inside:

Agreement on corporate sustainability reporting at Rio+20: Now what?

A sustainable future?
We mean business

outreach.

20 June 2012

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Outreach is a multi-stakeholder publication on climate change and sustainable development. It is the longest continually produced stakeholder magazine in the sustainable development arena, published at various international meetings on the environment; including the UNCSG meetings (since 1997). UNEP Governing Council, UNFCCC Conference of the Parties (COP) and World Water Week. Published as a daily edition, both print and web form, Outreach provides a vehicle for critical analysis on key thematic topics in the sustainability arena, as well as a voice of regional and local governments, women, indigenous peoples, trade unions, industry, youth and NGOs. To fully ensure a multi-stakeholder perspective, we aim to engage a wide range of stakeholders for article contributions and project funding.

If you are interested in contributing to Outreach, please contact the team: gmacdonald@stakeholderforum.org or acutter@stakeholderforum.org

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OUTREACH EDITORIAL TEAM

Editorial Advisors
Felix Dodds
Faroq Ullah

Editors
Georgie Macdonald
Amy Cutter

Editorial Assistants
Jack Cornforth
Jack Conforth
Nick Meynen

Political Editor
Jessica Wolf

Print Designer
Thomas Harrison

Web Designer
Matthew Reading-Smith

CONTRIBUTING WRITERS

Carolyn Schmidt
Tony Santonas
Giles Dickson
Philip Monaghan
Jeanneet Lingan
Sue Riddlestone

ECOLOGIA
Stakeholder Forum
AMPE
Alston
Infrangilis
Stakeholder Forum
BioRegional

Rodrigo Sánchez Mejía
FIRA Banco de Mexico
Derek Osborn
Faroq Ullah
Juliet Le Breton
Lesia Mulloy
Business and Industry Major Group

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There were mixed feelings after the paragraph on corporate sustainability reporting was agreed yesterday evening. Delegates discussed the text for an hour in small groups, while the Chair patiently waited for them to reach a consensus. The paragraph on reporting has had a bumpy journey throughout the negotiations and was significantly watered down during the final stages, as it faced strong opposition from the US, Canada and G77/China.

The new agreed text states two main ideas:

The first sentence recognises the importance of sustainability reporting, and encourages companies, in particular publicly listed and large companies, ‘to consider integrating sustainability information into their reporting cycle’. For a text that many held as a potential outcome to move past voluntary commitments by big firms, this was deeply disappointing.

The second part of the text clings to a final opportunity for concrete action by stating:

‘We encourage industry, interested governments as well as relevant stakeholders with the support of the UN system, as appropriate, to develop models of best practice and facilitate action for the integration of sustainability reporting, taking into account the experiences of already existing frameworks, and paying particular attention to the needs of developing countries, including for capacity building’.

If you are wondering what this means, you are not alone. Ask the delegates who agreed on this text and you will receive many different responses or even perhaps no answer at all.

In this sense, it is useful to go back to basics and attempt to unwrap the discussions that have taken place in the months since the initial Zero Draft was published. The main purpose of this paragraph was to call for governments to take action, not to provide further encouragement for companies to report. Governments were called upon to develop and implement policies requiring listed and large companies to publish their sustainability reports. There are already many governments from North and South doing this through regulation or through their stock exchanges. We needed a concerted global effort to scale up and strengthen these initiatives. In the interim, the need to harmonise reporting was also considered (this did not mean creating one global standard) to prevent the production and use of hundreds of reporting guidelines. These were the main ideas on the table that have somehow been lost as the negotiating process played out.

Going back to the paragraph, indeed, we ended up with a very weak text, with no commitment from governments to implement policies or any type of regulation on sustainability reporting. There is, however, the potential to develop a process supported by the UN, though we are yet to see which body would be in the best position to support this. This would necessarily involve multi-stakeholder involvement ‘to develop models of best practice’ i.e. policy tools to regulate sustainability reporting; and to ‘facilitate action for the integration of sustainability reporting’ – harmonising existing frameworks and guidance. In this regard, the references to developing countries and capacity building make sense.

If this potential process is picked up by governments, industry and other stakeholders (civil society must be included), we need to make sure that sustainability reporting addresses the concerns of a broad constituency. Sustainability information must not just be meaningful for investors, it should also benefit civil society and governments, and, in particular, must drive companies to better manage their economic, social and environmental impacts.

There is already a movement by investors, stock exchanges and others to start to advance sustainability reporting beyond purely voluntary commitments. There were several events at the Corporate Sustainability Forum organised by UN Global Compact, to discuss and showcase these ideas. A group of companies are engaging with governments and policymakers to explore policy options that would push the sector uniformly into reporting their sustainability performance. However, these groups also need to engage civil society in these conversations. We should not end up with information that can only be used by investors and other market actors. What we ultimately want to see is a process that leads to greater accountability and better corporate practices, not as an option but as a must.
Comment on the Natural Capital Declaration

With Rodrigo Sánchez Mújica
FIRA Banco de Mexico

In Rio de Janeiro on the 16th June, CEOs at the helm of 37 banks, investment funds, and insurance companies announced a far-reaching commitment to work towards integrating natural capital considerations into their products and services.

By signing the ‘Natural Capital Declaration’, the financiers have committed their companies to help build an understanding of their impacts and dependencies on natural capital; embed natural capital into their products and services; report or disclose on the theme of natural capital; and account for natural capital in accounting frameworks.

