

**EXPERIENCES, SUCCESS FACTORS, RISKS AND CHALLENGES WITH REGARD TO OBJECTIVE  
AND THEMES OF UNCSD RIO+20**

**CONTRIBUTION TO THE MAJOR GROUP QUESTIONNAIRE**

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**I. Assessing the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development**

***1.1. General***

In June 2012, world leaders will meet in Rio for the twentieth anniversary of the United Nations Conference on Environment and Development, this is a time for reflection on what has been achieved and what has been left undone by the past generation.

Since 1992 business and industry has been deeply and constructively engaged in the many United Nations (UN) and other international meetings and conferences that have identified the crucial components of a global partnership for sustainable development. Together these conferences reflect a global consensus on the challenges facing humanity and set out a roadmap for cooperative action by governments, business and other sectors of society.

In practical terms, consensus on sustainable development calls for international cooperation and national leadership to achieve convergence between economic development, social development and environmental protection. In 1992, the role and contribution of the private sector towards this consensus was less understood and accepted. Today the role of the private sector as a constructive partner, and engine of growth and sustainable development is widely recognized, as are benefits that business can bring: creating jobs, building skills and developing new technologies.

Over the last twenty years, we have seen considerable successes and we confirm our belief in the vital role that business has to play in achieving the objectives of sustainable development in collaboration with governments and civil society. For business and industry the focus should continue to be the implementation of these objectives.

Business and industry is committed to reaffirm and renew the concept of sustainable development to embrace poverty eradication and prosperity, job creation and innovation, environmental stewardship and social empowerment. While prosperity can add environmental pressures, without prosperity to meet the needs and aspirations of growing world populations, there is little chance that economic, social or environmental challenges could be met.

As governments prepare for Rio+20, business and industry would encourage a more formalized, active engagement with members of the private sector. The investment requirements of sustainable development can only be met by effective public-private partnership and a shared vision. Business can provide expertise that can assist in setting the

right policy course to leverage public sector investment, drive private sector capital and deliver on the promises of sustainable development.

### ***1.2. Experiences, success factors, challenges and risks from the perspective of business***

- Today, there is ample evidence that business, with its resources and capabilities, has to play a vital role in helping achieve the goals related to sustained economic growth in an environmentally and socially responsible manner. Business provides conceptual solutions to sustainable development that focus on concrete actions and deliverable results.
- As for business and industry, its leverage can substantially help address challenges that deal with matters related to sustainable consumption and production patterns (SCP). Business can provide innovative technology which helps improve productivity, introduce sound management practices and risk management tools, all of which support a sustainable market development and an overall sustainable long-term vision. The most economically feasible ways to address the long-term sustainability challenges will require the development, commercialization and widespread dissemination of both efficient existing technologies and new, currently non-commercial technologies. Business can also play a significant role in encouraging consumers to adopt more sustainable lifestyles and consumption patterns.
- In the past two decades, the private sector has contributed to all of the Millennium Development Goals (MDG)s and sustainable development agenda by providing the backbone for economic growth, and more directly through their core business operations and value chains as well as with social investment.

### ***1.3. Public-private partnerships***

- It will take many resources and many partners to make a difference in the complex issues dealing with sustainable development. As stakeholders, we have an important role to play in developing, promoting and achieving sustainable development, especially in the context of challenges, such as climate change, biodiversity loss and water scarcity. . It is imperative that all stakeholders assume their responsibilities and priority actions to effectively address ongoing barriers and obstacles. It is possible to achieve these goals as long as policies and programs support innovation, foster initiatives that build skills, and include a mosaic of context-specific solutions through joint efforts and partnerships.
- Social and economic dimensions must be addressed within an integrated, balanced and multi-stakeholder approach. It is imperative for business and industry to continue to work in partnership with governments and other stakeholders to catalyze action and address current and future challenges for sustainable development.

