

Memorandum

To: Brussels Environment and Development NGOs

From: Johannah Bernstein, Advisor, Heinrich Boell Foundation

Date: March 8, 2001

Re: DRAFT Critique of European Commission Communication on the World Summit for Sustainable Development

On March 8, the Heinrich Boell Foundation convened a second Brussels-based NGO strategy session to discuss possible modalities for future cooperation and to review and evaluate the European Commission's Communication on the World Summit on Sustainable Development.

I. Modalities for future NGO cooperation:

It was first of all agreed that Brussels-based NGOs needed an informal platform for themselves in which they could: (i) exchange strategic ideas; (ii) refine substantive thinking; (iii) develop possible joint advocacy and media outreach initiatives; and indeed (iv) forge a stronger NGO voice in the various multi-stakeholder processes related to 2002.

It was agreed that the platform should be organised in an informal manner and that the Heinrich Boell Foundation would continue to play a convening role in the interim period. It was also suggested that additional efforts should be undertaken to more actively engage the development NGO community.

Furthermore, it was agreed that the group's collective evaluation of the 2002 Communication could be evolved into a concrete set of EU-focused policy recommendations or demands, which not only highlighted a set of very specific concerns regarding the EU's contribution to 2002, but which articulated a new and exciting vision that could serve to better engage the general public.

It was suggested that these recommendations could be used as an important input to the May European Rio+10 Coalition, and as well, as a basis for potential collaborative advocacy efforts vis-à-vis the Goteborg EU Summit, the September ECE regional 2002 preparatory meeting, and other key decision-making forums.

The following next operative steps were agreed:

1. Johannah will prepare a synthesis of the March 8 discussion and circulate it to those participants who were present, and to those who were not present but who wish to remain engaged in this process;
2. Colleagues will be invited to provide comments to the synthesis and to highlight key issues which they feel should be further elaborated and which could perhaps form the basis of the concrete policy recommendations;
3. Johannah will then integrate those comments into a more refined text that will outline: gaps in the Communication; policy recommendations for addressing those gaps; benchmarks for holding the EU accountable for the political commitments made in the Communication;
4. The Heinrich Boell Foundation will convene a third strategy session in early April before CSD-9, to provide an opportunity to review and refine the draft and to discuss the strategic next steps vis-à-vis the most immediate events, which include the May European Rio+10 Coalition and the Goteborg EU Summit.

II. DRAFT Evaluation and Critique of the 2002 Communication:

The group undertook a preliminary review and evaluation of the 2002 Communication. The objective was to: identify initial gaps and weaknesses in the text; frame possible recommendations; and identify benchmarks against which the EU can be held accountable for the political commitments made in the Communication. The following summary is a first draft attempt at distilling the main conclusions of the group discussion. The summary is organised in accordance with the eight-section structure of the Communication.

Section 1 of the Communication “Political Challenges of 2002”

1. Pre-conditions for success:

- The measure of success of the EU’s contribution to 2002 is directly related to the extent that it honours the commitments made in Rio.
- Getting “its own house in order” is a critical first step for the EU. This involves *inter alia*, several essential pre-conditions: (i) ratification of the Kyoto Protocol and implementation of a strong and visionary energy policy; (ii) reform of EU transport policy, with particular emphasis on removal of harmful subsidies; (iii) implementation of a coherent and balanced EU Sustainability Strategy that contains a meaningful international dimension; (iv) implementation of the 6th EAP; (v) CAP reform in line with the goals of sustainable development; reform of structural funding processes; (vi) and reform of export credit processes to ensure that support is limited only to sustainable initiatives.
- With regard to the draft EU Sustainability Strategy, the following concerns were raised: (i) the entire document is grounded in an efficiency perspective where cost effectiveness appears to be the dominant policy goal, perhaps reflected by the economics-biased composition of the Commissioners involved in the drafting process. The Development Commissioner is notably absent from that process; (ii) there is little or no mention of all regarding the importance of equitable access to resources, which should be recognised as a core principle of sustainability. (The draft strategy refers instead to the rights of all to access to natural resources); (iii) there is an imbalance in the framing of goals regarding renewable and non-renewable resources, with an incorrect assertion that non-renewable resources are not being exploited; (iv) there is no mention of the Factor 4 and Factor 10 resource efficiency targets; (v) there is no reference to the North-South dimension; (vi) there are no proposals for action points on the 6 specific themes addressed in the Strategy.

