



House of Commons
Environmental Audit
Committee

**Preparations for the
Rio +20 Summit**

Eighth Report of Session 2010–12

Volume I

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Additional written evidence is contained in Volume II, available on the Committee website at www.parliament.uk/leacom

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Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

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Summary

The forthcoming UN Conference on Sustainable Development in Rio de Janeiro in June 2012 – ‘Rio + 20’ – will take place 20 years after the Earth Summit (also in Rio) and 25 years after the Brundtland Commission which set out the principles of sustainable development. The need for action is even more pressing and more urgent than it was in 1992. Approaching environmental ‘planetary boundaries’ will limit our ability to use natural resources to support further growth and already require immediate action to avoid further damage to our planet.

There are two main themes for the Rio+20 Conference: a green economy and the institutional framework for sustainable development. The UN has called for suggested text for a ‘zero-draft’ of an outcomes document to be agreed at the Conference, to be submitted by 1 November 2011. In publishing this report before that deadline, we have two aims: to encourage wide-ranging engagement in the Rio+20 process and raising the level of debate within the country, and seeking to influence the Government’s approach to Rio+20.

There has been inadequate progress on sustainable development since the 1992 Earth Summit. There is still far to travel, and approaching environmental ‘planetary boundaries’ make the task more urgent than ever. The Millennium Development Goals have helped shape aid programmes over the last decade, including the UK’s, but globally their targets appear likely to be missed by their 2015 end-date. Nor have they fully captured the challenges facing sustainability. The Government should support work aimed at launching new ‘Goals’ – Sustainability Goals and Consumption Goals – at Rio+20, to shift the effort towards the sustainable development and sustainable consumption contributions that the UK and other developed countries now need to make.

There is currently no common definition of a green economy, although the UN envisage it encompassing a number of ‘tracks’, including ‘getting prices right’ (valuing natural resources), ‘ecological tax reform’ and ‘social policies’. The Government should work to ensure that green economy principles agreed at Rio are comprehensive, ensuring a fair as well as green economy.

The objectives of a green economy are more likely to be met if the private sector is committed to them. The Government will need to involve business in shaping the agenda and the outcomes that Rio+20 ought to produce. Some companies, however, will need to be incentivised to act sustainably, and the Government should push for Rio+20 to endorse measures which could provide such incentives, including taxation and ecosystem valuation, and to agree a mandatory regime for sustainability reporting by companies.

The UN envisages possible changes in its organisations responsible for sustainable development and their remits. The Government’s line, that we should see how the existing UN machinery might be strengthened before creating new bodies is contemplated, is a reasonable one to take. But the Government should not insist on this if to do so would prevent agreement on more important issues at Rio+20.

Rio+20 should be seen as a starting point for important new initiatives, rather than a sign-off point. The Government should focus its input to Rio+20 on its priorities for the

Conference, in areas that it can particularly champion, such as ecosystems valuation or sustainable development indicators.

A danger is that the current financial crisis will tempt countries to aim for a 'slightly greened business as usual' at Rio, reflecting an imperative for economic growth. The Government should resist any moves to use the financial situation to dilute the extent of the environmental and social aspects of the green economy.

A binding agreement or treaty is not currently on the table at Rio+20. Useful outcomes are still possible, however, including showcasing and sharing examples of best practice. A perhaps less visible, but just as vital, product of the Rio+20 process will be the engagement and discussion amongst civil society groups, businesses and individuals about the need for a renewed commitment to sustainable development and a wider understanding of the changes that that entails for all countries and communities. That engagement with organisations, businesses and the public needs to be a process, rather than a one-off discussion at the Conference itself, beginning now and extending beyond next June. That process needs the Government, starting now, to get the message across about the global sustainable development crisis the world faces. It is clear that to energise Rio+20, two decades after the original Earth Summit, a new generation needs to be enthused about the need for action and the difference that they can make.

The Prime Minister should attend the Conference in June, and make an announcement to that effect as early as possible, to demonstrate the Government's commitment to the aims of Rio+20, within the UK and beyond. The Government should also appoint a 'special envoy' at the earliest opportunity, charged with bringing together Government thinking on the Rio+20 agenda from across departments but also acting as a focal point for discussion with and between civil society groups, schools, businesses and individuals. The envoy should generate momentum and awareness ahead of the Conference, and then to be the focal point for carrying forward its outcomes afterwards.

1 Background

Sustainable development summits

1. The United Nations Conference on Environment and Development in 1992 in Rio de Janeiro, commonly referred to as the Earth Summit, saw the adoption of a number of crucial agreements, including the Rio Declaration, Agenda 21, and landmark Conventions on desertification, biological diversity and climate change. It followed the 1987 Brundtland Commission report,¹ which established the concept of sustainable development in terms of three pillars – economic, social and environmental – and inter-generational equity. After the 1992 Conference came the Johannesburg World Summit on Sustainable Development.² The forthcoming UN Conference on Sustainable Development in Rio de Janeiro in June 2012 – ‘Rio + 20’ – comes 20 years after the pivotal Rio Summit, and 25 years after the Brundtland Commission.

The aims and themes of Rio+20

2. The objectives set by the UN for the Rio+20 Conference are:

To secure renewed political commitment for sustainable development, assessing the progress to date and remaining gaps in the implementation of the outcomes of the major summits on sustainable development and addressing new and emerging challenges.³

The UN is calling for contributions ahead of the Conference on:

... sectoral priorities (eg. energy, food security and sustainable agriculture, technology transfer, water, oceans, sustainable urbanization, sustainable consumption and production, natural disaster preparedness and climate change adaptation, biodiversity, etc.) and sectoral initiatives that contribute to integrate the three pillars of sustainable development that could be launched and endorsed at Rio+20.⁴

3. There are two main themes for the Conference:

- ‘a green economy in the context of sustainable development and poverty eradication’; and
- ‘the institutional framework for sustainable development’.⁵

On the green economy theme, the Conference organisers are calling for views on:

1 *Our Common Future*, World Commission on Environment and Development, 1987 (known by the name of its Chair Gro Harlem Brundtland)

2 A history of UN sustainable development conferences and other milestones is presented on the Rio+20 website (<http://www.uncsd2012.org/rio20/index.php?menu=22>)

3 UN Rio+20 website (<http://www.uncsd2012.org/rio20/>)

4 *ibid.*

5 UN Resolution 64/236

... how a green economy can be a means to achieve sustainable development in its three dimensions, and poverty eradication; what is its potential added value; experience to date, including what has worked and how to build upon success, what are the challenges and opportunities and how to address the challenges and seize opportunities, and possible elements of an agreement in an outcome document on a green economy in the context of sustainable development and poverty eradication.

And on the theme of the institutional framework for sustainable development:

... priorities and proposals for strengthening individual pillars of sustainable development, as well as those for strengthening integration of the three pillars, at multiple levels – local, national, regional and international.⁶

The Rio+20 process

4. The UN process leading up to Rio+20 extends over a two year period:

Dates	Events	Purpose
May 2010	1st Preparatory Committee Meeting	Request for inputs from stakeholders to the objective and themes of Conference.
January 2011	First inter-sessional meeting	Review of inputs from stakeholders on the objective and themes.
March 2011	2nd Preparatory Committee Meeting	Further review of inputs from stakeholders on the objective and themes.
Sept-Dec 2011	Regional preparatory meetings	
1 Nov 2011	Deadline for submission of 'zero-draft' of Rio outcome document	
December 2011	Second inter-sessional meeting	Review of inputs from stakeholders for the 'zero-draft' of an outcomes document.
Jan-Feb 2012	UN Commission on Sustainable Development meetings	Informal consultation, then negotiation, on the zero-draft document.
March 2012	Third inter-sessional meeting	Negotiation of zero-draft document.
Mch-Apr 2012	UN Commission on Sustainable Development meetings	Negotiation of zero-draft document.
May 2012	3rd Preparatory Committee Meeting	Negotiation of zero-draft document.
June 2012	Rio + 20 Conference	

There are three key elements to the preparations for the Conference:

- a call for suggested text for a 'zero-draft' of an outcomes document to be agreed at the Conference. Submissions are required by 1 November 2011, and a composite text will then be presented for negotiation in the run up to the Conference next June.