#### *1.4. The importance of the right enabling frameworks and incentives for private sector investment in more sustainable directions*

- Agenda 21, the Johannesburg Plan of Implementation.(JPOI) and the Millennium Development Goals have defined a broad terrain of necessary areas for action. Recognizing that there are growing financial constraints and limited resources, the challenge at Rio+20 will be for governments and stakeholders to set priorities and deploy resources efficiently and cost-effectively. As critical as good policies are, without enabling markets and frameworks, their effectiveness will be limited. Business and industry encourages governments to consider the importance of the contexts of open trade and markets, rule of law and other necessary elements for successful business endeavors.
- It will be critical to set priorities, and determine how resources can be leveraged and most cost effectively deployed. Trade-offs are almost always inherent in sustainable development, and life-cycle thinking, sound economics and scientific understanding have fundamental roles in framing practical visions for green economies.
- One of the key challenges facing international rule-making, institutions, and policy-development is the relative lack of information on the effectiveness and profitability of voluntary initiatives in complementing formal governmental policy and rule-making. This issue is linked with emerging discussions on the potential impact and scope of corporate responsibility initiatives, which must ultimately be supported by a clear business case.
- Business and industry is committed to furthering sustainable development. The opening of markets, a global, rules-based system for trade and investment, and the modernization and international extension of rules are intrinsic to this progress. We urge governments to facilitate business engagement and to recognize voluntary partnerships as effective instruments to help achieve sustainable development at global and local levels.
- As committed and significant as it is, the contribution of business to sustainable development can only complement the critical role of governments. Ultimately, success will depend on the willingness and capacity of local and national governments to create and implement the appropriate policy frameworks, and to pursue partnerships with business and other stakeholder groups. In turn, these efforts will need to be supported by the international community.

## **II. Green economy in the context of sustainable development and poverty eradication**

### **2.1. General**

- Business has been engaged in sustainable development since Agenda 21 and is a substantive actor in shaping and implementation of a “Green Economy” (GE) at both, the policy and the market level through a combination of regulatory and voluntary measures.
- Business delivers a great deal of the jobs, investments, technologies, products and services that drive the changes and innovations needed to move towards a GE – or rather “greening” Economies.
- The business community believes that the term "Green Economy" is embedded in the broader sustainable development concept. The “green economy” is described as an economy in which economic growth and environmental responsibility work together in a mutually reinforcing fashion while supporting progress on social development. Business and industry has a crucial role in delivering the economically viable products, processes, technologies, services, and solutions required for the transition to a Green Economy.
- Part of the challenge and opportunity for business is to understand the concrete possibilities of a ‘Green Economy’ with its opportunities and risks for its many sectors in both developed and developing countries. Therefore the actions needed to transition towards “Green Economy” also vary from sector to sector and from a developed and developing country perspective but GE must deliver economically viable products and services based on context-specific assessments.
- Cost-effective approaches are fundamental to succeed in greening economies along global value and supply chains. Whether taxes, subsidies or other policy instruments are employed, they need to be based on cost-benefit analysis, be transparent, non-distortive, economically viable, environmentally sustainable, and socially effective.
- As many governments have said, there is no one size fits all approach and the GE seeks to green ALL elements of the economy in their own ways. Therefore we support the notion that GE needs to define the direction of the innovation into the direction of sustainable development and poverty eradication with a set of commonly agreed principles. It is thus a unifying theme that defines the “direction” in which the global economies needs to move and create the respective alignments with and not prescriptive outcomes, especially with respect to product or technology choices.
- As said, business views GE through the lens of companies and industrial sectors that operate in supply and value chains. Many of our value chains are global so that a global level playing field is absolutely crucial to

mutually promote sustainable development. Business works with its respective stakeholder constituencies in the value chain across the life cycle of its products. Business also works with and across national contexts where we can offer specific technology expertise, product solutions and innovative best practices to work with governments and others to make this transition on this systemic challenge of Green Economy.

- Green Economy and International Environment Governance (IEG) go hand in hand and need to become mutually reinforcing as there is a need for structural change in the institutions that govern the global economies. Improving these institutions and their ability to enable the right frameworks are critical so all actors can deliver on their shared responsibility and ensure better coordination and policy implementation.
- We support and expect an actionable and measurable outcome of Rio+20. A Global UN Green Economy Roadmap which clearly articulates GE principles may be a way to start as it would set measurable targets, deliverables and timelines and achieve shared understanding of the role of the various actors and what these actors need to do. It would also improve coordination, alignment and sharing of best practices. Indicators for measurement should be based on solid science and methodologies.