2. The EU’s contribution to demonstrating changed consumption and production patterns:

- The most significant contribution that the EU could make to demonstrate its commitment to changing consumption and production patterns would be to agree to a target for the reduction of overall consumption of natural resources within the EU, in order to create opportunities for the developing world to have fair and equitable access to natural resources. If the EU were to implement ecological footprint and environmental space principles, this would necessitate a 75-90% reduction in personal resource use over the next 30 years.
- The EU should also consider implementing additional targets focused on stabilising resource use within the next 5-15 years, so as to ensure a sufficient basis for evaluating progress at Rio+15!

- An additional recommendation to the overall consumption reduction target could take the form of a commitment by the EU to tie sustainability goals to concrete reductions in resource use. It was suggested that the EU should not be able to call anything (i.e. policies, programmes, strategies, legislation etc) sustainable unless it actually resulted in resource use reduction.

3. The EU's political commitment to Agenda 21:

- The EU's political commitment to Agenda 21 is duly acknowledged. What is less obvious is the EU's commitment to actual concrete implementation. This leaves considerable room for improvement. This is particularly true in the context of the EU's implementation record as regards Kyoto, the Forest Strategy, the Energy Strategy, CAP reform, among others.
- It was stated that the continuing lack of implementation is not only undermining the EU's political credibility in the international arena, but it is undermining the robustness and effectiveness of international environmental agreements. Improved implementation efforts are a pre-condition for the EU to ensure an effective and meaningful contribution to 2002.
- The group recommended that as a general statement, the EU should free up increased resources to expedite the implementation of the full range of its Rio and post Rio commitments. The EU's demonstrated political leadership in this regard is absolutely critical to bring other key players (notably the US) on side.

Section 2 of the Communication "Background"

Note: The group did not discuss this section since it is purely descriptive in its overview of the history of the Rio process.

Section 3 of the Communication "Achievements and Challenges":

1. The key environment and development obstacles to overcome:

- The group agreed with the EU's assessment of the key obstacles such as energy and water consumption; land degradation; biodiversity loss; hazardous chemicals; fish stock depletion; growing wealth gap; increasing poverty; insufficient debt relief.
- The group felt that other obstacles should be highlighted such as the following: (i) global and regional financial instability, particularly in light of the Asian and Latin American financial crises); (ii) lack of political will and financial commitment to eradicate poverty; (iii) lack of political will to open up global markets to developing countries; (iv) negative effects of increased FDI; (v) EU complacency regarding debt relief; (vi) effects of trade liberalisation on sustainable development.
- The group also noted the irony of continued ODA decline despite record economic growth in key donor countries.
- It was also felt that it is not enough to criticise the lack of commitment regarding sustainable development financing. Increased efforts must be directed towards

mobilising new and innovative sources of financing in light of the inherent limits of debt relief and the continuing deadlock over ODA.

- The group noted the debt relief initiative proposed by Germany, the Netherlands, Norway and the UK whereby they have developed a formula for assessing what developing countries can actually afford to pay towards debt servicing. This amount is calculated on the basis of what countries can afford after they have invested in meeting basic human needs and in promoting sustainable development priorities, and after they have paid off their domestic debts. The proposal holds promise since the starting point is a commitment to enabling the debtor countries to meet their own resource needs. This is where the National Strategies for Sustainable Development (NSSDs) and Poverty Reduction Strategies (PRSSs) play an increasingly important role, in the highlighting of those key resource needs and sustainability priorities on the basis of a bottom-up approach.