- a survey questionnaire to gather countries' and NGOs' experiences and thoughts on the two key themes – a green economy and the institutional framework. The UN has already published a distillation of the results.⁷
- a 'High-Level Panel on Global Sustainability', charged by the Secretary General with formulating a 'new development paradigm' ('a green economy which eradicates poverty, with sustainable consumption and production in a carbon-constrained world') to inform the deliberations at Rio+20.⁸ The Panel is holding its fourth and final meeting in October 2011, and will present its report in January 2012.⁹

Our inquiry – building momentum for Rio+20

5. In undertaking this brief inquiry, we have two aims: (i) to encourage wide-ranging engagement in the Rio+20 process, raising the level of debate more generally, and (ii) flagging up the key issues likely to be under discussion at Rio next year, and to consider what the Government's approach should be in terms of seeking to influence those discussions and shape the EU's input. In publishing this report before the 1 November deadline for input to the 'zero-draft' of the Conference outcomes document, we hope to influence the Government's approach to Rio+20. However, perhaps more than with some of our other reports, our aim is also to highlight the issues for a much wider audience, to help people to begin to engage in the global debate about the direction mankind needs to take in an increasingly unsustainable world.

6. As we discuss below, a treaty is currently not on the table for Rio+20. We hope that the Conference will agree principles for a global green economy (paragraph 25) and will adopt new sustainable development and sustainable consumption 'Goals' (paragraph 24). But a perhaps less visible, but just as vital, product of the Rio+20 process will be the engagement and discussion amongst civil society groups, individuals and businesses about the need for a renewed commitment to sustainable development and a wider understanding of the changes that that entails for all countries and communities. The European Environment Council's 'conclusions' of 10 October stress a need to promote public awareness raising activities,¹⁰ but Stakeholder Forum, one of our witnesses, highlighted the current low level of public awareness which will need to be addressed in the months ahead.¹¹ That engagement with organisations, businesses and the public needs to be a process, rather than a one-off discussion at the Conference itself, that begins now and extends beyond next June. Governments and parliaments, including our own, need to play their part in encouraging and facilitating that engagement.

7. That process includes the Government, starting now, getting the message across about the global sustainable development crisis the world faces, including for example

7 UN Rio+20 website (<http://www.uncsd2012.org/rio20/>)

8 *UN Secretary-General's High-Level Panel on Global Sustainability, Terms of reference*, UN (<http://www.un.org/wcm/content/site/climatechange/pages/gsp>)

9 Secretary-General's High-Level Panel on Global Sustainability website, *ibid*.

10 *Rio+20: towards achieving sustainable development by greening the economy and improving governance — Council conclusions*, EU Council, 10 October 2011, para 16

11 Ev 33, para 6.3

approaching environmental ‘planetary boundaries’ (paragraph 12). These will limit our ability to use natural resources to support further growth, and require urgent action to avoid further damage to our planet’s ecosystems and resources. Our Chair joined a seminar for civil society groups hosted by the Secretary of State for the Environment earlier this month, which was attended by some groups seeking to engage young people in particular. It is clear that to energise Rio+20, two decades after the original Earth Summit, a new generation needs to be enthused about the need for action and the difference that they can make. As the Foundation for Democracy & Sustainable Development put it, civil society involvement in Rio+20 is needed for ‘sharing good practice and catalysing the next generation of political activism and social innovation for sustainable development’.¹² One way of engaging the next generation would be for Government, local authorities, businesses and others to involve children and schools in discussing Rio+20.

8. We intend to monitor the situation as we approach the 2012 Conference, once the UK’s position (and that of the EU) has crystallised. We also intend in due course to examine the results of the Conference, and how the UK will be taking forward any agreements reached. This staged approach is similar to that followed by our predecessor Committee in 2002 and 2003 when it examined the Johannesburg Conference.¹³

9. Before we began our inquiry we had private briefings from Tariq Banuri (Director of the UN’s Division for Sustainable Development), Defra officials, and others. Then, last month, we took oral evidence from the International Institute for Environment and Development, Oxfam, Stakeholder Forum and Defra officials. We also received written evidence from these and others. We are grateful to them all. We are also grateful to Farooq Ullah, our specialist adviser.¹⁴

12 Ev w19, para c19.7

13 Environmental Audit Committee, Third Report of Session 2001-02, *UK preparations for the world summit on sustainable development*, HC 616; Second Report of Session 2002-03, *Johannesburg and back: The world summit on sustainable development— Committee delegation report on proceedings*, HC 169; Twelfth Report of Session 2002-03, *World summit on sustainable development — from rhetoric to reality*, HC 98

14 Farooq Ullah declared interests: on 30 March 2011 as a member of staff of the Sustainable Development Commission, member of Brighter Future (a climate change action group) and Alliance for Future Generations (a group which seeks to bring long-term thinking into public policy); and on 12 October 2011 as Head of Policy and Advocacy at Stakeholder Forum for a Sustainable Future.

2 Progress on sustainable development

10. When the UN decided to hold the 2012 Conference, the Secretary General outlined progress on sustainable development since the original 1992 Rio conference.¹⁵ He noted that on the three pillars of sustainable development — economic development, social development and environmental protection — ‘overall the trends are mixed’.¹⁶ There has been significant economic growth overall — a 60% increase in global GDP since 1992¹⁷ — but the benefits have not been universally felt.¹⁸ The UN noted that only half of the countries with data on Millennium Development Goal performance (paragraph 20) were on track to meet their MDG poverty-reduction targets.¹⁹

11. In terms of social development, the Secretary General noted that per capita income levels across the globe, which closely correlate to social development, still displayed huge disparities between countries.²⁰ Income poverty²¹ remained ‘an enormous problem’ in sub-Saharan Africa and South Asia. Large disparities remained between regions on other MDG indicators, including school enrolment levels and maternal and child health, particularly in AIDS-affected areas. A billion people are still undernourished.²²

12. The environmental protection pillar perhaps shows least progress,²³ despite action being taken to address the ozone layer and acid rain.²⁴ The Secretary General noted that pressure on ecosystems continued to increase, and loss of forests and biodiversity had continued, albeit at a decelerating rate.²⁵ A study by the Stockholm Resilience Centre in 2009 identified nine ‘planetary boundaries’ within which ‘humanity can operate safely’, of which three may already have been exceeded: ecosystem biodiversity, climate change and the nitrogen cycle.²⁶ (The other boundaries identified were: the ozone layer, chemical dispersion, ocean acidification, freshwater consumption, land system change and atmospheric aerosol loading.)