It is the first statement of its kind to be signed only by the CEOs of financial institutions – a requirement that aims to ensure that endorsement translates into concrete actions. The Declaration – convened by the UNEP Finance Initiative, Global Canopy Programme, and the Centre for Sustainability Studies of leading Latin American business school FGV – also calls for policy-makers gathering at Rio+20 to make headway in crafting legislation and regulations that can incentivise the development of financial products and services that take account of and sustain the Earth’s natural capital.

Rodrigo Sánchez Mújica, CEO of FIRA Banco de Mexico and one of the signatories of the Natural Capital Declaration, shared the thinking that led him and his institution to make this commitment:

“Climate change is considered to be one of the greatest environmental challenges of the century which, together with water scarcity, air pollution, erosion, and deforestation, to mention just a few, pose great danger to human life and erodes the natural capital of countries, thus reducing their wealth.

The technology necessary to mitigate these problems is within our reach, but it will need the active participation of every actor, from governments to civil society, including, in particular, financial institutions, to provide the financial resources to enable entrepreneurs to put solutions into action.

The role of financial institutions is fundamental in tackling these problems, and the way in which the sector responds to it will determine in great part the world’s capacity and intensity of response.

The Natural Capital Declaration has special importance in this context, sending a strong message that expresses our interest in taking into account the natural capital in our business models. It is our hope that this message will promote the creation of a proper framework and enhance the entrepreneurial impulse necessary to undertake environmentally friendly projects, as well as to inspire anyone that has the power to act to solve this crisis.

Mexico is one of the most biologically diverse countries in the world, its natural capital is of paramount importance and it is being depleted. Nowadays, Mexico ranks 14th in terms of greenhouse gas emissions globally, according to UNEP, and also faces air, water, and soil pollution problems, as well as erosion, deforestation and desertification. Our mission at FIRA is to contribute to the competitive and sustainable development of Mexican rural areas, bringing financial services and technological innovation to improve the quality of life of the inhabitants. We see of paramount importance the preservation of natural capital in order to develop and achieve better living conditions in our time and for generations to come.

The good news is that there is an increasingly strong business case associated with environmentally friendly investments – they reduce credit associated risks, help to mitigate external project risks and increase the size and quality of the credit portfolio for financial intermediaries.

FIRA, as the leading second tier institution in Mexico advocating for and financing rural projects, has a real opportunity to spread the message of the Natural Capital Declaration throughout the entire financial sector in Mexico and to promote the preservation of our environmental resources. We hope to be a platform to facilitate other financial institutions on the road to environmentally friendly investments.

We are a long way from a sustainable world but we are sure that if we work together it will be possible to achieve our goals.”
A sustainable future? We mean business

Giles Dickson
Alstom

"To provide sustainable energy for all, we need everyone at the table – governments, the private sector and civil society – all working together to accomplish what none can do alone".

UN Secretary-General, Ban Ki-moon, January 2012

I could not agree more with the Secretary-General. The company I work for, Alstom, is one of the world’s major energy and transport technology providers. We have provided around a quarter of the world’s power generation and a quarter of all metro trains. We have a great low carbon story to tell and the technologies we provide can help to create a more sustainable world.

But, of course, we cannot do that without a close partnership with governments and civil society. That is why we have been so heavily involved in the run-up to Rio+20 and why the Conference is so important.

The International Energy Agency (IEA) has estimated that $300 trillion of investment is needed globally by 2050 if we are to decarbonise effectively and deliver energy security. The numbers are staggering and with the current fiscal climate, most of it is going to need to come from the private sector. Even in good times, the public sector simply could not deliver this amount of money.

Throughout the Rio process we have therefore argued for clear policy frameworks that: (i) use public funding to leverage private finance; and (ii) utilise private sector expertise in policy-making. We were glad to see the prominence given to the latter point in the original Zero Draft, but the focus on both suggestions has been weakening in subsequent drafts. We are therefore urging negotiators to make sure that leveraging private finance is prioritised in the agreed Outcome Document, along with the need to include business and industry in policy-making.

The technological revolution will not be cheap, but the long-term benefits far outweigh the costs. The IEA has recently shown that investment can more than pay for itself through fuel savings by 2025. And the savings would triple by 2050: an additional $36 trillion of investment would be required to overhaul the world’s current energy system by the middle of the century, but this would be offset by $100 trillion in savings through reduced use of fossil fuels.

But progress to date has been too slow. Nine out of ten technologies that hold potential for energy and CO2 emissions savings are failing to meet the deployment objectives needed to achieve the necessary transition to a low-carbon future. We need faster progress through public and private sectors working more effectively together.

Access to energy has emerged as one of the most urgent issues in the global energy policy debate - with the UN Secretary General’s Sustainable Energy for All (SE4ALL) initiative as the pacesetter. Energy access must go beyond purely off-grid solutions - such as micro-generation and clean cook stoves - to include clean, reliable and affordable on-grid generation to pave the way for economic development and improved social welfare.

This requires that fossil fuels are used in the cleanest and most efficient way possible, which is also recognised in the recent SE4ALL Action Agenda. With the use of fossil fuels projected to increase in the future, as developing countries become richer, it is crucial to incentivise the use of the best available technology if we are to tackle climate change. This point has been made in the recent Rio+20 drafts and Alstom is strongly urging negotiators to keep this very important text in the final Outcome Document.

To quote the Secretary-General once more: "We need to raise sustainable energy to the top of the global agenda and focus our attention, ingenuity, resources, and investments to make it a reality".
Our aim is simple: that the seven billion people who are currently living on this planet, live well within its natural limits, or as we call it, One Planet Living. This theme has been covered time and again by different speakers at events across Rio over the last two weeks. It was repeated by business leaders and civil society at the Rio+20 Corporate Sustainability Forum, as they made One Planet Living one of their key recommendations for Rio.