## ***2.2. What specific instruments should a government prioritize as part of a green economy strategy?***

- Business is an indispensable partner to governments in developing their green economy strategies. As governments look at instruments to shape and prioritize their green economy strategies, business would like point out that there is no “one size fits all approach” since the requirements to implement the concept of Green Economy at the national level are different from country to country and region to region just as they are for business sectors.
- Governments play a significant role defining the conditions for and enabling a transition to greener economies. Enabling policy frameworks will be necessary for making continuous improvement in greening products, services and production processes while companies remain competitive. While green stimulus actions taken at the domestic level were probably a necessary first step, greening economies will occur best in the context of globalized markets in order to take into account the interconnected and integrated nature of various economies. Ultimately, ‘Green Economy’ must become self-sustaining with an objective to foster innovation, rather than mandate innovation.
- Governments should consider instruments that accelerate the transition to ‘Green Economy’ in their respective national contexts while bearing in mind a common set of principles such as the one that a green economy must keep its industries competitive by providing commercially viable products and services, and at the same time contribute to environmental responsibility and progress on social development.

Specifically, governments should:

- Create a stable economic system including intellectual property rights protection, strong contractual arrangements and open trade.
  - Create the enabling frameworks to advance capacity building in developing countries.
  - Define cost-effective solutions and supporting mechanisms for advanced infrastructure development including broadband information and communications technologies.
  - Provide pre-commercialisation support to address investment risks related to the development of so-called green solutions (e.g. technologies) where needed.
  - Recognize and support the many avenues for green innovations and dissemination.
  
- While there are several initiatives getting underway in some countries to transition to a greener economy, these are mainly domestic or national and dependant on public sector support. For the transition to reach its potential and be sustainable, and for companies operating in numerous countries and within global marketplaces, the next steps will have to address the need to follow an international cooperative approach and segue from public support and subsidy to market-based efforts that are valuable and internalized within the private sector.
  
- Education for Sustainable Development is a prerequisite to build the capacity and awareness required to accelerate the transition to Green Economy at National, regional and global level. We urge intergovernmental bodies and national governments to step up their educational programs to empower young people towards sustainable development education and create opportunities for entrepreneurship through public private partnerships, new collaborations between business, government, the scientific community and universities. Such collaborative efforts can play a major role in building the essential knowledge, skills and empowerment required for the transition to a green economy.

### ***2.3. What sort of tax policy will best promote a green economy that stimulates job creation?***

- As the Green Economy concept is global in scope, it seeks to green all elements of the economy in their own ways and the policy instruments to do so will vary from the developed to developing countries. Therefore, business does not share the view that there is a direct correlation between tax policy and job creation.
  
- Policy makers, businesses, and consumers require objective and fact-based information so that they have a clear understanding of the challenges to be addresses and the changes that will be needed. There are a number of different economic instruments to promote Green Economy, including tax policy, fiscal instruments and tradable permits, which aim at promoting the production and use of environmentally sound products and processes within a market framework. By enabling industry and consumers to adapt to

market signals, such instruments are intended to provide greater flexibility than traditional command and control regulations.

- Whether taxes, subsidies or other policy instrument are employed, they need to be based on cost-benefit analysis, be transparent, non-distortive and economically, environmentally, and socially effective. As for job creation, the challenge in the developed world is to return to full employment while the challenge in the developing nations is to create the employment to overcome poverty. It is important that policies aimed to create ‘green’ jobs do not come at the cost of a net reduction of jobs across the overall economy.
- Definitions and assumptions about the greening of jobs must be broad and comprehensive. In making stark distinctions between “green” and presumably non-green jobs, we miss an opportunity to reflect on how to raise our sights, so that all jobs become greener. A return to economic growth and enabling frameworks for job creation and investment for innovation is critical to poverty eradication and economic development.
- Skills and capacity is needed when planning the transition to a green economy and jobs. Governments, workers, and business alike will have to meet the skills demands of evolving labor markets, while recognizing that, also here, there is no one size fits all solution adequate to the myriad contexts and realities that will emerge.
- However, the right skills for the right jobs are needed when driving the transition to a green economy and jobs. Stepping up global education programs for sustainable development mentioned above may help in creating the right skills for the right jobs and foster the entrepreneurial mindset required to implement Green Economy concepts.