15 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference*, Report of the Secretary General, UN, April 2010

16 *ibid*, para 10

17 *Objectives and themes of the UN Conference on Sustainable Development*, Report of the Secretary General, UN, December 2010, para 6

18 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference*, *op cit*, para 11

19 *ibid*, para 15

20 *ibid*, para 13

21 Incomes below \$1.25 a day in a UN 2005 analysis (*Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference*, *op cit*, para 16)

22 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference*, *op cit*, para 16

23 *ibid*, para 19

24 Ev w33

25 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference*, *op cit*, para 19

26 *A safe operating space for humanity*, Johan Rockstrom and others, *Nature*, vol. 461, No. 7263, pp. 472-475 (September 2009)

13. It is difficult to quantify how much biodiversity can be degraded before ecosystems resilience is lost. However, the rate of species loss (as a proxy measure) is running between 10 and 100 times above the 'safe' threshold. The targets for reducing biodiversity loss by 2010, under the UN convention on biological diversity, were not met. As the Secretary General noted, 'since the majority of the world's poor live in rural areas and rely on local biological resources for their lives and livelihoods, the rate of biodiversity loss has a direct impact on the most vulnerable populations'.²⁷

14. Sustainable development is not just about considering its three pillars independently. As the Secretary General put it: 'The ... ultimate test of sustainable development is the convergence among the three trajectories of economic growth, social improvement and environmental protection', and that test has not been met.²⁸ The International Institute for Environment and Development (IIED) told us that 'we are currently losing the battle for sustainable development'.²⁹ Oxfam believed that progress since 1992 has been 'weak',³⁰ and several witnesses told us that threats to global sustainable development have grown since then.³¹ The Foundation for Democracy & Sustainable Development (FDSD) identified 'signs of erosion in the overall global political commitment to sustainable development'.

15. The UN Secretary General considered that relative to the other two pillars, progress on the environmental protection pillar has lagged behind:

The most promising trend is the improved convergence between the economic and social dimensions, and although this is partially compromised by rising income inequality, the growth rate remains the strongest predictor of timely achievement of key social targets. Beyond this, most indicators of environmental improvement have not demonstrated appreciable convergence with those of economic and social progress; indeed, the overall picture is one of increased divergence ...³²

IIED, on the other hand, considered that a weakness of the original Rio conference in 1992, only partly corrected subsequently at Johannesburg, was an 'inadequate regard for the social dimension of sustainable development'. The poverty-reduction imperative, flowing from the Brundtland Commission giving the 'over-riding priority' to meeting the needs of the world's poor, led to 'an over-emphasis on economic growth'. Rio+20 might further that imbalance.³³

16. The Secretary General suggested that sustainable development progress in the long term needs to be weighed in terms of three 'transitions':

27 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit, para 20*

28 *ibid*, paras 22-23

29 Ev 22

30 Ev 27

31 *ibid*, Ev w33

32 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit, para 23*

33 Ev w19, paras b1, c9

- A demographic *transition*, with a global population stabilised at between 8 and 10 billion later this century.
- A *developmental transition*, extending the benefits of development equitably.
- A *de-coupling* transition, to de-couple resource use from consumption and production. The ultimate goal is to ensure that the use of materials and the generation of wastes is within the regenerative and absorptive capacities of the planet.³⁴

On that ‘transitions’ basis, there is still far to travel. The *developmental transition* ‘is at best at the one-third mark of the ultimate target, given that the share of the global population with a high human development index is between only 25% and 30%’, and on the *de-coupling transition* the Stockholm analysis suggests that planetary boundaries have moved closer and are being breached already (paragraph 12). Furthermore, since 2008 the outlook for development has deteriorated because of the global recession, food price crises and further evidence of accelerating climate change.³⁵ The problem, as the Secretary General pointed out, is that the approaching crisis is difficult to see in the real world around us:

The practical importance of sustainable development thinking for development policy has been diluted by the still common perception that, even if, in theory, limits are real, in practice they are sufficiently remote in time and malleable as to be ignored in practice. More than anything else, climate change has begun to challenge such complacency.³⁶

17. The Secretary General summed up the global sustainable development challenge as follows:

Billions of people remain poor and their living standards must rise. The question is whether the development transition can be completed (as indicated, for example, by near universal attainment of a threshold level of human development and well-being) before resource depletion and environmental degradation short circuit the process. That depends in part on developed countries blazing the trail towards a de-coupling (or sustainable consumption and production) transition, and in part on developing countries pursuing a sustainable development transition.³⁷

Oxfam pointed out that it is not just the developing countries which would be affected if we do not find a way of solving this dilemma. Research comparing countries’ ecological footprint and human development index scores indicates that if developed countries (with both a large ecological footprint and a high human development index score) do not reduce their footprint they ‘risk sliding backwards to lower levels of human development as resource scarcities undercut their model of development’.³⁸

34 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit, para 36*

35 *ibid*, paras 36-37

36 *ibid*, para 40

37 *ibid*, para 39

38 Ev 27, para 8. Oxfam cited data from Global Footprint Network and UN Development Programme.

18. Globally, there has been inadequate progress on sustainable development since the 1992 Rio Earth Summit. There is still far to travel. Some ‘planetary boundaries’ having been breached, and others approaching, make the task more urgent than ever. It is a difficult message to convey to an often sceptical audience, but that makes it all the more important that the Government use the run up to the Rio+20 Conference next year to raise the profile of the case for action, both internationally and at home.

New ‘Goals’

19. There is debate, ahead of Rio+20, about whether new metrics and targets are needed to put more momentum behind the sustainable development performance of the developed world, rather than the developing world which has been in the spotlight of the *Millennium Development Goals* (MDGs).

20. The emerging consensus is that many MDGs will not be met by their 2015 end-date.³⁹ The Brookings Institution concluded that ‘it is time to take a fresh, fair look at where we are and why we haven’t gone further, and to make sure we use good measures of success in the future; failure to achieve the MDGs throws a wrench into any form of global cooperation, so we need to figure out how to move those goals forward’.⁴⁰ In August 2011, Colombia submitted a proposal to the UN to introduce *Sustainable Development Goals* (SDGs).⁴¹ It sees these as a possible foundation for building international political commitment at Rio, providing measurable ‘tangible goals’ for the sustainable development debate. The SDGs would address the Agenda 21 aims produced at Rio 20 years ago. Because the SDGs would apply in all countries, Colombia envisages them complementing the MDGs which focus only on developing countries. SDGs would also shift the centre of gravity away from the economic (poverty reduction) pillar of the MDGs, and more towards the environmental and social pillars of sustainable development. In doing so, they could address environmental ‘planetary boundaries’ (paragraph 12), to provide hard constraints – a ‘non-negotiable backdrop of biophysical reality’⁴² – against which the three pillars of sustainable development could be pursued.

21. The High-Level Panel on Global Sustainability (paragraph 4) in its May 2011 meeting concluded that while it would consider calling for SDGs to be developed, time constraints prevented it being able to address details. SDGs were examined at a UN discussion in Indonesia in July 2011, which concluded that seeking to set specific goals might bog down negotiations at Rio, but that the Conference could agree in principle to develop the SDGs.⁴³ In such negotiations, however, careful consideration will have to be given to possible concerns of aid-recipient countries who may be suspicious of any dilution of focus on the MDGs. In the UK, the Government’s Sustainable Development Indicators (currently being

39 Ev 22; Ev w33

40 *Global Environmental Quality: Recommendations for Rio+20 and Beyond*, William Brown, Brookings Institution, August 2011

41 *Rio+20: Sustainable Development Goals – a proposal from the Government of Colombia* (<http://www.uncsd2012.org/rio20/content/documents/colombiasdgs.pdf>)

42 Ev w23

43 *Chair’s summary: High level dialogue on institutional framework sustainable development*, Solo (Indonesia), UN, July 2011, para 17

revised) could make a useful contribution to any Sustainable Development Goals discussed at Rio+20.

