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# RIO+10 - much talk, little action

Intereconomics

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# Rio+10 – Much Talk, Little Action

*The World Summit for Sustainable Development in Johannesburg in September 2002 covered a broad range of subjects, but contentious issues such as trade, energy and climate change were not given the priority some would have wished. Did the Summit nevertheless succeed in covering some new ground on these, or was there a regression compared to earlier political declarations?*

It has become fashionable to organise decadal follow-ups to the large world conferences of the 1990s. As the largest of these conferences was the UN Conference on Environment and Development (UNCED) in Rio in 1992, many people hoped that Rio+10, or the World Summit for Sustainable Development (WSSD) in Johannesburg, would pave the way for a new drive to reconcile environment and development policy. They hoped the WSSD would revive many initiatives taken in Rio that had stalled or were only haltingly creeping forward.

Since the euphoric days of the early 1990s, environment and development policy have suffered severe setbacks. The hopes that the end of the Cold War would lead to an era of peace with peace dividends being ploughed into development and environment protection have evaporated; paradoxically, the feeling of insecurity has grown as the overall level of risk has fallen. Agenda 21, hailed as the blueprint for the 21st century, gathers dust. The multi-billion funds asked for to implement it on a large scale have not materialised. It has not been possible to get agreement on a forest convention; primary forests continue to be cut down at an alarming rate. The institutional weakness of UNEP has not been overcome and the UN Commission on Sustainable Development has become another of those UN bodies that just grind along without actually influencing things. The Kyoto Protocol seen by many as the most remarkable result of global environmental diplomacy has not entered into force after five years of negotiations that have substantially watered down its targets. Environmental awareness continues to exist in the populations of the industrialised countries but environmental protection is no longer considered a first-rate issue. Consumption has continued to grow, fuelled by new appliances and the Internet revolution. Development aid has declined from 0.45% of gross national income in 1989/90 to 0.32% in 1999/2000 with the US almost halving its share. No large-scale success stories of development have materialised in the 1990s; on the contrary, past development success stories like South East Asia have been thrown into economic and social turmoil. Despite globally rising incomes, the income gap between wealthy and impoverished countries continues to widen. Africa and increasingly other parts of the world are being devastated by the scourge of Aids, that has killed more than 20 million people worldwide in the last 20 years. Finally, the leader of the most powerful nation on earth thinks that coordinated, global environment and development policies do not make sense. He prefers unilateralism.

However, the picture is not entirely bleak. Local Agenda 21 processes have mobilised citizens in many municipalities throughout the world. The Global Environment Facility is alive and kicking and has spent over $ 4 billion on greenhouse gas reduction, wetland protection, international waters and the phaseout of ozone-depleting substances; another $ 3 billion have just been pledged for the next four years. Wind energy is expanding more quickly than its most ardent supporters would have thought possible and other renewable energy and energy efficiency technologies have also made astonish-

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ing progress. Policymakers increasingly experiment with efficient policy instruments such as emissions trading. Markets for greenhouse gas reductions are springing up and the US is increasingly isolated in its rejection of the Kyoto Protocol that is now likely to enter into force in 2003. Depletion of the ozone layer has been halted and will be reversed due to a set of international agreements that include institutional and financial arrangements that are highly innovative and effective. Modern communication technologies have helped to spread knowledge rapidly and technological leapfrogging is occurring as the stupendous growth of mobile phone use in developing countries shows. Micro-finance institutions manage to allow poor people to raise capital for successful income generation. And in China hundreds of millions of people continue their march out of poverty.

As usual with world conferences, a large preparatory phase with four preparatory conferences (Prepcoms) preceded the WSSD. Unfortunately, they were not very effective and it soon became clear that no major breakthroughs could be expected from the summit. At Prepcom 3 the US, with Canada, Australia and Saudi Arabia, attempted to re-open old debates tantamount to denying the Agenda 21 as basis. Although on the last three days of Prepcom 4 ministers held round-the-clock discussions on points at issue such as energy, financing, trade and globalisation these remained unsolved and were bracketed in the draft Plan of Implementation. This already was a marked difference to Rio, where the main convention text had already been agreed at the last preparatory conference. Nevertheless, WSSD attendance rivalled UNCED's. 104 Heads of State and Government, more than 9,000 delegates, 8,000 NGOs and 4,000 members of the press gathered for the Summit. The most notable absence was US President Bush. The major formal outcome is the Plan of Implementation (PoI), along with the Political Declaration. No new convention or agreement has been signed. The PoI addresses the following issues:

- poverty eradication;
- consumption and production;
- the natural resource base,
- health;
- small island developing states;
- Africa;
- other regional initiatives;
- means of implementation;
- institutional framework.