However, the new Rio+20 text does not state this objective clearly, only indirectly – surely this is not the future we want? Now, at the Summit itself, politicians will have the space to show leadership and draw out clear narratives and next steps, in order to provide more guidance on how to implement the Rio outcomes and present easy to understand messages to the world. The current text largely signposts, rather than prescribes, the necessary actions to achieve the future we want, but all the ingredients are there to support visionary statements and commitments.

The reassuring evidence that we have been sharing with those who we have engaged at events over the last 18 months, is that our real life experiences show that we can create the communities, products and services that enable people to live within a fair share of the world’s resources, wherever they live in the world. We know that this change makes both economic and business sense. And, beyond this, the social benefits are huge, with people reporting that they are happier and healthier, which will surely also bring cost savings on health care.

In the past, to make great leaps such as this, it has nearly always come down to a leader, a decision maker who is not afraid to be bold and do the right thing, despite the risks, which in this case are small.

Through our work, we have met a number of businessmen demonstrating this leadership. Jason Hu, Vice President of China Merchants Property Development (CMPD), a top twenty property developer in China, while speaking at one of our side events, described the 8,000 home Jinshan project in Guangzhou, for which he persuaded his board to build a community which enables people to live well within the limits of one planet. This community has now, for Rio+20, made voluntary commitments with targets and dates. Another partner, Ian Cheshire, CEO of Kingfisher, the third largest home improvement retailer in the world, has committed to stock only 100% certified sustainable timber by 2020, having already achieved this target in the UK operating company. A delegation from Imbera, Latin America’s largest refrigeration company, re-stated their commitment to become a one planet company and committed to reduce their products energy consumption by 20% by 2015, as well as to increase the proportion of eco-friendly refrigerants in their coolers by 50% by 2015.

And we have seen that this leadership is not just restricted to business. At a workshop we held last weekend, with residents of two Rio de Janeiro favela communities in Copacabana to adopt a One Plan Living approach, local resident Gilmar spoke with passion about the shared vision for their community, Tabejaros. As he said “we have to take responsibility for this ourselves.”

Rio+20 has inspired all of these people to be bolder and go further. Those of us from BioRegional who have walked alongside so many of you in this process want to see everyone use these last days of the Rio+20 process to show real leadership and do what we can to give Rio+20 the best chance to achieve the future we want.
How small and medium size enterprises benefit from corporate social responsibility

Carolyn Schmidt
ECOLOGIA

Small and medium sized businesses (SMEs) – employing under 250 people – produce an estimated 65% of global GDP, and are vital to the functioning of large corporations, as well as to their own local communities. Their actions have significant human and environmental impacts. Just a few years ago, the idea of SMEs practicing corporate social responsibility was often dismissed as impractical. Justifications for such dismissals included arguments such as: SMEs are too loosely organized; they are difficult to regulate; they participate in the informal economy; they have too small a profit margin to spend on CSR ‘frills’; their owners/operators are not comfortable with the formal language of many laws and standards.

However, through application of key elements of CSR, SMEs can benefit in the same way larger corporations can, for example through improving the quality and reliability of their products and services, better meeting needs of customers and workers, improving community relations and reducing risks. Many SMEs, especially those run by entrepreneurial founder/owners, have strong ties to their communities and are motivated to join the CSR movement when they become aware that its goals and methods apply to them. Especially relevant are: stakeholder engagement, public reporting, and the Seven Core Subjects of the voluntary global guidance standard ISO 26000.

**Stakeholder engagement** can start on an informal basis and lead to increasing accountability. Communicating with people and groups affected by their actions – workers, suppliers, customers, etc. - is one of the best ways a business can identify its strengths, weaknesses, and areas of potential risk. This can be made easier by keeping initial meetings informal. Assistance by third parties in setting up discussions and ground rules can help steer clear of defensiveness and focus on improvements.

**Public reporting** expands accountability; accepting the requirement of a public report alerts business owners to their obligations to stakeholders. Those who work with SMEs (local governments and Chambers of Commerce, buyers, consultants and NGOs) can help to develop simple templates for organising reports, focusing on providing clear and relevant information.

The global guidance standard ISO 26000 identifies **Seven Core Subjects** for socially responsible actions: organisational governance, human rights, labour relations, environment, fair operating practices, consumer issues, and community development and involvement. These provide an overview of global expectations for CSR, which go way beyond philanthropy and involve core business decisions. Each core subject can be defined in a way that is relevant and accessible to SMEs. The ‘fair operating practices’ section includes the importance of extending CSR throughout the supply chain, so that each link in the chain takes responsibility for how its own actions impact its partners.

**Corporate purchasers must extend their CSR expectations and resources throughout their supply chains**

Problems with human rights, environmental pollution, ‘shadow factories’ and double bookkeeping can occur when SMEs are pressured to keep their prices so low that they cannot operate legally and still make a profit. Transnational corporations must understand that practicing CSR also means ensuring that the SMEs they purchase from are supported in their efforts to meet higher standards of performance in quality and in CSR. The link between CSR and purchasing policies is crucial; buyers must include CSR elements when making buying decisions, otherwise they create a major disconnect between their talk and their actions, as well as risking unpleasant surprises and negative publicity.