22. A further possible initiative at Rio+20 is the development of *Millennium Consumption Goals*, put forward by Professor Mohan Munasinghe, a former vice-chair of the Intergovernmental Panel on Climate Change.⁴⁴ WWF's 2010 *Living Planet Report* calculates that globally we are currently using 50% more natural resources than the planet can sustain.⁴⁵ 'Per capita use of resources as well as fossil energy, and consequently greenhouse gas emissions, remain stubbornly high in developed countries, at several multiples of those in developing countries'.⁴⁶ Sarah Best of Oxfam regarded it as 'morally unjust' for developed countries to continue to leave a large ecological footprint because that leaves insufficient space for developing countries to use more resources to increase their own human development.⁴⁷ Oxfam highlighted the need for Rio+20 to find a way to allocate 'fair shares' of resource consumption in the areas with planetary boundaries.⁴⁸ Stakeholder Forum told us that while economic growth must remain a key objective for developing countries still striving to achieve a decent quality of life, because we are now coming up against environmental limits future economic growth will need to follow different pathways and be consistent with the sustainable use of natural resources; favouring 'leaner, cleaner, greener' modes of production and consumption.⁴⁹

23. There are existing locally-focussed initiatives in the developed world aimed at making communities consumption-sustainable, including for example 'one-planet-living'.⁵⁰ Millennium Consumption Goals would help underpin such initiatives. Applied to developed countries, they would complement the MDGs which were focused on developing countries. In our report on the impact of overseas aid, we called for Defra to develop a strategy, and metrics, to address UK over-consumption where that has a significant impact on the sustainability of production in developing countries.⁵¹ Prof Munasinghe envisages consumption goals being adopted by individuals and businesses in rich countries, rather than governments, but with governments facilitating that approach. Possible Consumption Goal target areas could include conservation of scarce resources such as energy and water, efficient transport, sustainable dwellings, healthier diets and obesity reduction, healthier lifestyles and greater fitness, progressive taxation and taxes on luxury goods, sustainable livelihoods, reduced working hours and improved working conditions.⁵² They could help to balance people-oriented Southern priorities (including promotion of development, consumption and growth, and poverty alleviation and equity)

44 The MCG proposal was presented during the first inter-sessional Rio meeting in January 2011.

45 Ev w33, para 13

46 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit*, para 19

47 Q 6

48 Ev 27, para 11

49 Ev 33, para 4.3

50 Ev w88

51 Environmental Audit Committee, Fifth Report of Session 2010-12, *The impact of UK overseas aid on environmental protection and climate change adaptation and mitigation*, HC 710, para 69

52 *Millennium consumption goals: how the rich can make the planet more sustainable*, Professor Mohan Munasinghe, January 2011 (<http://www.mohanmunasinghe.com/pdf/Island-MCG-1Feb20112.pdf>)

with environment-oriented Northern concerns (about natural resource depletion, pollution, the unsustainability of growth, and population increase).⁵³

24. The Millennium Development Goals have helped shape aid programmes, including the UK's, over the last decade. But, globally, their targets appear likely to be missed by their 2015 end-date, and they have focussed attention on what needs to change only in the developing world. The Government should support work aimed at launching new Goals – Sustainability Goals and Consumption Goals – at Rio+20, to shift the effort towards the sustainable development and sustainable consumption contributions that the UK and other developed countries now need to make. It should engage with other European countries to ensure that the EU pushes this agenda strongly ahead of Rio+20.

3 The green economy

What a green economy means

25. One of two themes of the Rio Conference next year (paragraph 3) is the green economy. The UN Secretary General saw this as a broad agenda, seeking ‘to unite under a single banner the entire suite of economic policies and modes of economic analyses of relevance to sustainable development’.⁵⁴ That approach encompasses a number of ‘tracks’:

- ‘Getting prices right’: Taxing rather than subsidising environmental harms, valuing natural resources and internalising environmental ‘externalities’ in economic decision-making, and incentivising sustainable consumption.
- Public procurement policies, to promote sustainable activities and markets.
- ‘Ecological tax reform’: environmental taxation of ‘bad’ factors of production.
- Public investment in sustainable infrastructure and natural capital, including in renewable energy, transport and energy efficiency.
- Public sector support for R&D on ‘environmentally sound technologies’.
- ‘Social policies to reconcile social goals with existing or proposed economic policies’.

In our separate inquiry into the green economy we are examining the approach being taken in the UK, including how that compares with what appears to be a wider green economy agenda at Rio. The UN has identified examples of measures and approaches being already developed under each of the ‘tracks’,⁵⁵ some of which we discuss below.

‘tax reform’

26. We reported earlier this year on what the UK Government needs to do to improve its record on environmental taxation.⁵⁶ Taxation has an important role to play in helping to protect the environment by creating an incentive to move towards more sustainable behaviours. Taxation ensures at least some of the environmental cost is borne by those responsible, and can make an environmentally damaging activity economically unattractive. This is vital to the fairness element of sustainability and embeds the ‘polluter pays principle’ embodied in Principle 16 of the 1992 Rio Declaration.⁵⁷ We argued that there is a pressing need for Government to take a more coherent approach to environmental taxation, with a clear strategy setting out their objectives and rationale and how their impact will be evaluated.

54 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit, para 44*

55 *Objectives and themes of the UN Conference on Sustainable Development, Report of the Secretary General, UN, December 2010, paras 54-77*

56 Environmental Audit Committee, Sixth Report of Session 2010-12, *Budget 2011 and environmental taxes*, HC 878

57 <http://www.un-documents.net/rio-dec.htm>

'getting prices right'

27. 'Getting prices right' includes valuing natural resources and internalising environmental 'externalities' in economic decision-making, and incentivising sustainable consumption. The UN's Economics of Ecosystems and Biodiversity study found that a failure to account for the value that natural services provide has led to decisions that degrade the natural environment and that 'destruction of nature has now reached levels where serious social and economic costs are being felt'. It makes the case for changing the way nature is managed by using economic concepts and tools, and calls for a wider recognition of the role nature plays in human wellbeing.⁵⁸ In the UK, the *National Ecosystem Assessment*, published in June, put values on ecosystem services in the UK.⁵⁹ Defra's *Natural Environment White Paper* proposes a series of reforms to ensure that the value of nature is better reflected in economic analyses, including incorporating 'natural capital' in the UK Environmental Accounts.⁶⁰

28. The green economy agenda should not, and indeed cannot, expect to see common policies and instruments put in place by countries with very different economies and cultures. Rio+20 might realistically allow countries to agree principles, however, such as on the need to value ecosystem services and the role of environmental taxation and regulation, rather than the specific level of such taxes or the detail of regulations.⁶¹ But that begs the question of how countries are held to account for their progress in delivering the components of a green economy. As we have discussed above, Millennium Consumption Goals (paragraph 22) could play an important role in fostering sustainable consumption in developed countries. But to cover the breadth of green economy actions available, there is a need to find other common indicators for measuring progress, and then to find a forum for applying 'peer-group pressure [on] some of the more flagrant countries and practices that are exacerbating the world's problems'.⁶²

29. One solution is to introduce 'Green-GDP' measures—those that embrace sustainable development performance rather than just economic performance.⁶³ Our witnesses favoured the use of measures of sustainable economic performance beyond GDP, encompassing environmental and social dimensions, which might feature in national accounts.⁶⁴ The Stiglitz Commission found a number of deficiencies in using GDP as a measure of social progress and recommended a shift of emphasis from measuring economic production to measuring people's wellbeing, encompassing income, health, education and the environment.⁶⁵ International work on the green economy also demonstrates the need to develop indicators to measure growth better. The UN

58 *The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature: A synthesis of the approach, conclusions and recommendations of TEEB*, UN Environment programme, 2010

59 *UK National Ecosystem Assessment*, June 2011.

