



Commonwealth Consultative Group on Environment

Cartagena, Colombia, 12 February 2002

Provisional Agenda Item 3

CCGE(02)1

Globalisation as a Positive Force in Sustainable Development

Issues Paper by the Commonwealth Secretariat

INTRODUCTION

The 1991 Harare Declaration of Commonwealth Principles recognised that “[m]any Commonwealth countries are poor and face acute problems, including excessive population growth, crushing poverty, debt burdens and environmental degradation”. It concluded that “[o]nly sound and sustainable development can offer these millions the prospect of betterment” and pledged that the Commonwealth and its member countries would work with renewed vigour on “the promotion of sustainable development and the alleviation of poverty in the countries of the Commonwealth”. Among other things, this action would work towards: a stable international economic framework; sound economic management; effective population policies and programmes; sound management of technologies; the freest possible flow of multilateral trade on terms fair and equitable to all; an adequate flow of resources from the developed to developing countries and action to alleviate the debt burdens of developing countries most in need; the development of human resources through education, training, health and sport; extending the benefits of development within a framework of respect for human rights; action to combat drug trafficking; and the protection of the environment through respect for the principles of sustainable development, as enunciated by Commonwealth Heads of Government through their 1989 Langkawi Declaration on Environment. These concerns have been underlined by successive Commonwealth Heads of Government Meetings since Harare, including in the 1997 Edinburgh Economic Declaration and the 1999 Fancourt Declaration on Globalisation and People-Centred Development. As the Commonwealth approaches the World Summit on Sustainable Development, much of the Harare mandate remains urgent.

2. There have been considerable achievements in the ten years since the 1992 UN Conference on Environment and Development in Rio de Janeiro. New treaties have been agreed to tackle major international environmental concerns such as climate change, biological diversity, desertification, and fish stocks; there has been an advance in the tools available for mainstreaming the environment into decision making (environmental impact assessment of projects, and the strategic environmental/social assessment of policies and programmes); policy instruments for integrating economic and social costs into the workings

of the economy; arrangements for promoting greater policy coherence (including the implementation of National Environmental Action Plans, local Agenda 21, and new ministries and/or co-ordinating mechanisms in government); and the establishment of dedicated funding mechanisms such as the GEF. Yet, as the Global Environment Outlook 2000 Report demonstrated, global environmental indicators continue to decline and remain a major concern in a globalising world. The Report notes that “the global ecosystem is threatened by grave imbalances in productivity and in the distribution of goods and services. A significant proportion of humanity still lives in dire poverty, and projected trends are for an increasing divergence between those that benefit from economic and technological development, and those that do not. This unsustainable progression of extremes of wealth and poverty threatens the stability of society as a whole, and with it the global environment”...“the processes of globalization that are so strongly influencing social evolution need to be directed towards resolving rather than aggravating the serious imbalances that divide the world today”.

3. Far deeper and more fundamental integration of the three pillars of sustainable development – economic, social and environmental – is required if the current negative trends on sustainable development are to be reversed.

ISSUES FOR MINISTERS

4. *What concrete and practical measures should the WSSD address to bring about a deeper and more fundamental integration of the three pillars of sustainable development; fulfil the UN Millennium Declaration goals on protection of the environment, and development and poverty eradication; and bring lasting prosperity to all?*

5. The analysis presented in background paper CCGE(02)2 concludes that “[w]hereas globalisation has unquestionably been associated with investment in human-made capital, and whereas it has improved human capital via increased knowledge and indirectly via the income-induced demand for more education and health, it is less obvious that globalisation can be relied upon to safeguard social and environmental capital. Hence policy needs to be especially directed at those assets”. Two things seem to be central to globalisation playing a positive role in sustainable development: strong institutions and policy coherence; and greater investment in the resources for sustainable development.

Strong Institutions

6. As Amartya Sen has said: “What is needed is not a rejection of the positive role of the market mechanism in generating income and wealth, but the important recognition that the market mechanism has to work in a world of many institutions. We need the power and protection of these institutions, provided by democratic practice, civil and human rights, a free and open media, facilities for basic education and health care, economic safety nets, and of course, provisions for women’s freedom and rights” [The Observer, London, 25 June 2000].

Q1. Good governance, underpinned by human rights, peace and security, is a basic requirement for development. In what concrete ways might the WSSD promote a positive enabling environment for sustainable development?

Some options might include:

a. **Initiatives that develop awareness of human rights, and promote a human rights culture.**

Ministers may be interested to know that the Commonwealth Secretariat has recently established a Human Rights Unit under the office of the Deputy Secretary General (Political) to ensure that these issues receive a high profile in the Secretariat's work and can effectively interact with all departments.