If purchasing departments send a message (ever cheaper) that contradicts the CSR and sustainability departments’ goals, SMEs may not be able to afford the added costs of truly implementing CSR. SMEs may be compelled to cut corners on product quality, worker safety, and environmental impact mitigation. If CSR and sustainability programs are limited to eco-efficiency initiatives with short term payback, the core business model reflected in the supply chain will not change. If consumers are encouraged to think only about price, they are not engaged as partners in social responsibility. Using CSR to contribute to global sustainability requires all stakeholders – not just producers, but buyers and consumers – to act responsibly within their own spheres.

**MORE INFO**

Website: www.ecologia.org

To contact the author: cschmidt@ecologia.org
Who is watching the watchers?
Tough talk on supervision of sovereign credit raters is failing because of an absence of international collective action

Philip Monaghan
Infrangilis

When Cyprus announced in June 2012 that it was edging closer to being the latest Eurozone country to seek bailout money, the fragile nature of how the world deals with sovereign debt was thrust once again into the public consciousness.

As it stands today, sovereign debt is a huge (and growing) USD 41 trillion global phenomenon. One in which private firms called Credit Rating Agencies (CRAs), such as Moody’s, have long flourished during times of economic uncertainty or adversity. They continue to do so.

CRAs have been pivotal players in the global economic system for over a century. However, it took the international banking meltdown of 2007/08 to push them into media prominence. The dramatic events of the past five years and the huge power of the CRAs have thus led many commentators to ask – are these private firms fit to rate countries? And are they being supervised properly? A report by Infrangilis (a think-tank on resiliency strategies) suggests not.

In May 2012 Infrangilis published the research study Rating Sovereign Raters. The study concludes that proposals by regulators in the US, Eurozone or multi-lateral agencies to reform or replace the role of the CRAs fail to understand the complex system in which government borrowing and debt ratings take place - namely the interconnectedness of monetary and financial systems.

For instance, it is argued that CRAs are undeservedly preventing the flow of capital into the developing world, arguably because the industry tends not to devote resources to less lucrative economies such as Africa. This means some 58 developing countries find it more difficult to raise money to grow as they do not have a credit rating, or the rating is out of date and does not recognise any positive progress made by a country.

Consequently, Infrangilis strongly believes there is a need for fresh thinking when it comes to moderating the role of CRAs. Responsible sovereign ratings will be invaluable if we are to hold the CRA industry to account and ensure it continues to serve the public good. A more responsible approach to sovereign debt rating includes considerations of ratings accuracy, competition, conflicts of interest, capital flows to developing countries, and non-financial performance such as poverty and environmental resource efficiency.

Key to delivering this is more effective co-operation between governments on CRA supervision. Most notably, Infrangilis recommends establishing a new international observatory on sovereign debt ratings.

Calls to establish a supra-sovereign ratings organisation, be it led by the EU or UN, have not been welcomed by the UK and US governments in particular. This is mainly due to a perceived lack of market legitimacy and the tax burden associated with its costly set-up. Rating Sovereign Raters makes the case, however, that an accommodating position or hybrid model can be found by establishing a new UN platform as a credit rating observatory as opposed to a credit rating service provider. This could be housed by an existing G20 approved body that has the respect of the markets, such as a re-constituted Joint Forum (based at the Bank of International Settlements, whose mission is to act as a centre for discussion and decision making for the international supervisory community). The observatory would, for instance, be tasked with monitoring and reporting on how well the market is functioning, acting as an early warning system, and securing consensus on international professional standards for rating methodologies.

Any newly reconstituted Joint Forum would need to have the trust and endorsement of the BRIC countries and others parts of the South, a fact reflected in its governance structure. This additional work by the Joint Forum should aim to avoid the need for extra public subsidy or a transaction tax. A simplification of the system would realise savings that could be redirected here, for example, by merging divisions of the IMF or sharing examiners already at work in the European Securities and Markets Authority. In short, to do more with less.

If our political leaders want to deliver on their bold words for sovereign debt sustainability, it is this type of international governance innovation that will be required.

MORE INFO
Rating Sovereign Raters: Credit Rating Agencies – Political Scapegoats or Misguided Messengers? was published by Infrangilis on 31st May 2012. It can be downloaded for free at www.infrangilis.org
Everyone is pleased. Everyone is disappointed. A typical UN conclusion

Derek Osborn and Farooq Ullah
Stakeholder Forum

Pleased of course that the long hours of negotiation are over, and that after masterful direction by the Brazilian chairs, a clean text has emerged and been adopted by the plenary ready for the Heads of State who arrive today.

Pleased that progress has been made on a number of important topics – Rio+20 Secretary General Sha Zukang summarized 14 distinct areas of progress in his final remarks to the plenary – and many of these contain the seeds of further progress in the years ahead.

But disappointment that some of the most promising ideas had to be discarded for lack of sufficient agreement in the final stages. And disappointment that the language on some of the key issues is unclear and will undoubtedly give rise to lengthy further negotiations as the world moves forward towards implementation.

Overall, the most important single outcome is the reaffirmation of the need to guide the world forward in a path of more sustainable development, a path of more determined action to eradicating the scourges of poverty and hunger, while at the same time safeguarding the world’s natural resources and environment for future generations. Equally significant is the reinforcement of international governance mechanisms, establishing new methods of measuring progress and setting sustainability goals, and promoting new green economy policy instruments for guiding the changes needed.

The important thing now is for everyone to grasp the opportunities opened up by this new agenda and to get engaged with the follow up and implementation.