60 HM Government, *The Natural Choice: securing the value of nature*, Cm 8082, June 2011

61 Q 30

62 *ibid.*

63 *ibid.*

64 Q 14; Ev 22; Ev 27

65 Report by the Commission on the Measurement of Economic Performance and Social Progress, 2009 (www.stiglitz-senfitoussi.fr/documents/rapport_anglais.pdf)

Environment Programme calls for the main indicators of economic performance to be adjusted to account for the effect that consumption and production activities may be having on natural capital.⁶⁶ The OECD has set out 25 indicators aiming to reflect a multi-dimensional view of ‘green growth’, covering the natural asset base, environmental and resource productivity, and the environmental dimension of quality of life.⁶⁷ China is developing a ‘GDP Quality Index’ that captures not just economic performance but also energy and resource usage, income disparities, emissions, life expectancy and wellbeing indicators. India has committed to publish ‘natural wealth’ accounts.⁶⁸ Stakeholder Forum favoured a ‘Green GDP’ measure, perhaps based on OECD’s Better Life Index,⁶⁹ with the results being used to compare countries’ performance.⁷⁰ In the UK, the Prime Minister has tasked the Office for National Statistics to develop a set of national wellbeing indicators to help guide policy, measuring social progress and quality of life.⁷¹ A draft set of indicators is expected in November 2011.

‘social policies’

30. A common thread in the evidence we have taken is that a green economy should also be a fair economy.⁷² Some extended that requirement, saying that people rather than business should be at its heart and that a green economy cannot rely only on the power of competition.⁷³ Stakeholder Forum, with others, has developed a draft set of *Principles for the Green Economy*, drawing on the Declarations of previous UN sustainable development conferences⁷⁴ and the ‘Earth Charter’.⁷⁵ Many of their suggested 15 Principles address the social equality aspect of sustainable development.

31. The Rio+20 agenda, expressed in terms of a green economy ‘in the context of sustainable development and poverty eradication’, means that the green economy needs to avoid its potential disadvantages for some countries and groups of people. One risk is that environmental standards are used to increase protectionism in the trade of particular products.⁷⁶ A green economy may change the level of support that particular countries provide for their exports and home-produced goods, and care will be needed that that does not jeopardise compliance with WTO trade rules.⁷⁷ Changing to green economic activities may actually reduce growth in some developing countries, depending on the nature of their current economic activity and their capacity for adjustment. ‘Getting prices right’ for

66 *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*, UNEP

67 *Towards Green Growth: Monitoring Progress – OECD Indicators*, OECD, May 2011

68 *China’s green economist stirring a shift way from GDP*, Guardian website, 16 September 2011 (www.guardian.co.uk/environment/2011/sep/16/china-green-economist-gdp)

69 Ev 33, para 4.10

70 Q 21

71 <http://www.number10.gov.uk/news/pm-speech-on-well-being/>

72 Ev w19

73 *ibid.*

74 *Earth Summit 2012: Principles for the Green Economy*, Stakeholder Forum, BioRegional and Earth Charter Initiative

75 Ev w88

76 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit*, para 55

77 *Trade and Green Economy*, Rio+20 Issues Brief No. 1, UN, March 2011 (www.unccd2012.org)

food and energy could, for a transitional period at least, exacerbate the poverty of some groups of people, not just in developing countries. And while there is a debate about whether a green economy would generate net additional jobs (which we are examining in our separate inquiry on the UK green economy), some countries could certainly have a worse employment outcome than others.⁷⁸ A key element to the transition to the green economy will be incentives to invest both in green jobs and the green skills necessary to equip the workforces for the change.

32. IIED emphasised the importance of local involvement in economic management:

The language and tools of public participation, while widely accepted in many areas of development, have barely made an impact on economic and financial planning. There is much that participatory approaches can do to bring economic policies and decisions more into line with the widely shared desire for a sustainable future. Decentralising decision-making processes can also help to assure that those affected by economic decisions have a say in them.⁷⁹

Oxfam made a similar point.⁸⁰ Such localism also, of course, offers the prospect of local communities choosing instead to emphasise economic growth and jobs. In a UK context, we are separately undertaking an inquiry into the extent that the draft National Planning Policy Framework reflects the need for sustainable development.

A fundamentally new model?

33. From questionnaires completed by individual countries and groups ahead of the Rio Conference next year, the UN has concluded that ‘there is no agreement on a common definition of a green economy’.⁸¹ Some Southern countries see the green economy as a ‘Northern agenda’, worried that a concept which marries environment to the economy might neglect poverty-reduction and equity.⁸² It will be important, Oxfam told us, that Rio+20 backs a vision of the green economy that focuses on poverty-reduction and social equity objectives.⁸³ The Foundation for Democracy & Sustainable Development (FDSD) highlighted that the North/South divide over the green economy has helped polarise discussion on technology transfer and financial assistance for developing countries.⁸⁴

34. Tom Bigg of IIED was clear that a fundamentally new model is needed for a green economy:

You are not just talking about tinkering with efficiency measures and ways we measure progress, you are also looking at pretty fundamental drivers of the way our society functions and, if you take that to the international level, the way we co-

78 *Objectives and themes of the UN Conference on Sustainable Development, op cit*, paras 44-53; Q 31

79 Ev 22, para 3.4

80 Ev 27, para 11

81 *Synthesis report on best practices and lessons learned on the objectives and themes of the United Nations Conference on Sustainable Development*, UN, January 2011, para 60

82 Ev 27; Q 63; See also Ev 22, para 6.1

83 Ev 27, paras 10-11; Q 8

84 Ev w19, para b7

operate with other states and the international norms and rules that are established that determine the ways that countries and businesses interact with each other.⁸⁵

I would advocate incremental change in order to get to a fundamentally different economy.⁸⁶

Oxfam similarly were looking for a ‘paradigm shift; a new model of growth and development’.⁸⁷ Stakeholder Forum believed that ‘all the tools of economic management need to be reset to steer the economy in a more sustainable direction’.⁸⁸ We have received similar evidence in our separate green economy inquiry. Defra cautioned, however, that any Rio+20 model for the green economy will have to be agreed by 200 countries. Once agreed, it would have to be actually implemented, and that militated against some of the proposals currently being put forward.⁸⁹

35. The green economy needs to embrace *all* its possible dimensions (‘tracks’) put forward by the UN. The Government should work to ensure that environmental taxes and regulation, and accounting for the value of ecosystem services, will be prominent in the green economy principles agreed at Rio+20. The Government should also work to ensure that those agreed principles represent a *fair* green economy, that fully reflects the social dimension of sustainable development and provides help to countries and groups of people disadvantaged by the transition to a green economy.

The role of the private sector

36. A long-standing debate about ‘sustainability reporting’ in companies’ annual reports, to demonstrate their performance on sustainable development, is rising to the surface in the lead up to Rio+20. There have been many initiatives on sustainability reporting, most notably to include companies’ carbon production and consumption, use of water and energy and recycling performance.⁹⁰ The latest annual report from the Carbon Disclosure Project identified a strong and increasing correlation between carbon performance and financial performance. Although it cannot prove that one is a prerequisite for the other, many companies involved in the Project point to the financial benefits of reducing their carbon footprint.⁹¹

37. Whatever the logic of it being in their own interests, not all companies will voluntarily go to the effort of producing sustainability information. In our recent report on carbon budgets, we recommended that the Government should introduce mandatory emissions reporting by businesses at the earliest opportunity to help aid transparency and illustrate

85 Q 2

86 Q 7

87 *ibid.*

88 Ev 33, para 4.2

89 Q 61

90 In the EU, the requirement to report non-financial information is contained in the Fourth Company Law Directive, which requires companies to include information on environmental and employee matters. In the UK, the Company Act 2006 contains a provision comparable to that Directive - a requirement to disclose environmental and social information to the extent necessary to understand the development, performance or position of the company’s business.