#### ***2.4. How best to scale up successful local models of green economy?***

- If there are local models that work in one part of the world and which could be scaled up to another part of the world, this should be promoted as it will enhance capacity building and accelerate the transition to a green economy.
- Business is willing to share its Best Practices and Case Studies with governments and stakeholders to promote shared learning for scale up. The chemical industry for example, has developed a ‘Global Product Strategy, as a system for safe chemicals management along the value chain so governments, downstream users and SMEs in the value chain can utilize this information to promote not only the sound production but also safe use of chemicals which serve as the building blocks for any other sector in society.

- Successful local models can serve as pilot studies to broader mainstreaming efforts and scaling them up to a higher level will speed up the transition. Scaling up such models will create new economic business growth opportunities while at the same time create the employment and capacity needed to transition to Green Economy.

### ***2.5. What does business need to do differently to promote a green economy?***

- In business, all activities must be measured and accounted for. Profit and loss statements and accounting balance sheets are standard operating procedures. Many companies have made commitments to further reduce their global environment footprints through corporate sustainability programs with measurable goals, targets and deliverables to reduce their resource use and increase the efficiency of their production systems, and design of their products. Many companies have also subscribed to global initiatives such as the Global Reporting Initiative, or voluntary industry sector wide initiative such as “Responsible Care” that enhance the transition to Green Economy and Sustainable Development.
- Business can step up its efforts to raise more awareness about its existing commitments and achievements already made. At the same time, in the run up of Rio+20, business is committed to working with intergovernmental bodies and national governments to develop a set of global principles for Green Economy to which all actors may wish to agree and abide to.
- Many of the products and technologies have already been invented but not all of these products and technologies are delivering the commercial and economic returns required. A Green Economy must deliver commercially viable products and services. Therefore, the concepts of sustainable production and sustainable consumption should be further promoted so that markets and regulatory mechanisms can work in a mutually reinforcing manner.
- Since business works with their respective stakeholder constituencies in the value chain across the life cycle of its products, it is committed to offer specific technology expertise, product solutions and best practices to work with governments, whether on national or inter-governmental level, as well as with other stakeholders to make this transition on this systemic challenge of Green Economy.
- Business also wishes to point out that “Green Economy” is a term used by policy makers that defines the direction in which the world needs to move. However, the business community today does not differentiate between green and other investments and it has no standardized measures in profit and loss statements for Green Economy nor is there specific accounting standards, which would differentiate between green and non-green investments. In order to implement GE, systemic and macro-political change is needed and business encourages policy makers to speed up work towards the development of suitable indicators and measures beyond GDP.

- What business can do differently is to be more active in this debate, better share its commitments already made and the results achieved as well as the solutions going forward. In this regard, business views the dialogue with national governments and the intergovernmental system as key tool to complement bottom up and top down approaches in a mutually reinforcing manner to leverage best practices, case studies and public private partnerships and create new alliances to accelerate the transition.