2. The key political problems in implementing the Rio agenda:

- The group felt that the EU's correctly describes the key political problems in implementing the Rio agenda, but fails to address the underlying root causes of those key problems.
- One of the key underlying problems that must be addressed is the negative aspect of globalisation, which has intensified the climate of competition. It is this climate of competition that tends to treat cost effectiveness as the overriding policy goal, which in turn, undermines the potential for promoting social and environmental goals and standards.
- The Communication does not sufficiently highlight the shortfalls of the globalisation process let alone the negative impacts of trade liberalisation. Instead it appears to support and promote a speeding up of the process of economic globalisation.
- The group noted that in certain cases the EU behaves in contradictory ways by on the one hand, supporting environment and development targets as well as processes related to national sustainability strategies and poverty reduction strategies, while at the same time, supporting this global trend towards intensified competition market protectionism.
- Another key point is that the EU identifies what it wants to do proactively in this section, it does not identify what it should actually stop and prevent, such as the removal of harmful subsidies and CAP reform.
- The group felt that the EU should focus on developing concrete recommendations for enhancing and improving implementation. The Communication did not contain any proposals in this regard and the group felt that this was a weakness that should be raised.
- As regards the institutional and governance dimensions, the group raised the following concerns: (i) more and better analysis is needed to assess whether efforts should focus on strengthening UNEP or integrating environmental concerns and new mandates into such bodies as the WTO; (ii) it is important to identify the key weaknesses of existing international environmental instruments such as their noticeable absence of enforcement mechanisms, as well as trade sanctions; (iii) more and better analysis regarding the potential implications of a Global Environmental Organisation vis-à-vis existing organisations; (iv) G-77 concerns regarding the GEO in light of their frustrations with the WTO.

Section 4 of the Communication “Giving the EU a Global Edge”

1. Rating the EU’s internal progress:

- The group acknowledged the EU’s various efforts but expressed the following concerns: (i) EU transport policy does not reduce overall number of kilometres travelled; (ii) CAP reform has not been duly realized; (iii) EU structural funds are based on unsustainable models; (iv) the European Investment Bank lending for renewable energy projects is well below the official EU target

2. Ensuring coherence and complementarity between the key EU processes:

- The group endorsed the EU’s acknowledgement for the need for coherence and complementarity between the various sustainability initiatives. However it noted that at present, the EU must improve its efforts to ensure greater coherence between the EU Sustainability Strategy, the Cardiff integration strategies, the 6th EAP and the goals set out in this Communication.
- It was noted that the EU’s decision to develop its Sustainability Strategy after the formulation of the sectoral integration strategies was problematic, since it is the primary function of the EU Sustainability Strategy to provide the overarching policy framework within which sectoral integration can be carried out.

The group also noted that there was an overall lack of coherence between the various integration strategies.

- The group also noted its concern that while the EU talks about the political importance of integrating the three pillars of sustainable development, the practice at the functional level is entirely different. An example was provided noting studies that have concluded the important links between sustainable energy and the generation of employment, links which are not sufficiently promoted by the EU.
- It was pointed out that efforts are also needed to strengthen the social pillar of the EU Sustainability Strategy.
- The group felt that transforming the various sectoral integration initiatives into reporting exercises under the EU Sustainability Strategy was interesting and merited further consideration. Questions were raised regarding who would actually enforce the reporting requirement and who would evaluate the reporting. It was also suggested that at a minimum, a reporting time frame of three years was needed. Anything more frequent would not be viable.

3. Ensuring a sustainable enlargement process:

- As regards the Communication’s reference to EU enlargement as the “biggest single contribution to global sustainable development that the EU can make”, the group felt that this was an inaccurate assertion. Instead, it suggested that “successful sustainable enlargement would be the biggest contribution that the EU could make”.
- It was agreed that enlargement could be the biggest single contribution to environmental policy, but this does not mean that the enlargement process will necessarily promote the sustainability agenda. Promotion of the sustainability agenda

is in large part dependent on serious reform of: the EU's Transport Policy; the CAP; the structural funds; the Energy Strategy.