91 *CDP Global 500 Report 2011*

the contributions businesses are making, and need to make, to help tackle climate change.⁹² In the international arena, the Corporate Sustainability Reporting Coalition is calling for Rio+20 to agree a requirement for listed companies not only to report on sustainability but to have their sustainability reports explicitly approved annually by their shareholders.⁹³ Separately, the International Integrated Reporting Committee has now launched a discussion on moving beyond sustainability reporting, to report the ‘commercial, social and environmental context’ within which the company operates.⁹⁴ The UK Environmental Law Association wants to see Rio+20 find international consensus on environmental reporting, to bring consistency in its content and the quality of the information provided.⁹⁵ Stakeholder Forum considers that the time is ripe for creating at Rio+20 a framework convention on corporate sustainability reporting.⁹⁶

38. IIED see an opportunity to break away from current systems, where ‘innovation will need to involve many more stakeholders and industries – bottom-up, community or workplace innovations revealing pathways for reorganising society – [which] may be rooted less firmly in market contexts’.⁹⁷ But they also see the need for incentivising businesses to play their role: ‘the more that profitability can be aligned with the creation of positive sustainable development outcomes, the more likely it is that business will strive to deliver these; this will require getting not just the prices right but also getting the incentives right’.⁹⁸ The Government envisages facilitating the private sector to deliver the green economy:

Delivering green growth will rely heavily on private sector actions – through trade, innovation and investment. Enlightened business is already advanced in its own thinking about sustainability, and knows how to be green, and understands how this aids sustainable profits. Government can facilitate green growth by putting in place measures which will enable the private sector to deliver a green economy. The Secretary of State is engaging with business on this.⁹⁹

39. The green economy is more likely to succeed if the private sector is involved. Many companies have identified that sustainable development is in their own interests. But others need to be incentivised to act in the right way, to fully address the environmental and social aspects of sustainable development. The Government should push for Rio+20 to deploy the green economy ‘tracks’ which could provide such incentives, including taxation and ecosystem valuation, and to agree a mandatory regime for sustainability reporting by companies. In addition, the Government should involve

92 Environmental Audit Committee, Seventh Report of Session 2010-12, *Carbon budgets*, HC 1080, para 59

93 *Towards agreement on a declaration for corporate sustainability reporting at Rio+20*, Corporate Sustainability Reporting Coalition, September 2011 (http://www.aviva.com/data/media-uploads/news/File/pdf/2011/aviva_earth_summit_2012.pdf)

94 *Towards integrated reporting: Communicating value in the 21st century*, International Integrated Reporting Committee, September 2011 (<http://www.theiirc.org/the-integrated-reporting-discussion-paper/>)

95 Ev w29, paras 33-35

96 Ev 33, para 3.11

97 Ev 22, para 5.3

98 *ibid*, para 5.6

99 Ev 38

business in the dialogue with stakeholders and the public needed throughout the Rio+20 process (paragraphs 6, 7 and 59).

4 Institutional governance

40. The institutional governance of sustainable development is the second theme of Rio+20. This is an area where the position in the UK has changed radically in the last year and a half. We have reported already on the changing UK architecture for embedding sustainable development in Government, following the abolition of the Sustainable Development Commission.¹⁰⁰ The Government has brought some of the role of the SDC within Defra, but also given the Cabinet Office an enhanced role. Without the SDC, the devolved administrations have also had to redesign some aspects of their sustainable development governance. The Welsh Government is introducing legislation to address sustainable development in all government activity and to establish a successor body to the SDC for Wales.¹⁰¹ **There is work underway in the devolved administrations which could contribute ideas on the Rio+20 themes as well as on how sub-national sustainable development governance could operate. The Government should collect that input and present it to the Conference.**

41. In framing the Rio+20 theme of institutional governance, preparatory work in the UN specifically highlighted the roles of the UN Commission on Sustainable Development and the UN Environment Programme for review.¹⁰² Stakeholder Forum told us that the Commission ‘is no longer as productive as it should be; it has made some good analyses of problems, but it has not proved capable of following through with substantive action on the major transformational issues for the global economy’.¹⁰³ It ‘is not carrying the political weight in the world that the subject deserves now, and it needs some refreshment and reinvigoration’.¹⁰⁴ As the Secretary General warned:

The proof of the pudding is in the eating. The test of institutional efficacy and relevance lies in the ability to demonstrate results. On this count, ... there are several areas of concern. In particular, the evidence on environmental indicators continues to be below par, as does that on the convergence between the three dimensions of sustainable development.¹⁰⁵

42. The UN Commission on Sustainable Development was created in 1992 to ensure effective follow-up of the original Rio Conference agreements. In 2002 it was also charged with providing policy guidance to follow up on the Johannesburg Plan of Implementation. It is the UN forum for considering the integration of the three pillars of sustainable

100 Environmental Audit Committee, First Report of Session 2010-11, *Embedding sustainable development across government, after the secretary of state’s announcement on the future of the Sustainable Development Commission*, HC 504; and fourth Report of Session 2010-12, *Embedding sustainable development: the Government’s response*, HC 877

101 The Sustainable Development (Wales) Bill, to be introduced after the 2011-12 Session of the Welsh National Assembly

102 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit*, para 58

103 Ev 33, para 3.1

104 Q 18

105 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit*, para 63

development.¹⁰⁶ It reports to the General Assembly through the Economic and Social Council,¹⁰⁷ which is responsible for coordination of policy on wider UN economic and social development initiatives.¹⁰⁸ The UN has been examining a range of reforms, including:

- enhancing the UN Environment Programme;
- establishing a new umbrella organization for sustainable development;
- creating a specialised agency such as a world environment organisation;
- introducing possible reforms to the Economic and Social Council and the Commission on Sustainable Development; and
- enhanced institutional reforms and streamlining of present structures.¹⁰⁹

In setting the scene in April 2010 for the next Rio conference, the Secretary General specifically identified the possibility of transforming the Commission on Sustainable Development into a sustainable development Council under the General Assembly.¹¹⁰

43. Questionnaires completed ahead of the Rio+20 Conference next year indicate that a majority of States favour strengthening existing institutions and sustainable development groups favour improved co-ordination between existing institutions, rather than changing mandates or merging institutions or creating new bodies.¹¹¹ WWF, Stakeholder Forum and others want a strengthened role for the UN Environment Programme within the UN system,¹¹² perhaps with an annual review of progress on sustainable development in the General Assembly.¹¹³ Oxfam consider that the ideas being considered for reconfiguring UN governance ‘fall short of what is needed’, and want to see firm backing at Rio+20 for ‘stronger multilateral governance’.¹¹⁴ FSDS want to see a UN High Commissioner for Future Generations created,¹¹⁵ and Stakeholder Forum raised the possibility of a new Sustainable Development Council integrating the work currently done by the Commission on Sustainable Development and the Economic and Social Council.¹¹⁶ IIED, however, think that reform of governance at UN level is a ‘misplaced prioritisation’ because the

106 *ibid*, paras 64-65

107 Q 18

108 UN Rio 2012 website (<http://www.uncsd2012.org/rio20/index.php?menu=63>)

109 UN’s Rio 2012 website (<http://www.uncsd2012.org/rio20/index.php?page=view&type=12&nr=228&menu=63>)

110 *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, op cit*, para 69

111 *Synthesis report on best practices and lessons learned on the objectives and themes of the united Nationals Conference on sustainable development, op cit*, para 86

112 Ev w33; Ev w49; Ev 33

113 Ev w33

114 Ev 27, para 21

115 Ev w19, para c15

116 Ev 33, para 3.2; Q 18

‘dominant governance capacity to deliver sustainable development lies at national level’.¹¹⁷ FDSD made a similar point.¹¹⁸

44. One of our witnesses wanted to see an International Court for the Environment created, to provide redress for countries and individuals when environmental law is breached.¹¹⁹ They considered that initially such a Court could seek to apply existing national laws as well as international obligations such as those embodied in UN Conventions on biodiversity and climate change. Such a Court would need a treaty to establish it. **The Government should examine the proposals from the International Court for the Environment Coalition, and in its response to this report set out its view of the pros and cons involved and state whether it intends to support any moves at Rio+20 to establish an International Court on the Environment.**