## ***2.6. What are the main likely costs of a transition to a green economy and how can they be financed?***

- The costs of action, the cost of inaction, financing and affordability are important considerations for all actors in advancing the concept of Green Economy.
- Greening and disseminating technologies and products are key factors to speed up the transition to Green Economy. While many technologies and products are already invented, new and innovative business models and management systems will be needed. All sectors, each one through its own set of strategies and actions, can contribute to Green Economy and sustainable development, and not just “green sectors.” We therefore encourage governments to keep options open and avoid picking “winners” (green sectors) and “losers” (brown sectors).
- In order to overcome these barriers, governments need to create a policy environment that rewards cost effective and resource-efficient choices that also encourage innovation. Economic and financial incentives and government support for professional training and consulting, research, development and deployment may be a first step.
- Capacity building is a global priority for business as it not only creates knowledge and jobs but also enhances economic growth. Business is engaged and committed to step up its efforts in capacity building in emerging economies and willing to collaborate with national governments and intergovernmental bodies to accelerate capacity building efforts.
- Reinforcing the markets for resource efficiency through innovative mechanisms, such as standards, labels, public-private partnerships and energy performance contracting, may lead to increased certainty and demand for resource efficiency which will foster private sector initiatives.
- Accounting measures and standards will be required to understand and benchmark the transition to Green Economy. Currently no measurement system exists and thus the cost of the transition, the cost of action or inaction cannot yet be clearly evaluated.

Business recognizes the need for new cooperative efforts to integrate environmental externalities. While the concepts may be clear and understood at the directional level, in many cases, the indicators and methodologies

to evaluate such externalities still need to be developed. In order to do so, the global scientific understanding needs to be enhanced and actors need to collaborate to develop acceptable methods and methodologies as tools to evaluate such externalities.

***2.7. What are the key elements of a supportive international framework for an equitable Green Economy vis-à-vis trade development assistance?***

- Green Economy is about more than new products and technological change. There is a need for structural change in the institutions that govern the global economies. Improving these institutions and their ability to enable the right frameworks are critical prerequisites for all actors to deliver on their shared responsibilities and ensure better coordination in policy implementation.

In this regard, business supports to:

- Strengthen the science-policy interface with the full and meaningful participation of developing countries. This must also include channels for credible and robust science from stakeholders, particularly the private sector. Science must be a foundation of policy in this arena, but cannot dictate policy.
- Develop a system-wide strategy for environment in the United Nations system. All agencies must evolve to better accommodate all three pillars of sustainability. This must be better coordinated to avoid duplication, proliferation of agencies and “mission-creep.”
- Encourage synergies between compatible multilateral environmental agreements. However, preserving and complementing the independence and tailored nature of multilateral agreements must be a priority.
- Create a stronger link between global environmental policy making and financing, to widen and deepen the funding base for environment. Governments must approach the challenge of the overall framework of intergovernmental institutions with more deliberate and strategically guided resourcing, as well as more vigilant oversight.
- Develop a system-wide capacity-building framework for the environment. Implementation of the Bali Strategic Plan for Technology Support and capacity-building throughout

***2.8. What decisions could UNCSD take to support a green economy that advances poverty eradication and SD in all countries?***

- On the one hand, business works with their respective stakeholder constituencies in the value chain across the life cycle of its products and across national contexts. On the other hand, business partners with national governments where it can offer specific technology expertise, production capabilities, product solutions and best practices such as innovation clusters to accelerate the transition Green Economy.

- Business supports a high level analysis of the Achievements of Agenda 21 and the gaps so lessons learned can inform the way forward.
- Business also supports the roadmap development mentioned above as it would enhance the shared understanding of the direction and improve alignment, coordination and build on best practices. Business would like to see a set of transformational partnerships coming out of the Rio+20 process with clear goals, targets and deliverables.

### ***2.9. Consultative Group’s options for IEG institutional reform:***

- UNEP should be strengthened and enhanced. The environment must have an authoritative and responsive voice, and UNEP should be that voice.
- Business supports the option of “Enhancing institutional reforms and streamlining existing structures,” as the primary vehicle for advancing larger “sustainability” goals. The Consultative Group’s ultimate goal of integration of the three pillars requires all the economic, social and environmental institutions to adapt in the direction of greater sensitivity and responsiveness to the other pillars.
- UNEP has a vital role to play in the coordination efforts to effectively address environmental issues within the overall context of sustainable development. However, the three pillars of sustainable development should be addressed in a balanced, comprehensive and coordinated way. UNEP must bridge more effectively to realities of economic and social dimensions, just as it must aid other intergovernmental institutions in bridging more effectively to the environment.
- Integration of environmental consciousness and considerations needs to be more fully integrated into the evolution in mutual adaptation among the intergovernmental organizations, within and outside the UN system, since enhancing sustainability requires their missions to become mutually supportive. Establishing any single pillar as preeminent is counterproductive, particularly when that range extends so far beyond even the UN family (WTO and related institutions, and the IFIs).

