development are being discussed in combination in the preparatory process for the International Conference on Financing for Development under the auspices of the United Na-

tions. The World Bank, the IMF and the WTO are actively involved in that process. The Conference, which will take place in Mexico in spring 2002, should by all means increase the range of shared views, because a negative outcome of the Conference would place a considerable burden, among other things, on the World Summit on Sustainable Development to be held in South Africa in September 2002.

F. Strengthened International Governance: Do We Have a Vision?

The World Summit will also discuss aspects of an institutional reform. From my point of view, it would be important, however, not to narrow down this discussion too much and to include in it the current debate on a broader reform of the UN Economic and Social Council (ECOSOC). Moreover, I believe that it is necessary to take a more coherent approach to the implementation of the results of the World Conferences of the 1990s than at present. For example, we need to break with the present pattern of mechanically holding follow-up conferences every five years. The Millennium Declaration endorsed the outcome of these conferences and could be used as a point of departure for an integrated and coordinated UN follow-up and as a means of emphasizing the linkages between individual conferences. ECOSOC will consider this issue again at its substantive session this July. If we link this issue with the overall efforts to restructure and revitalize ECOSOC and the discussion (inside and outside of UNEP), which has been intensified, on strengthening international environmental governance, we might end up with a comprehensive structure in the field of development and environment that matches the challenges we are facing at the beginning of the new century.

For me, essential elements of such a structure could include:

- Changing the name of the UN Economic and Social Council to “Council for Economic, Social and Environmental Affairs” or, better yet, “Council for Sustainable Development”;
- Strengthening the Council in such a way that it can play its role as a global strategic forum in the social, economic and environmental area with a capacity to bring together governments, the UN system, representatives of civil society and the private sector to address issues of sustainable development from an integrated perspective;
- Seeking to give UNEP itself a more permanent form of organization and secure financing in the medium term which matches the grown tasks of the organization.

I know that many will consider these targets too ambitious. But would it not be appropriate for a summit of heads of state and government to strive for ambitious goals?

IV. Conclusion

While the world population is growing at an unprecedented rate, evidence is also growing of the dangers that indifference to the cause of the environment may entail. Since there is no answer to most of these problems except one based on mutual responsibility, we have to seek solutions at the global level.

In order to meet the challenges ahead, we need vision, clear goals, strong commitment, good leadership and personal dedication. I hope for productive discussions during this timely conference and I thank you for attending it. Let me conclude with the Secretary-General's plea from the Millennium Summit: Let us not fail to ensure the freedom of future generations to sustain their lives on this planet. Future generations deserve that we try our best to make the World Summit on Sustainable Development a success!