45. The Government does not favour a new Sustainable Development Council, as advocated by Stakeholder Forum, being placed on top of the existing UN Commission on Sustainable Development and Economic and Social Council. While the Commission on Sustainable Development has not worked, the solution is not necessarily to replace it.¹²⁰ **In any revision of the UN governance machinery, form should follow function. The Government wants to see how the existing UN machinery might be strengthened, including the UN Environment Programme, before creating new bodies is contemplated. That is a reasonable line to take, but the Government should not insist on this if to do so would prevent agreement on more important issues at Rio+20, including agreeing green economy principles and possible new sustainable development and consumption ‘Goals’.**

117 Ev 22, para 6.2

118 Ev w19, para b9

119 Ev w1

120 Qq 64-66

5 Rio outcomes

46. Rio+20 is not expected to produce a binding agreement. Nevertheless, some witnesses wanted to see a legal framework for sustainable development, based on a treaty.¹²¹ FDSD noted that the planetary boundaries (paragraph 12) provide potential yardsticks for ensuring that governments, and others, demonstrably consider the implications of their decisions for the planet. That could be the basis for a system of legal objectives and obligations, and potential recourse to the courts to enforce those obligations.¹²² However, Dr Eloise Scotford of King's College London and the UK Environmental Law Association described for us in some detail the difficulty in formulating a legal definition of sustainable development. It might be possible to legislate that particular sustainable development principles are taken into account in decision-making, but not for the sustainable outcomes of that decision-making.¹²³ The principles are 'general guides to action rather than detailed rules'.¹²⁴ Dr Scotford explained that the Agenda 21 principles from 1992, and the Brundtland definition before that, are *indicative* of what sustainable development contains, not *definitive* in any legal sense. They provide a useful basis for agreements, but not for prescribing precise legally-challengeable outcomes.¹²⁵

47. Stakeholder Forum believed that a binding agreement or treaty should not be the measure of success of Rio+20.¹²⁶ There were important differences between 1992 and 2012 which make it difficult for Rio+20 to produce the same ambition and binding agreement as twenty years ago:

The first Rio took place after about five years of intensive international effort, sparked off by the Brundtland Commission, on first putting the sustainable development concept on the map, and then reacting to the emerging threat of climate change and biodiversity, so that by the time we got there in 1992 there was a climate change convention to sign ... [and] a biodiversity convention to sign. We are not there this time. We have not had five years of preparation, we shall have had about two by the time we get there, so I think it is inevitable that, if the conference is a success, it will not be signing off on a lot of things but starting off some things that are meant to deliver.¹²⁷

While several of our witnesses were doubtful that the Conference will produce a strong negotiated outcome, they believed that useful outcomes were still possible, particularly showcasing and sharing examples of best practice.¹²⁸ Stakeholder Forum and others emphasised the importance of Rio+20 as an 'ideas fest',¹²⁹ a forum for civil society groups

121 Ev w43

122 Ev w23

123 Ev w67; Ev w29

124 Ev w29, para 21

125 Ev w67

126 Q 20

127 Q 26

128 Ev 22

129 Q 22

to discuss sustainable development issues and share best practice, amongst themselves but also with politicians, with governments providing the frameworks to facilitate such dialogue.¹³⁰

48. IIED cautioned against seeking even a ‘consensus text’ if that reflected the lowest common denominator.¹³¹ IIED envisaged Rio+20 allowing ‘coalitions of the willing’ to agree on principles and tools without needing unanimous international agreement.¹³² Many hope for a start to be made on a number of important fronts, in particular setting green economy principles and a framework to follow the MDGs which run until 2015.¹³³

The Government’s approach

49. The Environment Secretary is leading the Government’s preparations for Rio+20, with Defra chairing an inter-departmental steering group which up to September had met twice.¹³⁴ In determining what the UK’s position should be, the Steering Group is focusing on four areas:

- a narrative for the green economy;
- green economy themes on which the UK could propose specific measures;
- identifying specific economic sectors in which the UK could lead on initiatives; and
- the UK’s position on institutional reform.¹³⁵

We will in due course examine the outcome of the Government’s work in these areas.

50. Several groups have between them raised a wide range of important themes that they consider need to be covered at Rio+20, in addition to the agreed themes of the green economy and institutional governance — food security, water security, energy security, protection of the arctic and the oceans.¹³⁶ The European Environment Council’s ‘conclusions’ of 10 October calls for Rio+20 to ‘promote global cooperative action’ in the water, food, fisheries, forestry, marine environment and chemical sectors.¹³⁷ Many of these are closely inter-twined issues, as for example building secure and sustainable supplies of food and energy will help conserve water, maintain stocks of natural resources and reduce climate change and its impacts. These may feature in the Conference conclusions. Another issue, less likely to feature, however, is the growing global population which underpins many of the poverty-reduction and resource consumption issues. The Population and Sustainability Network wanted the Conference to address the link between ‘population

130 Ev 33

131 Ev 22, para 5.1

132 Ev 22

133 *ibid*; Q9, Q21 [Derek Osborn]

134 Ev 38; Q 59

135 Q 59

136 Ev w33; Ev 27, para 11-14; Ev 33

137 *Rio+20: towards achieving sustainable development by greening the economy and improving governance - Council conclusions*, EU Council, 10 October 2011, para 7

dynamics' and sustainable development, given the expected increase in population from 7 billion to 10 billion by the end of the century.¹³⁸ Much of the agenda around population growth is well-understood, addressing women's education, health and rights.¹³⁹ But it is also about learning to deal with greater urbanisation and consequences for rural agricultural economies.¹⁴⁰ As Tom Bigg of IIED explained, however, the population growth issue has been difficult to deal with at previous UN conferences and the actions required are not readily amenable to multinational negotiation.¹⁴¹

51. From a UK perspective, **the Government should focus its efforts on working up its input to Rio+20, not on global population growth, but on a narrower but important list of priorities for the Conference, that they can particularly champion.**¹⁴² Felix Dodds suggested biodiversity and urbanisation.¹⁴³ Others, food sustainability, given the UK's 'Foresight' work in that area. Governments, more generally, ought to be focused on the issues where they can deliver: for example strengthened international governance, setting new Sustainable Development Goal targets to follow the MDGs, setting out principles for the green economy, and sustainability reporting for companies and others.¹⁴⁴

52. There is a danger that too much is expected of Rio+20—that it will make a significant difference on a wide range of issues—and that when that broad-fronted progress fails to materialise that will be amplified in negative terms by a sceptical media. As Tom Bigg acknowledged:

It is a sort of habitual thing for NGOs in these kinds of events on sustainable developments at global level to say “This is the last chance to save the earth.” That was the slogan used 10 years ago and 20 years ago. I think our message is that is not the way to approach this event. The key challenge for this summit is there are difficult intractable issues that, not least, have come about because of the rapidity of change in the world; the rapid rise of the BRIC countries ... ; and the combination of different stresses on different systems, which we don't have simple answers to.¹⁴⁵

53. A further danger is that the current financial crisis will tempt countries to aim for a 'slightly greened business as usual'.¹⁴⁶ Stakeholder Forum expects the transition to sustainable green economies will need 'very large sums' of global investment flows.¹⁴⁷ Defra officials told us that 'growth is essential for all countries, both developed and developing'¹⁴⁸ and that with growth being 'at the top of everybody's agenda, that will shape our approach

138 Ev w59, para 3

139 Q 10

140 *ibid*; Ev w12

141 Q 10

142 Q 29

143 Q 38

144 Q 23

145 Q 15

146 Ev w19, para b8

147 Ev 33, para 4.14

148 Q 43

and will shape the sort of conference it is'.¹⁴⁹ Although they juxtaposed that with the need to live within resource scarcities and environmental challenges, **it would be unrealistic to expect the imperative for economic growth not to be high on the agenda of many countries going to Rio+20, developing and developed. The Government should resist any moves there might be to use the financial situation to dilute the extent of the environmental and social aspects of the green economy discussed at Rio+20. Rather, it should emphasise at Rio+20 that environmental planetary boundaries will ultimately limit the room for growth.**