It can clearly be seen that the mix of subjects is very broad and that contentious issues such as trade, energy and climate change have not achieved the status of a chapter. In our article we thus focus on the latter, discussing whether some new ground has been covered or whether we have seen a regression compared to earlier political declarations. Brackets behind quotations denote the paragraph numbers of the PoI.

### Trade Policy and Subsidies

*Subsidies* have been one of the most contentious issues throughout the negotiating process. Despite a discussion going beyond agreed language, in particular the Doha Ministerial Declaration, the PoI merely calls on developed countries "to work towards the objective of duty-free and quota-free access for all least developed countries' exports" (87). It does not go beyond previously agreed text and includes a lot of qualifying terms such as "work towards", "strongly encourage" or "commit". The version adopted was the weakest proposal on the table. This was due to the EU declaring that it strongly opposes text on reducing or phasing out environmentally harmful and/or trade-distorting subsidies. This shows that the EU is not always the progressive force that it claims to be. As the US proposed and the EU welcomed, the PoI calls for a completion of the Doha Work Programme (91b). The details are more or less referred to negotiations within the WTO. Its outcome should not be "prejudged" by commitments of the WSSD (86c).

The relation between *WTO rules* and environmental agreements led to heated debates. Some states attempted to have the phrase "while ensuring WTO consistency" inserted in a paragraph related to the inter-relatedness of trade, environment and development. Due to heavy lobbying by NGOs and some countries such as Norway, the phrase was deleted and the remaining text referred to "the mutual supportiveness of trade, environment and development" i.e. no hierarchy exists that would allow trade agreements to precede environmental or social agreements.

Social standards created less struggle than at past conferences. The G-77/China proposed inserting "respecting principles and rights established in the ILO conventions adopted or ratified by States" instead of

the reference to "ILO core labour standards". The EU proposed "taking into account the International Labour Organisation Declaration on Fundamental Principles and Rights at Work" (9b). This was agreed.

*Corporate Accountability* had been discussed strongly before the WSSD with companies signing up for "Type II" actions, i.e. voluntary environmental and social activities. This is one area where somewhat unexpected progress was made despite intense pressure, especially from the United States, to avoid substantive references or keep them to a minimum. Strong advocacy efforts from NGOs and the explicit support of a number of countries resulted in surprisingly strong PoI language: "... actively promote corporate responsibility and accountability, based on the Rio principles …" Furthermore, the PoI calls for "enhance[d] corporate environmental and social responsibility and accountability" (17). While this represents some progress, there is neither an institutional framework nor a target date. Delegates did not go as far as to talk of corporate liability. However, NGOs saw the wording as providing an opening for civil society to press for an international regulatory framework for corporations.

### Environment: Restating Existing Agreements

The draft PoI proposed reversing the trend in *natural resource degradation* by 2015. The EU, Norway and Switzerland supported this and retaining reference to the ecosystem and a precautionary approach. This was opposed by the G-77/China, Australia, Japan and the US, noting that resource degradation could not be measured due to the lack of a scientific basis. The final text is without a target date (23). In the case of biodiversity the formulation of the draft PoI to "have instruments in place to stop and reverse the current alarming biodiversity loss" by 2010 was dropped. This outcome represents a significant backtracking from previous agreements such as the Convention on Biodiversity where a target of 2015 was stated in a Ministerial Declaration in early 2002. The text now reads "significant reduction in the current rate of loss of biological diversity" by 2010 (42) due to opposition by biodiversity-rich countries. Their opposition seems to stem from the belief that they would need to provide the necessary funding on their own. The PoI states the commitment to "negotiate an international regime to promote and safeguard the fair and equitable sharing of benefits arising from the utilisation of genetic resources" (42o). The proposed term "legally binding regime", favoured by Mexico and India, was dropped due to interference with the TRIPS agreement and the WTO, as the US pointed out. This means that there was no progress on language on preserving biodiversity at the WSSD, but rather a regress.