At the final plenary the Chair, Secretary General and several heads of delegation made generous remarks about the contribution of the Major Groups to the final conclusions, and to their determination to ensure that all stakeholders are just as involved in the follow-up and in the new governance arrangements. But as the Major Groups know all too well, the price of participation is constant vigilance.

The precise modalities of the Major Groups’ involvement in the new governance arrangements and in the various new policy initiatives remains to be determined. The Major Groups will need to move promptly to form their own ideas on the desirable methods of engagement and on the issues they intend to engage with. For example, in the new High-Level Political Forum for sustainable development it will be crucial to ensure that access and participation is building on the procedures of the CSD and drawing on best practice elsewhere, such as the FAO’s Committee on Food Security. This is an important point to secure when the General Assembly starts discussing the modalities for the new governance formations.

Similarly, when discussions recommence on the new Sustainable Development Goals (SDGs), the Major Groups will need to be ready with substantive ideas as to how they should be formulated, and how their ideas should be inputted into the process. The same will apply to many other follow-up processes.

Major Groups and civil society organisations need to be equally ready for vigorous follow-up, taking the momentum from Rio to provide the impetus for a new drive for sustainable development at national level. The machinery for embedding sustainable development at the heart of national governments should be strengthened. National sustainable development strategies should be created or renewed. Consultative machinery such as National Sustainable Development Councils should be strengthened or revived. The scope for applying green economy measures should also be explored anew.

At Stakeholder Forum’s final conference on Friday, we shall be exploring what needs doing on Monday and thereafter. For Major Groups – and for governments - there is no time to lose in capturing and carrying forward the momentum.

What Happens on Monday?

This conference is being organised by Stakeholder Forum to provide an opportunity for interested stakeholders to engage in networking, information sharing and funding planning, in order to build capacity and expertise on developing a post-UN Conference on Sustainable Development (UNCSD, or Rio+20) work plan of implementation. It will include presentations on successful projects and initiatives in the following areas: cities; oceans; green jobs and skills; freshwater; and energy.

MORE INFO

Date: Friday 22nd June
Where: Room T-1, Major Groups’ Pavilion, Riocentro
Time: 1pm to 5pm
Website: www.earthsummit2012.org/workshops-meetings-events/1136-what-happens-on-monday
Contact and RSVP: kirstys@stakeholderforum.org
As world leaders gather here in Rio for the great sustainability shindig, voices from civil society, academia and business tell Leila Mulloy what they believe should top the agenda.

“No more business as usual”
Gisbert Glaser, 
Senior Advisor, International Council for Science

My first message to policymakers would be about the urgency to act now; that there has only been limited progress during the last two decades in implementing sustainable development. Overall, human impacts on our natural environment and climate have become much worse, and pressures on the environment are such that they may cause fundamental changes in the Earth’s system and move us beyond safe natural boundaries.

My second message would be that we need to act on a totally different scale. There must be renewed political commitment by government leaders to implement sustainable development, and not in the ‘business as usual’ way of taking incremental steps that we have seen in the past 20 years. We must scale up all measures to implement sustainable development. Society needs to be “greened” in terms of its production and consumption patterns, the economy also needs to be transformed to a greener, more equitable model.

Thirdly, innovation (technological and other) and societal transformation driven by new knowledge from science are the paths to sustainable development. For new knowledge to be generated, Rio+20 and policymakers need to support research for sustainable development and international scientific cooperation. At Rio+20, policymakers should strengthen the science-policy links and acknowledge the nexus of science, technology and innovation as important drivers of sustainable development. Rio+20 should be a milestone in the development of a new participatory paradigm for scientific engagement with society.

“Declare 30% of the oceans Marine Protected Areas by 2020”
Peter Raines, 
Chairman, Coral Cay Conservation Trust

By 2010, the Convention on Biological Diversity called for 10% of the world’s Exclusive Economic Zones – seazones over which a state has special rights regarding the exploration and use of marine resources – to become Marine Protected Areas (MPAs). Then, the World Parks Congress called for 20% by 2012, a date also agreed on for a well-managed network of MPAs by the World Summit on Sustainable Development and the OSPAR Commission. Today, just over 1% of oceans are under MPA designation and less than 6% of coral reefs are under effective protection.

Coral reefs are particularly important as they are the most biodiverse and productive ecosystem on Earth, providing direct food security and livelihoods to over 500 million people, and indirectly to millions more. However, destructive activities – overfishing, pollution, climate change – mean that something approaching half of coral reefs have been destroyed or are in critical and irreversible decline. Do nothing and, by 2055, over 90% of coral reefs could be lost forever, leading to a global humanitarian disaster.

Recently, 260 of the world’s leading marine scientists made an urgent call for more and larger MPAs and a figure of 30% has emerged as the area believed necessary to avert permanent damage. Policymakers at Rio must declare that, by 2020, an ecologically coherent, well managed network of strictly ‘no-take’ MPAs, closed to all fishing and covering at least 30% of the world’s oceans will be established. And they must adopt the highly successful ‘mega-MPA’ approach to coral-reef protection of the Indian Ocean’s Chagos Islands, a biodiversity hotspot.

"Halt the unsustainable economy of nuclear energy, oil and coal"
Yong Rong, 
Head of Policy and Public Affairs, Greenpeace East Asia

A fair, green economy is achievable, but it requires urgent action. Promoting sustainable practices is essential, but governments must first make a decisive end to unsustainable practices. An economy based on nuclear energy, oil and coal, genetic engineering, toxic chemicals and the overexploitation of our forests and seas will never be sustainable or green.