## **III. Institutional framework for sustainable development**

### ***3.1. General***

- For business, this important area can be divided into two parts: 1) Improving the institutional framework for sustainable development from the perspective of business and 2) Enhancing the role of business therein. Moreover, we regard it as inextricably linked with other key matters in Rio+20, notably greening economies and growth in the context of s/d and poverty eradication and emerging issues.

- Challenges of globalization require active collaboration between governments and stakeholders, particularly by business. And it is appropriate that integrated approaches will create a ‘mosaic’ of solutions and approaches across global, national and local levels – but which pose challenges for coordination, jurisdiction, and efficiency. While companies doing business in globalized markets and across supply and value chains welcome and often prefer globalized approaches and integrated frameworks, they also understand the importance of tailored approaches and institutions reflecting national circumstances and priorities. Finding the right balance is critical.

***3.2. What are the most significant challenges facing international institutions charged with promoting sustainable development? What concrete measures could be considered to address these challenges?***

- Major challenges include the proliferation of meetings and issues, creating competing resource demands, confusing priorities and straining limited time and financial support. Institutions need to identify priorities and concentrate on their specific value-added.
- Two concrete steps that can assist in flagging the priorities, and ensuring that resources are well deployed:
  - 1) Business supports strengthening the science-policy interface within international institutions, with the full and meaningful participation of developing countries. This must also include channels for credible and robust science from stakeholders, particularly from business and industry.
  - 2) Another key element relates to strengthening links between policy making and financing, to widen and deepen the funding base. Governments must approach the challenge of the overall framework of intergovernmental institutions with more deliberate and strategically guided resourcing, as well as more vigilant oversight.

***3.3. How can the institutional framework ensure effective synergies between the CSD and other existing intergovernmental instruments and processes, including different multilateral agreements, UN funds and programmes, and regional processes?***

- From our standpoint, enhancing the engagement of business and business organizations – along with other major groups – is an indispensable attribute of a substantive outcome of Rio2012 discussions on institutional frameworks for s/d. Major groups are central actors across the various forums, and on the frontlines of implementation. Enhancing the role they play is one way to strengthen synergies across the various bodies involving in the economic, social and environmental pillars of sustainable development.

***3.4. What concrete actions could be taken to strengthen the Commission on Sustainable Development and ensuring the implementation of its decisions?***

- Business supports the objective of strengthening institutional frameworks for sustainable development, and considers the U.N. Commission on Sustainable Development (UNCSD) as a critical nexus point and foundation for this strengthening. However, a system-wide strategy for sustainable development in the United Nations system should be developed to better coordinate and avoid duplication.
- CSD is unique among UN organizations for its mandate to review implementation from a “full circle” sustainable development perspective. Since its inception, CSD has developed assessments and recommendations for implementation over several work cycles. These form an invaluable basis and resource for Rio+20 consideration of the state of implementation. This applies to specific thematic areas, inter-linkages and means of implementation. Taking the substantive work and good practices of CSD – notably in the area of Type 2 partnerships -- forward into Rio2012 – and strengthening them will certainly strengthen implementation.

***3.5. How best to structure and position the current international institutional arrangements for economic, social, and environmental governance within the broader framework of the institutional architecture of sustainable development?***

- Business supports a system-wide strategy for sustainability in the United Nations system. All agencies must evolve to better accommodate all three pillars of sustainability, and other social and economic international institutions should be brought in for dialogue towards a more integrated approach.

***3.6. How to improve cross-sector coordination and coherence in implementation of the sustainable development agenda at national and local levels in order to secure the convergence of the three pillars of sustainable development?***

- Enabling frameworks and incentives in policies, markets and institutions are critical to effective and successful implementation of sustainability policies. In addition to sound, science- and risk-based national environmental regulations, important elements include rule of law, democratic process, strong local and national institutions, and open trade and markets are needed.