In order to achieve sustainable fisheries countries commit themselves to "maintain or restore stocks to levels that can produce the maximum sustainable yield with the aim of achieving these goals for depleted stocks" (30a). The EU supported an unqualified target date for this, while Canada, the G-77/China, Japan, South Korea, and the US opposed this, arguing that a target should be based on sound science, to which New Zealand proposed inserting "scientific and species-specific basis". The Chair proposed using "on an urgent basis, not later than 2015". The US amended "and where possible". The qualification "on an urgent basis and where possible not later" of the target date makes it nearly worthless. The commitments to create "representative networks" of marine protected areas by 2012 (3c) and to "eliminate subsidies that contribute to illegal, unreported and unregulated fishing and to over-capacity, while completing the efforts undertaken at WTO to clarify and improve its disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries" (30f) represent some progress. The section on agriculture acknowledges that agriculture is "inextricably" linked with poverty eradication (38). Much of the section remains vague. For instance, it does not address genetic modification of organisms. The draft PoI included reference to organic food and fair trade initiatives, arguably the most sustainable form of agriculture, yet it was deleted.

With regard to *chemicals* the G-77/China stated they could not follow a target date by which "chemicals are used and produced in ways that lead to the minimisation of significant adverse effects on human health and the environment" (22). The EU stressed that a plan of implementation had to contain concrete targets. The US signalled support if qualifying language was inserted. In the end, "aiming to achieve by 2020" the above-mentioned target was agreed upon. Delegates agreed that the access of developing countries to alternatives to ozone-depleting substances should be "improved by 2010". Furthermore, the PoI urges action to "promote the ratification and implementation of relevant international instruments" (22a), *inter alia* the Stockholm Convention on Persistent Organic Pollutants (POPs) so that it can enter into force by 2004 and the Rotterdam Convention on Prior Informed Consent Procedures for Certain Hazardous

Chemicals and Pesticides in International Trade so that it can enter into force by 2003. Delegates also agreed to use language from the eighth session of the Commission on Sustainable Development (CSD-8) indicating use of "transparent science-based risk assessment procedures, as well as science-based risk management procedures, taking into account the precautionary approach" (22). In conclusion, nothing new has been agreed.

Regarding *climate change*, the United Nations Framework Convention on Climate Change (UNFCCC) is identified as "the key instrument" for stabilising greenhouse gas concentrations in the atmosphere. During the negotiations the US reaffirmed their opposition to the Kyoto Protocol. Various countries, especially the SIDS (Small Island Developing States), stressed that the UNFCCC is essential and supported strong language. The PoI "strongly urges" countries that have not ratified the Kyoto Protocol to do so "in a timely manner" (36). During the summit Russia, China and Canada announced their intent to ratify the Kyoto Protocol. This raises the prospect of the Kyoto Protocol coming into force by 2003 and can be seen as one of the best outcomes of the WSSD.

### Poverty and Finance: No New Funds

The section on *poverty* contains the renewed commitments to halve the proportion of people living on less than $ 1 per day and who suffer from hunger by 2015. The proportion of people who cannot afford or reach safe drinking water should be halved and all boys and girls should be able to attend a full course of primary schooling by 2015. The situation of at least 100 million slum-dwellers should be significantly improved by 2020. These commitments are already contained in the Millenium Development Goals (MDGs), passed at the Millenium Summit in September 2000 in New York. Additionally, the proportion of the world's people who do not have access to basic sanitation should be halved by 2015. The original proposal had been either to "halve" or "dramatically reduce" the proportion of people without access to "improved" sanitation by 2015. The EU and Norway underscored the importance of time-bound targets while the US noted that targets must be based on sound science. The concept with a time-bound target prevailed (7). Yet it was reduced from "improved", stated in the draft PoI, to "basic" sanitation. Several countries announced specific initiatives. The US has announced $ 970 million in investments on water and sanitation projects, the EU announced its "Water for Life" initiative and the UN has received an additional 21 water and sanitation related initiatives worth at least $ 20 million. Whether these funds are additional or just relabeling of other funds is unclear.

Establishing a *World Solidarity* Fund for poverty eradication (6b) proved astonishingly contentious. Originally G-77/China supported it while the EU opposed the fund, as it considered that meeting the ODA targets first was more important than a new mechanism, as did Norway, too, stating that developing countries needed additional resources, not another mechanism. The G-77/China then also stated that they were not interested in a new international mechanism and prefered establishing the fund within the UN. Australia indicated support for the fund provided that it was voluntary. Despite the widespread opposition, ministers still agreed to the text of the draft PoI, committing to establish the fund. The PoI "stresses" that the nature of contributions is voluntary. The private sector would be "encouraged" to participate. It is doubtful that voluntary contributions will provide the World Solidarity Fund with sufficient recourses to combat poverty effectively. Thus the fund is likely to be stillborn.