b. **Initiatives to promote good governance and the elimination of corruption:**

- *International governance for sustainable development.* A supportive and enabling environment for sustainable development needs to be developed not just at the national level, but internationally too. In 2001, the Commonwealth Consultative Group on Environment emphasised that “present structures for international environmental governance disempower small states and developing countries”. Ministers called for a more streamlined and coherent system, with simplified and more transparent and comprehensible processes, that are accessible to wider publics. With respect to the international financial institutions, greater openness about the operations, objectives and decision-making processes of these organisations, and recent discussions on a new international financial architecture, have initiated a process of change.
- *Development under UN auspices of a global compact against corruption.* In 1999 Commonwealth Heads of Government endorsed a Framework for Commonwealth Principles on Promoting Good Governance and Combating Corruption, as the basis for pursuing concerted strategies based on zero tolerance for all types of corruption at national and global levels. Existing international legally binding conventions against corruption are all significant instruments attesting to the growing international commitment to fight corruption with legally enforceable measures. However, these conventions are not universal and vary widely in terms of their scope. In terms of geographical coverage too, many countries are presently not participating in any international arrangements or mechanisms.
- *Adoption of a new compact on sustainable development between governments, the private sector and civil society, as proposed by South Africa.* Operationalisation of new dynamics in support of sustainable development will need to draw on participatory and stakeholder approaches, gender mainstreaming (e.g. within the Commonwealth, implementation of the 1995 Commonwealth Plan of Action on Gender and Development) and the promotion of corporate citizenship through initiatives such as the Principles for Corporate Governance in the Commonwealth (developed under the auspices of the Commonwealth Association for Corporate Governance).

Policy Coherence

Q2. How can the Summit generate the political will to effect a deeper and more fundamental integration of the three pillars of sustainable development, and reverse degradation of the global commons?

7. There is already a substantial 'menu' of measures that can be taken to address the issues of sustainability and poverty reduction in the context of globalisation. What may be needed is not so much new ideas, but detailed and case-specific assessments of what will work in different circumstances, borrowing from the established menu. Also, new and transforming development processes that can bring about policy coherence and a deep harmonisation between the three pillars of sustainable development. This is far more complex than establishing the ideas in the first place, not least because items cannot be selected from the menu in isolation and it requires strong political commitment.

8. Perhaps a central issue for the WSSD is how it can generate the political will at all levels of government, from the international to the national and local levels, to really bring about this deeper policy coherence. Options might include:

a. **High-level political statements and commitments to action.** For example, leaders at the Summit could agree a statement on globalisation, poverty and sustainable development, or on further action to address problems related to the global commons.

b. **Interdisciplinary, intersectoral, participatory processes.** WSSD might promote research, action and exchange of experience on sectors that provide *points of maximum potential impact on policy coherence and sustainable development*. Examples include:

- human settlements. Providing the basis for developing human and social capital through clean and affordable water and energy systems, waste management, and developing infrastructures that support sustainable patterns of development in terms of energy use, transport and livelihoods. The Commonwealth Consultative Group on Human Settlements is providing a model for building partnership arrangements between government at all levels, civil society and the private sector, to support the implementation of policies and initiatives in support of sustainable settlements.
- broad-based health assessment that brings in to scope wider development aspects. This issue was highlighted recently by Commonwealth Health Ministers.
- human resources futures planning, including under different climate change scenarios.
- risk management, integrating a gender perspective. The transformatory potential of a focus on risk management was highlighted by a recent UN Expert Group meeting on gender and disaster reduction (Turkey, November 2001), as well as the International Strategy for Disaster Reduction (ISDR) Secretariat, which has prepared a background paper for the Second Preparatory Committee of the WSSD on 'Natural Disasters and Sustainable Development'.
- trade and sustainable development issues. Assessment of the impacts of trade and trade liberalisation on sustainable development can help to inform policy approaches on poverty and sustainable livelihoods; elucidate the need for policies to protect the environment and vulnerable groups in society from any adverse impacts from trade liberalisation; plan skills and human resource needs; and provide policy coherence across sectors, and from the local to national and international levels.

Finance for Sustainable Development

9. Finance has remained a critical constraint to the implementation of the 1992 Rio Summit outcomes. What concrete initiatives might the WSSD agree to address this problem?

Q3. How can the outcomes of the Finance for Development Conference be further considered by the WSSD to ensure that implementation of the agreed measures supports sustainable development?

10. Finance for Development is the focus of a major UN conference in Monterrey, Mexico in March 2002, which is addressing six key areas: domestic resource mobilisation; trade earnings; private capital flows; official flows and official development assistance; external debt; and systemic issues concerning the architecture and functioning of the overall global institutional system. The main points of this process are summarised in CCGE(02)(INF)1.

Q4. What concrete steps might the WSSD agree to support the further mobilisation of resources in support of sustainable development, both domestically and internationally?

11. Ministers may wish to consider the elements outlined in CCGE(02)2 in addressing this issue:

- the 0.7% GNP target for DAC; further initiatives on debt
- subsidy removal
- micro credit, credit reform, property rights and collective security
- privatisation
- use of economic instruments for internalising externalities and creating markets in environmental assets/making existing markets more efficient e.g. carbon trading
- investing in climate change; impact mitigation in vulnerable economies
- early investment in pollution control; demonstration of the high social returns to such investment
- investment in human capital; targeting the poor; gender mainstreaming (and cushioning against short-run impacts of globalisation)
- potential sources of major finance, e.g. Tobin Tax
- ‘greening’ multilateral funds; action with respect to sources of multilateral financing, e.g. GEF.