- The enlargement process exposes gaps and weaknesses in EU policy that are currently driving unsustainable development. Thus the enlargement process provides critical opportunities to drive reform in critical sectors to ensure the transition to sustainability in EU member states and accession countries alike.

4. EU development cooperation:

- The group noted that all the new international environment instruments provide some form of financial support. There is a need to integrate the various financial support mechanisms and to that end, it was suggested that a broader model of development cooperation should be developed that took this factor into account.
- It was also suggested that EU development cooperation should enhance its focus on the MEA implementation needs of its partner countries, and that development cooperation should focus more tangibly on the environmental dimensions and the specific links between poverty and resource degradation and scarcity, particularly as regards freshwater, energy, food security and human health. This would ensure a more holistic framework for poverty eradication.

Section 5 of the Communication “Strategic Objectives of the EU for the Summit”

1. Strategic pre-conditions for renewing political commitment:

- The group endorsed the Communication's assertion that “developed country global environmental concerns do not take precedence over the development goals”. The group felt that the disregard of the South's development goals was indeed a factor that contributed to the weakening of the atmosphere of partnership at Rio+5.
- TO this end, it was agreed that one way in which the North can demonstrate its commitment to the South's development agenda, is to ensure that international environmental negotiations are carried out with due regard for the equity and social justice dimensions, with the overriding goal of MEAs to ensure the fair and equitable access to natural resources.
- The group also felt that developed country global environmental concerns do not necessarily contradict with developing country development concerns, if and when MEAs are grounded within an overarching equity framework.
- The group also felt that the Rio Declaration's concepts of intra and inter-generational equity provided a stronger expression of the equity imperative.

2. Environment and development targets:

- The group endorsed the Communication's assertion of the need to adopt targets. They felt that a stronger statement was needed regarding the need for credible targets and verification mechanisms to ensure compliance with them.
- It was agreed that the most important target that was missing was of course the ODA target since lack of financing will prevent the realization of any other environment and

development target. The group also noted that the reality of the North's ecological debt to the South provides an additional justification for the need for increased resource flows from the North to the South.

- The group felt that the EU should make specific commitments to provide financial support to developing countries to assist in the implementation of their MEA requirements.
- It was also suggested that environmental targets should be developed within the context of the EU's Development Policy, which at present lacks sufficient reference to the linkage between poverty and specific environmental problems, in particular the impact of resource scarcity and degraded environmental conditions on the poor.
- The group also felt that the EU should articulate concrete targets regarding environmental space and resource consumption reduction (see discussion above). The focus could be directed towards resource efficiency combined with strong environmental and social standards while at the same time respecting the ecological carrying capacity.

Section 6 of the Communication "Key Issues for the Summit Agenda"

1. Protecting the natural resource base of economic development:

- The group felt that there was an imbalance in the treatment of renewable and non-renewable resources and an over-emphasis of the importance of resource efficiency with insufficient attention to the importance of equitable access and distribution.
- As regards the reference to the importance of a target on eco-efficiency, the group noted that this is a relative target and as such, it is insufficient to promote the transition to sustainable patterns of consumption and production. What is needed is a target focused on the reduction of absolute consumption.
- The group suggested that the formulation of targets should be based on the primary goal of absolute reduction of resource consumption, the secondary goal of equitable distribution of and access to resources, and the tertiary goal of eco-efficiency.
- As regards the reference to the OECD-DAC target (reversal of environmental loss trends by 2015), the group felt that general target setting can be useful insofar as it provides the necessary political impetus for the setting of more sector specific targets.