Regarding *debt burden relief* for heavily indebted poor countries (HIPCs) the draft PoI dealt with this issue in paragraph 80. During the negotiating process at Johannesburg debt relief was not a major issue. The G-77/China reintroduced text on external debt using text from the Monterrey Consensus. However, the para 80 in the final PoI does not contain the word "debt".

Launching a programme to improve *energy access for the poor* was a contentious point. The EU was in favour of launching an action programme, whereas the G-77/China opposed this idea, stating it was premature to launch a global action plan. The US held it to be wise to take national circumstances into account. The final text states, "Take joint actions and improve efforts to work together at all levels" (8) to improve access to "reliable, affordable, economically viable, socially acceptable and environmentally sound energy services and resources" (8a). Once again this is a very vague text.

Very typical of the cautious note of the WSSD is the text on *official development assistance* (ODA). Whereas the Agenda 21 commits developed countries to "reach" spending 0.7% of GNP on aid, the PoI calls for governments "to make concrete efforts towards" this aim (79). This sounds fairly unconvincing given the decrease of development aid in the last decade.

The proposal that the UN Secretary-General should monitor the ODA was deleted due to opposition by the US and Japan, both donors whose contributions have decreased considerably in the last decade. Overall, the language on ODA raises doubt on the commitment of the developed world to increasing their aid budgets.

The chapter on small islands developing states defines their special needs. Agreed was, *inter alia*, the development of community-based initiatives on sustainable tourism by 2004, support for new efforts on energy supply and services by 2004, and a comprehensive review of the implementation of the Barbados Programme of Action for the Sustainable Development in 2004.

The chapter on Sustainable Development for *Africa* affirms support for Africa's development from the international community. The PoI names, *inter alia*, actions to "support" programmes and partnerships to ensure universal energy access to at least 35% of the African population within 20 years (56j(i)), benefits from Africa's genetic resources would be "shared" as well as to "mobilise financial and other support" in order to make drugs for communicable diseases such as Aids and tuberculosis, as well as non-communicable diseases, available in an "affordable manner" (58). Without any concrete measures underlining the statements, it remains to be seen whether they will significantly improve the situation of poor Africans.

**Cross-cutting Issues**

Some cross-cutting issues have played an important role. One of the most contentious was *energy*, which remained deadlocked to the very last minute. The Chairman's paper had proposed a share of renewable energy of at least 5% in all countries by 2010. The draft PoI contained the proposal of a global share of 15% by 2010. At the WSSD the EU supported the time-bound target for increasing the share of renewable energy. This was opposed by the US, with Australia, Canada and Japan as well as the G-77/China, the former group with the argument that a concrete target was too rigid, the G-77/China with the argument that it would distract attention from promoting access to energy by the disadvantaged. The position of the developing countries was indeed more complex. Countries suffering from climate change such as island states were most anxious to see industrialised countries increase their use of renewable energy as a means of reducing dependence on fossil fuels. However, the OPEC countries with their oil-based economies are also members of the G77/China and obstructed efforts to support renewable targets. The WSSD thus did not reach a consensus on stating a concrete date or share. The PoI calls upon governments and relevant organisations "with a sense of urgency, [to] substantially increase the global share of renewable energy sources" (19e). The issue of phasing out subsidies for "harmful" energy sources (e.g., nuclear and fossil) could not be solved (19p). There is no concrete date for ending them. This was due to opposition by the US, Australia, Canada and Japan while the EU, Norway and New Zealand supported it, stating that ending subsidies to harmful energy sources was a key element for shifting to sustainable energy production. That this is hypocritical in the case of the EU is shown by the continuation of coal subsidies. Some financial commitments were made. Besides the EU pledge of $ 700 million the other announcements were minuscule: the US pledged $ 43 million, and 32 separate public-private partnership initiatives amount to $ 26 million.