***3.7. How can a new institutional structure also standardize and simplify reporting mechanisms and compliance protocols best so as to reduce the burden on developing countries of servicing MEAs?***

- As indispensable as reporting and compliance is to shining a light on the state of progress, it is not clear one size will fit all will fully resolve the challenges of a multiplicity of reporting regimes, some of them extremely complex. In this regard, capacity building will go a long way towards assisting developing countries in providing necessary information and ensuring sound enforcement vis a vis MEAs. This capacity building should not be limited to enforcement officials alone, but should be thought of in a long-term context, with necessary training for aspiring engineers, technicians and business-people. Of course, this challenge is not

limited to MEAs, but is a broader one relating to developing countries' capability to fully cooperate with international norms and initiatives relating to economic and social areas as well.

### ***3.8. What have been the most effective means of strengthening major groups and other relevant stakeholders' participation in national sustainable development efforts?***

- From a business standpoint, it begins with and builds on compliance with national laws and incorporation in business planning and management systems. These can include and be reinforced by a number of additional approaches, including:
  - ✓ Partnerships with governments, inter-governmental organizations, and NGOs
  - ✓ Voluntary codes like the Global Compact and the ICC Business Charter
  - ✓ Voluntary sectoral approaches such as Responsible Care,
  - ✓ “Soft law” approaches, like the OECD MNE Guidelines
  - ✓ Reporting initiatives, such as GRI
  - ✓ Standards and guidance, such as ISO 14000 and ISO 26000

## **IV. Setting priorities and addressing new and emerging challenges**

### ***4.1 General***

- The first Earth Summit defined the parameters of sustainable development and these have subsequently expressed into key goals, such as the MDGs. In a variety of forum and through many declarations, governments around the world have pledged their commitment to this 3-pillared vision of sustainable development.
- In the first preparatory session for Rio+20 held in May 2010, governments made it clear that one of the main challenge today is not to set new goals but to implement the activities and programmes needed to make existing commitments reality. Many of the challenges we face are not new – they are exacerbated by trends or new development, but at their core, the challenges of sustainable development have not changed much in the past two decades. We now face additional challenges, such as climate change, which only make the need for action higher and success harder to achieve. Achieving the MDGs is still very far off, and in some areas, we have seen progress reversed by the recent economic and food crisis. And this is despite efforts on the part of governments, UN agencies, NGOs, and many other actors.
- We need to look back and take the lessons learned forward to enable all stakeholders to contribute better and more efficiently to addressing the gaps in implementation that have impaired the achievement of the vision laid out in the two preceding Earth Summits. In this context, it is important to ensure the outcome of Rio+20 is a set

of clear goals to focus on, and based on this analysis of goals, the required adjustment in coordination and cooperation between UN agencies are made – form should follow function.

- The private sector has a key role to play in helping achieve the goals of sustainable development, in particular towards poverty reduction. Most people around the world work or are part of the ‘private sector’, whether as self-employed, small entrepreneurs, farmers, small and medium size enterprises, employees of larger corporation... the private sector generates employment, goods, food and most of the items and services that people use every day. It must be engaged to target the implementation gaps that have limited achievements of the goals of sustainable development; and to address the new challenges of this new century.
- In the past two decades, a number of new challenges to sustainable development have surfaced which have required the international community to produce joint efforts. Climate change, the loss of biodiversity, the spread of desertification and land degradation, damages to marine life, all these issues have been taken up at the UN level in an effort to offer concerted solutions. However, one risks spreading the efforts and resources of the UN and member states too thin, as every emerging issue requires new bodies, groups, or conventions. In some cases, the UN system is the best suited to tackle such global issues, but at times it may not. We would see added value in encouraging the establishment of a clear process whereby issues that are deemed to be emerging can be presented and assessed through a set of criteria before it is decided whether the UN should take them up. This would allow greater clarity about which issues can be best handled through UN bodies with the greatest value added and how issues become “topics”.