2. Integrating environment and poverty eradication:

- The group asserted the critical importance that 2002 focus on poverty eradication, noting the almost unanimous consent of Environment Ministers on this point at both the Ghana and Bergen Environment Ministerial meetings. The group noted the US's resistance to such a focus and felt that the EU should take a strong stand against any attempt by the US to dilute focus away from this issue.
- The group felt that the new Development Policy does not deal with poverty eradication in a sufficiently holistic manner. That is to say, there is insufficient

analysis of the linkages to environmental resource concerns and the relationship between resource scarcity and poverty.

- Concerns were raised regarding the fact that there is continued “colonization” of the South’s natural resources by the “global middle classes”. This continuing situation exacerbates the plight of the poor and strengthens the case for targets focusing on absolute reduction in resource consumption.

3. Making globalisation sustainable:

- The group disagreed with the assertion in the Communication that the WTO is “an expression of an open and non-discriminatory trading system”. The group felt that increased efforts are required to support the access of developing countries to world markets, and to this end WTO reform would be essential. It was also suggested that the role of NGO participation in the WTO should be addressed.
- The group questioned the underlying assumptions of this section and noted that while resource efficiency is a valid goal, it must not override the goal of distributive justice.
- The group acknowledged that a new round of multilateral trade negotiations would only be beneficial if: (i) sustainable development is the concrete focus of that round; and (ii) the new round was subject to a full and rigorous sustainability impact assessment; (iii) the Uruguay Round was also subjected to a full sustainability impact assessment; and (iv) other key environment and development institutions were sufficiently strengthened so as to provide a necessary counterbalance to the WTO.
- The Communication notes that trade can promote the “participation and equitable integration of developing countries, including LDCs, in the global economy”. However, the group noted that the reality is that little has actually been done to support enhanced market access for developing countries.
- As regards the Communication’s reference to the fact that “business interests have a crucial role to play in ensuring the contribution of globalisation to sustainable development”, the group felt that business interests tend to overemphasise the cost effectiveness dimension of sustainable development over concerns regarding equity and social justice.
- As regards the reference to the “digital divide”, it was felt that specific measures are needed to close that divide and to upgrade the capacity of developing countries to utilise information technology towards poverty eradication goals, beyond what NSSDs and PRSs are currently capable of achieving.

4. Enhancing good governance and participation:

- The group felt that the primary goal of governance reform should be the enhancement of implementation, monitoring and compliance of environment and development goals, priorities and commitments.
- The group also felt that in this context, it is important that local communities be given a stronger role in sustainable development decision-making. This in turn requires a significantly greater investment in capacity building at the local level. It also requires a meaningful commitment to the principle of subsidiarity and the creation of an

enabling environment at the national, regional and global level that promotes effective decision-making at the local level.

- As regards the reference to the Aarhus Convention, the group felt that as a first priority, it should be ratified and implemented by all EU Member States as quickly as possible, if the EU is to be serious about promoting the aims of access to information and justice, and public participation. The group did express concern regarding the globalisation of Aarhus, i.e. in the form of an international instrument. The group felt that such an approach would be inappropriate in light of the considerable regional differences in legal systems, and also because of the concern of the South that such an approach would impose Western values on developing countries. The group did feel that the Aarhus Convention could indeed provide political impetus for the realization of the related goals in Principle 10 of the Rio Declaration.
- As regards the reference to the possibility of supporting similar structures as the Regional Environmental Centres, the group felt that other models beyond the REC should also be considered. The group noted its concerns regarding the problematic hybrid nature of the REC model and asserted the importance of NGOs being able to organise among themselves.
- The group felt that the reference to young people and the fact that they “need to be allowed to be more involved” was a rather patronising comment, in light of the extent to which young people already are involved in all aspects of promoting the sustainability agenda. Attention should be focused instead on the provision of reliable support to ensure the continued role of young people.
- As regards the reference to media, the group felt that the Communication disregarded the often negative role that the media plays in promoting unsustainable consumption, with massive advertising efforts targeted at inducing excessive consumerism among young people. The group also acknowledged that more media outreach efforts are required on the part of NGOs since it is felt that we are not successfully transmitting our key messages to the general public, especially as regards success stories at the local level and the need to generate increased concern at that level.