The outcome of the conference cannot simply be a re-wording of principles, or the penning of new terminologies. What we want is something real and practical. If we cannot get clear commitments on issues such as achieving clean and safe energy for all, or zero deforestation by 2020, we must at the very least ensure the launch of a High Seas Biodiversity Agreement and a UN Environment Agency are finally delivered at Rio.
"We can learn from past successes"  
Chloe Corbin,  
Survival International

World leaders have to recognise tribal peoples’ rights as they prepare to meet in Brazil to discuss sustainable development. The conference describes sustainability as the ‘guiding principle for long-term global development’. However, for this to work, it is crucial tribal rights are not ignored, and that the environment within which they live is properly protected.

Twenty years ago, in an historic move, Brazil created the Yanomami Park. It secured the survival of a tribe facing genocide. Legally recognising their land was significant. It gave the Yanomami a right to self-determination, upheld their ancestral rights, and protected their environment. Two decades on, the Yanomami are largely safe. Gold mining continues in some regions and they still face health problems, but their case is known, they have set up their own organisations and their rights are vigorously defended.

At Rio+20, Survival International wants policymakers to learn from the importance of the Yanomami Park – and now turn their attention to helping Brazil’s Awá tribe. Their land, like the Yanomami’s, is protected, but illegal logging permeates their forest – crushing their numbers. Now, only 450 exist.

As Brazil continues to develop, and as the world’s demands on resources continue to soar, it is vital policymakers do not forget the peoples and their lands from which we have so much to learn about living sustainably.

"Sustainable development must respect human rights"  
Lyla Mehta,  
research fellow, Institute of Development Studies; adjunct professor, Noragric, Norwegian University of Life Sciences

Policymakers need to be committed to sustainable development that is just, fair and improves marginalised people’s lives without compromising ecological integrity. There are no signs of this happening.

The so called ‘green economy’ remains wedded to economic growth paradigms and could even legitimise large corporations gaining control over poor people’s land, water and livelihoods in the name of sustainability, and the so called food, water and energy nexus. Unless politicians overcome their national self interest, I fear that Rio+20 may be irrelevant and could well be the last global summit on sustainable development.

"Scale up successful partnerships"  
Andrew Slight,  
Head of External Affairs, PepsiCo UK & Ireland

Governments should commit to working in partnership with the private sector, and others, to respect, protect and fulfil the right to water and sanitation by 2020 in a way that is compatible with climate and food-security goals.

Green growth, or indeed growth of any kind, will only be possible if we are able to tackle the growing water challenges of the twenty-first century. Analysis suggests that the world will face a 40% global shortfall between forecast demand and available supply by 2030.

The vast majority of the water we consume – more than 70%, globally and as high as 90% in developing countries – goes to agriculture. Already, the lack of food security and access to safe drinking water affects more than 800 million people in the world. So the catalyst for action by governments, business and other actors is clear.

Rio+20 must provide the clarity, consistency and ambition to inspire change and scale-up already successful partnerships such as the Water Resource Group 2030, a consortium of businesses and the World Bank that contribute new insights to the increasingly critical issue of water resource scarcity. It can do this by committing to working in partnership with the private sector and others to respect, protect and fulfil the right to water and sanitation by 2020 in a way that is compatible with climate and food security goals.

"We must pay the ‘true’ price for food"  
Ann-Marie Brouder,  
Principal Sustainability Advisor, Forum for the Future

Policymakers at Rio need to understand the issues and interests pushing the food system down an unsustainable path, and then explore how they can work collaboratively with NGOs and businesses to develop and implement solutions.

There is a fundamental imbalance within the food system between different parts of the value chain. All too often, the dynamics of the value chain mean that producers lose out, impacting on their wellbeing and prosperity and limiting the supply of food.

Millions of people are disconnected with where and how food is produced. This can make people reluctant to pay the “true” price for food or to reduce food waste. Policymakers could do much more to engage citizens with food, from supporting citizens to grow food, to understanding the impacts of what they eat, to providing clear, sensible food labels.

We need policymakers to take seriously the threat posed by the loss of ecosystems and the resources and habitats they depend on. As well as their other benefits, the loss of ecosystems critically affects our ability to produce enough food now and in the future.

MORE INFO
This piece was adapted from an article originally published by China Dialogue. For more information: www.chinadialogue.net
It is expected that 60% of us will live in urban areas by 2030, and so peaceful, efficient, innovative cities are essential for prosperity.

The diverse panel for this dialogue session consisted of architects, a former mayor, a property developer and NGOs, including Barry Bergdoll from the New York Museum of Modern Art and Nawal Al-Hosany of Masdar City. Needless to say, the varied, innovative ideas were flying. The UEA City of Masdar for example, located near Abu Dhabi, is designed to foster 100% renewable energy, waste-to-energy plants, and uses a ‘personal rapid transport’ system – small, automated pods – in place of cars. The Japanese Architect, Shigeru Ban, promoted cities operating exclusively on a temporary basis – “why is it that we spend millions building permanent structures only to demolish them when they go out of fashion in 30 years time?” he said, “temporary buildings would enable far greater flexibility in light of natural disasters such as the Japanese Tsunami of 2011”.

So what is the magic formula for the resilient, green cities of the future? There are many, but integrated planning certainly came out high. Every city in the world is a test bed for new technologies and community organisation – we must share successful ideas and adopt them in the future, as well as learn from our past mistakes. “Doing this is not about creating a database of ideas” said David Cadman of Local Governments and Sustainability, representing 1200 cities around the world, “it’s about visiting cities to see how sustainability works. If you want to see how urban agriculture can grow 50% of a city’s fresh produce, go to Havana, Cuba. If you want to get people out of their cars, go see how Copenhagen is tackling its target of 40% of journeys by bike and foot.”