The developed countries admitted in the Rio Declaration in Principle 7 that it is their obligation to support the developing world in environmental matters due to the developed countries' far higher contribution to nature's degradation. This reads: "In the view of the different contributions to global environmental degradation, States have *common but differentiated responsibilities*" (CBDR). Nevertheless, references to this principle remained an unsolved cross-cutting issue until the WSSD. The draft PoI contained a sub-paragraph (138c) on the operationalising of the CBDR principle at the next session of the Commission. This paragraph was deleted. A reference to the CBDR principle in the context of finance was contentious. The US, Australia, Japan and Hungary noted that the principle refers to environmental matters, not to financial ones. The G-77/China underscored its importance in this context. This and other references to the principle were agreed, inter alia, calling for the promotion of sustainable consumption and production with developed countries "taking the lead" (13).

Another cross-cutting issue was the *Precautionary Approach*. It was agreed at Rio as follows: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental damage" (15). The issue of referring to the

"precautionary approach" or to the "precautionary principle" was solved in a lengthy debate. The EU, Norway and Switzerland supported the reference to the latter because agreements subsequent to Rio contained it and thus it would reflect the legal development since Rio. The US opposed this, stating these agreements were not binding for everyone. Australia noted that some countries use the "principle" to bar products from other countries from import. Application of this principle to health was opposed by the US, stating it applied only to environmental decision-making. It could accept a reference if health were linked with environment, but a general use of the principle to protect health was unacceptable. Some references to this principle were deleted.

The draft PoI outlined public *access to information* and justice and participation in decision-making with the reference to Rio principle 10 (151). The G-77/China, with the support of the US, pressed for its removal against insistent opposition by the EU. The US opposition to public participation is incomprehensible as it emphasises the importance of civil society and Type-II-outcomes elsewhere (Type-I-outcomes are agreements between governments, Type-II-outcomes involve public-private partnerships.). The G-77/China and developed countries did not like references to "good governance". It was solved in a package deal, offsetting the domestic aspect against the international trade and finance-related element of governance (deleting references in 45a, 75 and 146).

### Sustainability Networking

An often overlooked outcome of the WSSD is an extensive list of "partnerships" among governments, international organisations, private sector companies, educational facilities and civil society organisations regarding specific projects on sustainable development. While some argue that the emphasis on these partnerships wishes to draw attention away from government failures, others see a genuine chance to build stable networks that can advance protection of the environment and economic development. Some observers have argued that the private sector has now taken over the lead of the sustainability agenda by demonstrating how profitable business can be combined with high levels of environmental protection. They have taken the emergence of partnerships as an indication for this trend. As is often the case, the truth lies in between. Private players will not devote substantial resources to promoting sustainability unless there is a clear government commitment to introduce policy instruments. While some companies arguably have achieved this goal, overall emission trends show that these frontrunners cannot make up for the large majority of companies continuing with business as usual. The debates about greenhouse gas emissions trading in Europe clearly show the limitations of corporate sustainability action. However, a network can direct management attention to sustainability issues and thus allow the harnessing of the wide range of "no regret" action, i.e. activities that enhance the firm's profitability while reducing emissions and improving social relations.

### No Milestone for Sustainable Development

Overall, the WSSD fell far short of its mandate to operationalise sustainable development and agree on a concrete plan of implementation. In most instances, delegates could not agree on text going beyond existing agreements. Commitments made ten years ago in Rio, e.g. to increase the ODA budgets of developed countries to 0.7 per cent of GNP, do not seem likely to get fulfilled with governments "making concrete efforts towards" this aim. There is a clear shift from Rio's focusing on environmental aspects to clearly defining sustainable development at Johannesburg as social, economic and environmental development. This has led to a dilution of issues, which led – as the WWF neatly stated - to an "overloaded agenda, a distinct lack of focus on critical overarching global challenges, and the pressures created by the current international financial difficulties". However, the WSSD has led to a resurgence in media interest in sustainability, which was inadvertently pushed by a large number of weather-related catastrophes in many parts of the world. If all it did was to catalyse media attention, it will have done some good. However, the lofty goals of the early 1990s could not be revived. NGO representatives rightly concentrated on networking. In a world preoccupied with issues of security, "soft" issues such as environment and development tend to be sidelined. Still, world leaders should be aware that these soft issues can generate very hard consequences. Underdevelopment and environmental change create insecurity in their own ways. Unfortunately, today's leaders can leave the consequences of their negligence to their successors. Johannesburg shows that world conferences can only deliver concrete results if important world leaders show a willingness to provide guidance, finance and the ability to compromise. As this currently is not the case, further world summits of this type will only lead to disappointment.