Section 7 of the Communication “Means of Implementation”

1. The EU’s contribution to breaking the critical deadlocks:

- The group felt that the EU should commit to the following in order to help break critical deadlocks and contribute towards meeting the aspirations of the South: (i) increase ODA levels; (ii) use ODA as seed money for supporting the development of environmentally sound technology; (iii) use ODA to help support developing country MEA implementation needs; (iv) make concrete proposals for poverty eradication, and to this end, engaging greater involvement by DG Development in the 2002 process; (v) develop proposals for backing up sectoral proposals for example on freshwater and energy with concrete financing initiatives;
- The group supported the EU’s analysis that its role in finance discussions in the GEF and wider development aids must be reconsidered. The group felt that it was critical however the EU Member States themselves actually promote the GEF reform agenda more rigorously than is currently the case.
- The group felt that the scope of the section on means of implementation should not be limited to just financing, technology and capacity building.

- The group felt that the reference private financial flows in this section was imbalanced and did not sufficiently reflect the negative consequences of FDI as well as other critical concerns, including the following: (i) the geographical distribution of FDI is highly problematic since it only reaches about 12 countries; (ii) FDI causes a high degree of financial volatility in developing countries; (iii) FDI is channelled primarily to highly polluting extractive and processing industries; (iv) developing countries lack sufficient capacity to regulate the activities of foreign investors.
- The group suggested that the EU should recognize that support to developing countries is required to enhance their capacity to ensure that FDI promotes their own sustainable development priorities.
- The group also felt that the statement regarding the interest of developing countries to develop partnership with global business was too vague and obscured the very tangible difficulties that developing countries face in their dealings with global business.
- As regards the reference to CGIAR centres, the group expressed their concern that they have failed to develop locally adapted agricultural practices and that the CGIAR centres should be re-oriented in this regard. It was felt that the reference to the need to “adapt and exploit the new knowledge and technologies, in conjunction with traditional knowledge and methods” was problematic since genetic engineering is not in any way part of traditional knowledge or methods.

Section 8 of the Communication “The EU Preparatory Process”

1. Ensuring efficient EU co-ordination:

- The group did express concerns regarding the tight time frame envisaged for public consultation around the EU Sustainability Strategy. It was felt that the compressed time frame would diminish the scope and impact of public participation.
- The group also expressed concern regarding the perceived lack of coordination and linkages between this Communication, the 6th EAP and the EU Sustainability Strategy. It requested that the EU provide more information regarding the articulation and relationship between these three instruments.
- It was also felt that enhanced coordination between the Swedish and Belgian Presidencies around the EU Sustainability Strategy will be particularly important since the Belgian Presidency will have the responsibility of working out the concrete operational details of the Strategy. It was suggested that continued public consultation would be essential at that stage.

2. Engaging civil society:

- The group welcomed the EU commitment to a major civil society event in late 2001. However, it was felt that in order for it to be truly successful, that event should: (i) be embedded in an ongoing civil society dialogue process; (ii) lead to concrete proposals for action; (iii) ensure mechanisms for systematic review and follow-up.
- The group also suggested that one of the more effective ways to engage civil society is to actually allow civil society to develop their own processes. It was felt that the provision of more systematic and continuing support for civil society preparations

(not only in the EU, but beyond to include support for civil society in developing countries as well as in Central and Eastern Europe) would be an important complement to the major civil society event.

- Other recommendations included: (i) development of civil society twinning arrangements; (ii) using 2002 to showcase civil society initiatives; (iii) taking advantage of the renewed post-Lome political to enhance support to civil society organizations in ACP countries.

10.03.01 / Johanna Bernstein