The benefits are clear – these approaches will improve our health and wellbeing as well as our understanding of the environment. The pace of development in North America over recent decades has shown that low density urban sprawl not only creates fractured landscapes and communities, but does not keep its value in times of recession. By preserving green spaces in and around cities, we not only maintain our connection to local agriculture but also create the high density solutions needed for efficient transport – be it public, bike or foot. This also supports us to manage our existing building stock, since in many cases, the cities of the future are already with us. For example, the rapid retrofit of low energy and renewable solutions onto existing buildings and infrastructure is vital in places where new buildings are not the priority.

With so much talk of technology and planning, we must not forget what makes this all happen – capital funding, effective governance and leadership, and engaged communities. "The city is the last shelter for solidarity"; said Oded Grajew, President of the Ethos Institute in Brazil. "We must engage local communities in the development of cities, for it is they who own the future". He went on to say that voluntary efforts by Mayors to achieve sustainability in urban areas were not enough, and that it must be a legal requirement, placed in constitutions where necessary, to create and improve upon sustainable development goals.

Community input is clearly a view shared by the civil society attendees of this session, who voted for the following recommendations to enter the UN Rio+20 process: (1) Plan in advance for sustainability and quality of life in cities, (2) Promote the active engagement of local communities to improve the physical and social environment in cities, (3) The design of urban spaces should take into account the empowerment of local communities. So, let’s not forget the most important body in this process – you and I. We must all engage in how our towns and cities are developed to secure our future. After all, though many of us at this conference are far from it, home is where the heart is.
In a contrast to 20 years ago, oceans have emerged as one of the most prominent and pressing issues at Rio+20 – something aptly reflected by the topic being allocated the closing Dialogue slot. A rich panel was accompanied by a large audience – including King Carl XVI of Sweden – gathering against a backdrop of multiple and increasing threats to the health of our oceans and the many essential services they provide.

The session was not short of bold statements, with Dr. Sylvia Earle (Mission Blue Foundation) exclaiming that “this is the most important time in history, because never before did we know what we know today”. Conversely, however, we were also reminded that we are in a better position than ever to take meaningful action, with Dr. Robin Mahon (University of West Indies) explaining that the concepts and technical tools to develop the kind of high seas governance arrangement we need are there, we simply lack the international mandate to create it. The panellists seemed unified in conviction that the purpose of the session should be to catalyse concrete actions on ocean sustainability from both the public and policy makers alike.

In keeping with the most popular online recommendation for this topic – to avoid ocean pollution by plastics through education and community collaboration – strengthening education on ocean sustainability was a recurring theme, as was the importance of a rights based approach which gives all stakeholders the opportunity to participate in the management of the resources upon which their lives and livelihoods depend.

As with most subjects being addressed at Rio, the role of the private sector was central to discussions, as “nature is unquestionably the foundation of every economy, no matter how complex”. Dr. Jean-Michel Cousteau (Ocean Futures Society) reminded us that oil and gas companies “are not going to disappear overnight”, therefore our best hope is to work with them on making the transition to renewables that will ultimately keep them in business. However Iceland’s Arthur Bogason explained that if we want the ocean-related industries to act more sustainably, there must be sufficient financial incentives for doing so.

Given its prominence in the discussions, it came as no surprise when the recommendation to ‘Launch a global agreement to save high seas marine biodiversity’ was announced as the participants’ top priority, receiving more than one third of first choice votes. The question remaining, therefore, is if Rio can set us on a path toward an agreement that will provide “fish in the high seas, as the ‘orphans of the ocean’, the international governance framework to give them parents”.

Business and industry calls on negotiators to focus on practical solutions and enabling frameworks

In the 20 years since the 1992 Rio Earth Summit, the idea of sustainability and a ‘green economy’ has gone from the margins to the mainstream for many in business. Quite apart from the debate over what exactly a ‘green’ economy is, the business community believes that economies cannot be ‘greened’ without one key factor: economic growth.

The business community also believes that the term green economy is embedded in the broader sustainable development concept. While business would rather speak about greener economies to acknowledge the range of opportunities and risks for various sectors, business acknowledges the term green economy and views it as a unifying theme to articulate the sustainable development direction in which all global economies need to move.

In order to move forward, the business community believes it is crucial to green all sectors in all countries and advance resource use efficiency and life cycle approaches. “We consider improvements of existing processes and products to be as important as launching new ones.” Ms Kantrow said. “Both approaches should be pursued simultaneously. It should be noted that business operates across global value chains and greening all stages along the life cycle of its products and services is becoming a guiding principle for many companies and sectors. The actions needed to transition towards a green economy vary from sector to sector and from country-to-country, depending on national circumstances.”

Governments can enable business contributions to a green economy by establishing and supporting clear and flexible regulatory and policy frameworks. Greening economic growth and activity offers an opportunity to address key transboundary challenges. This will require enabling frameworks that are aligned from global, regional, national and ultimately the local levels.

Rio+20 outcomes can provide enabling frameworks to smooth the way for sustainability solutions that are at the heart of a greener, more inclusive, economy. But regardless of the outcome at Rio+20, the private sector will continue its transition to greener and more sustainable industries, stressing that progress could be made much more rapidly, with greater cooperation between all stakeholders.”
ECO Corner

ECO Corner is produced by the cooperative efforts of Climate Action Network members at the Rio+20 Conference

Dear Mr Prime Minister...

In a disappointing and disheartening plenary session today, the Brazilian chair adopted the watered down draft text to be taken to world leaders tomorrow to formally adopt. As delegations clapped away at our failed future, civil society loudly protested from the back of the plenary hall.

As a last attempt to salvage this Summit, civil society has united its efforts to write a letter to UK Prime Minister David Cameron at the G20 Summit calling for an urgent intervention to deliver ambition at Rio+20. The letter highlights that the draft text is severely lacking in ambition, urgency and political will. Countries are reluctant to commit to a bolder agenda largely because they do not believe that the money can be found to deliver the transition to a fair, prosperous and sustainable world for all.

Civil society is calling on the UK, as a member of G8, G20, UN Security Council and the European Union, to take matters into their own hands and be pioneers in this endeavor to save the planet and forge an international agreement on tackling global inequalities. To do this, three commitments are needed to transform this Summit:

1. **Phase out harmful fossil fuel subsidies**, with safeguards for the world poorest communities. Commitments to begin such a process were made by the G20 at their meeting in Pittsburgh in 2009 and again in Toronto in 2010, but with almost no progress to date. Developed countries spend around $100bn a year in subsidies and tax breaks to prop up fossil fuel production (according to the OECD).

2. **Introduce a Financial Transaction Tax (FTT)** which has been proven by the International Monetary Fund (IMF), the European Commission and independent studies to be a credible, effective and development friendly tax. It is a hugely popular idea, supported by 63% of European citizens and more than 1,000 economists, and could raise at least $400bn a year.

3. **Stop multinationals dodging their taxes.** This would generate an extra $160 billion a year in tax revenues in poor countries alone. This is money that these companies already owe but which they are not paying.

The biggest impediment to means of implementation and finance is that the money is not there, but as shown above, the money is clearly there and can be easily freed up and utilised. Strong political will and even stronger leadership is needed now to push these negotiations to deliver a safe and prosperous world for everyone.

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Rio+20 will be a ‘PaperSmart’ conference so we are encouraging our readers to move online and access Outreach on our newly optimised website: www.stakeholderforum.org/sf/outreach or download each daily edition using a Quick Response (QR) code displayed here.
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Events unfolded fast when plenary finally convened yesterday. The Brazilian Government announced that the goal of the meeting was to adopt the text that came out of the negotiations under their facilitation. The chair asked if there were any objections. Less than 3 seconds after asking the question he declared the text coming from the informal negotiations organised by Brazil ‘adopted’. Applause erupted, but then booing also grew.

From a diplomatic viewpoint, this was a moment of glory for Brazil. Despite some countries raising (sometimes severe) concerns on specific issues or the overall level of ambition, all congratulated Brazil for their tremendous effort. But a diplomatic success does not mean the world is saved. As the G77 and China noted: ‘this was the optimum outcome possible’. Bolivia congratulated the Brazilians, but went far in listing concerns and also received the first loud applause for that. They and other delegates from developing countries complained about the weakness of MoI. Africa further made a strong call to at least rename UNEP to for example UNEO. The EU reiterated this point, but the US was strongly against it and warned that this would open many other discussions again. The mood prevailed that this was a balanced but fragile and - according to some - weak deal, but the best that can be expected to come out of Rio+20.

NGOs, youth, women groups and many others are unhappy with this outcome, as they expressed immediately after the plenary in a multitude of ways. An NGO petition ‘The FUTURE WE DONT WANT’ went viral. More than 1000 people from 100s of organisations are now expressing their frustration. This deal is too little, too late. Even a Brazilian official admitted in the corridors that they might be accused later of cutting a deal that does not have the ambition we urgently need.

Alarmed and concerned Major Groups reacted strongly to the lacklustre final negotiation text approved by delegates this morning. NGOs reported that although some fundamental principles were preserved, and a process is in place to articulate the SDGs and to develop a MoI strategy, the final document is disappointing. They are alarmed by regression on equity principles and key human rights. Some NGOs are concerned that the private sector now has too much responsibility, effectively given a carte blanche to commercialise diminishing natural resources, while no substantive discussions on regulations have taken place.

The Women’s Group deplored the trading of women’s rights, noting that Rio+20 should be a process focusing on human rights not those of big business. Children and Youth were deeply disillusioned with the process due to lack of transparency and barriers to effective participation. The Science and Technology Major Group pointed out that scientists raised the alarm on the irreversible damage to the environment but are being sidelined in guiding and informing the global response. Indigenous Peoples urged that culture be included as a key component of sustainable development. Farmers called for more recognition and support for women and smallholder farmers, who produce a substantial amount of the world’s food. Local Authorities wanted to focus on action on the green economy, working with cities around the world to produce the resources they consume. Business and Industry advocated for a larger role in defining the goals and frameworks for sustainable development, since much of it depends on large corporate investment into infrastructure and new economic capacity.

Major Groups have issued a four point common statement calling for a reform of the process to: ensure inclusive participation at all stages; deliver democratic decision-making; provide access to information; and build stakeholder capacity to enhance effective engagement.

The general consensus is that the final text is unambitious and lacks clear implementation mechanisms and frameworks. Global agreements have been watered down beyond recognition since the original Rio process. During Rio+20, Major Groups have spent much time battling reversals of core principles. Although there are victories – such as the inclusion of rights to water and food, and CBDR – there are many omissions and uncertainties. Without clear frameworks, implementation remains a huge challenge. Is this really the future we want?