54. Reflecting the different nature of the Rio+20 Conference, IIED want to see the Government promote the sharing of best practice from international aid programmes and joining 'coalitions of the willing' on, for example, valuing ecosystem services.¹⁵⁰ Our Defra witnesses indicated that part of the Government's approach could be to showcase areas being developed in the UK.¹⁵¹ The UK is in a good position to show leadership because of its record on aid, climate change and research on food security.¹⁵² **Reflecting the commitment to tackle global warming demonstrated through the Climate Change Act, the Government could play a leading role internationally in championing planetary boundaries and other environmental limits. It could also use Rio+20 to showcase its work on valuing ecosystem services, including its recent National Ecosystem Assessment.**¹⁵³

55. Even focussing just on areas in which the UK can set the pace, the Government needs to show leadership on Rio+20. **Within the UK, as we discussed above, it is important that civil society is engaged (paragraphs 6, 7).**¹⁵⁴ The Environment Secretary met NGOs and civil society organisations earlier this month 'to share views and inform the UK position' in preparing for Rio+20.¹⁵⁵ **That dialogue must continue in the run up to Rio+20, at the Conference itself and afterwards. But the Government now also needs to engage the public more generally, and in imaginative ways, to get support for the measures that need to be agreed at Rio and for their urgency.** That could include using creative events and media, music and the arts, to complement more traditional communication, as illustrated by the 'Hard Rain Project' presentation.¹⁵⁶ Such a new approach should be considered too by the UN for its own awareness-raising work; before, during and after the Conference next year.

56. In the international arena, the Environment Secretary has visited Brazil to discuss the Conference.¹⁵⁷ She also contributed to European Environment Council 'conclusions' agreed on 10 October,¹⁵⁸ which took on board the European Commission's June 2011

149 Q 50

150 Ev 22

151 Q 45

152 Q 15; Ev 27; Ev w33

153 Ev w33, paras 24-25

154 Ev w33

155 Ev 38; Q 44; Prime Minister's letter to Felix Dodds (Stakeholder Forum), 1 August 2011

156 www.hardrainproject.com

157 Ev 38; Q 44

158 *ibid*

paper on Rio+20. FSDS saw ‘wishful thinking’ in that earlier paper because it did not see slowing growth as a response to the need to protect the environment.¹⁵⁹ WWF wanted the paper to address the targets needed to follow the MDGs from 2015, and for the green economy to reflect more strongly the social dimension of sustainable development.¹⁶⁰ Derek Osborn of Stakeholder Forum thought the June paper covered the ground:

... but not in a very exciting way, not in a very dynamic way. It does not show very much political leadership. It reads more like a report card on the various things that are going on in the Commission and in the European framework that bear on sustainable development. It does not look like a document that has used the prospect of Rio to create something new.¹⁶¹

57. The European Environment Council’s ‘conclusions’ of 10 October recommends that Rio+20 addresses many of the issues discussed in this report. It calls for the Conference to produce a Green Economy Roadmap which underlines the key role of the private sector (including through greater sustainability reporting) and adopt alternative indicators to GDP, while being a country-specific model which takes into account ‘the demands of the poor’. It also calls for the Conference to bring forward reforms of the UN institutional framework, which would include the ‘upgrading of the UN Environment Programme’ and ‘might’ include revising the roles of the Commission on Sustainable Development and the Economic & Social Council.¹⁶² The Conclusions nevertheless do not constitute in our view the ‘something new’ that Derek Osborn was looking for. If the UK and EU are to show leadership on this agenda they need to set out how this vision of a green economy will be achieved.

58. Defra officials told us that the Government would keep open the option of producing its own position on Rio+20, separate from the EU’s, depending on how closely the latter aligned with the UK’s perspective. A multi-national paper would be more likely to be heeded than a single-country proposition.¹⁶³

59. The Government needs to walk a fine line between, on the one hand, helping to put momentum behind the Conference and showing the UK’s strong commitment to the Rio+20 agenda and, on the other hand, risking being seen as challenging the existing Southern agenda-setting for the Conference which might make consensus harder to achieve.¹⁶⁴ As our Stakeholder Forum witnesses explained:

The tone that was around in Rio 20 years ago was rather that, “Oh, well, we in Europe know about sustainable development and we are trying to project it to the

159 Ev w19, para c11

160 Ev w33, para 21; and Ev w23

161 Q 39

162 Rio+20: towards achieving sustainable development by greening the economy and improving governance - Council conclusions, EU Council, 10 October 2011, paras 4, 6-10, 12, 13

163 Q 46

164 Q 55

rest of the world.” That will not wash this time. It will have to be a meeting of equals, some of whom are making more progress on some issues and some on others.¹⁶⁵

Southern countries and [emerging economies] are taking much more of a lead as equal partners in this and are setting a new agenda defined in their terms, so it is much less a question of greenies in Europe and the UK setting the agenda for the world, and more of equal partners.¹⁶⁶

This is the first of the summits that have been called for by developing countries; Stockholm, Rio and Johannesburg were all initiatives of developed countries. This came from Brazil and was supported by the G77, reluctantly supported by the European Union and the United States.¹⁶⁷

Such risks of challenging the Southern countries’ role on the Rio+20 agenda do not, and should not, prevent the Government taking an appropriately strong leadership role of its own. The Prime Minister, in responding to a letter from UK NGOs, notes that decisions are yet to be made about which ministers will go to Rio de Janeiro in June and whether the Government will designate a Rio+20 ‘special envoy’.¹⁶⁸ **The Prime Minister should attend the Rio+20 Conference in June, and make an announcement to that effect as early as possible, to demonstrate the Government’s commitment to the aims of the Conference, within the UK and beyond. And a ‘special envoy’ should be appointed at the earliest opportunity, charged with bringing together Government thinking on the Rio+20 agenda from across departments but also acting as a focal point for discussion with and between civil society groups, schools, businesses and individuals. The ‘envoy’ should generate momentum and awareness ahead of Conference, and then be the focal point for carrying forward its outcomes afterwards.**

165 Q 38 [Felix Dodds]

166 Q 20 [Derek Osborn]

167 Q 20 [Felix Dodds]

168 Prime Minister’s letter to Felix Dodds (Stakeholder Forum), 1 August 2011

Conclusions and recommendations

1. Globally, there has been inadequate progress on sustainable development since the 1992 Rio Earth Summit. There is still far to travel. Some ‘planetary boundaries’ having been breached, and others approaching, make the task more urgent than ever. It is a difficult message to convey to an often sceptical audience, but that makes it all the more important that the Government use the run up to the Rio+20 Conference next year to raise the profile of the case for action, both internationally and at home. (Paragraph 18)
2. The Millennium Development Goals have helped shape aid programmes, including the UK’s, over the last decade. But, globally, their targets appear likely to be missed by their 2015 end-date, and they have focussed attention on what needs to change only in the developing world. The Government should support work aimed at launching new Goals – Sustainability Goals and Consumption Goals – at Rio+20, to shift the effort towards the sustainable development and sustainable consumption contributions that the UK and other developed countries now need to make. It should engage with other European countries to ensure that the EU pushes this agenda strongly ahead of Rio+20. (Paragraph 24)
3. The green economy needs to embrace *all* its possible dimensions (‘tracks’) put forward by the UN. The Government should work to ensure that environmental taxes and regulation, and accounting for the value of ecosystem services, will be prominent in the green economy principles agreed at Rio+20. The Government should also work to ensure that those agreed principles represent a *fair* green economy, that fully reflects the social dimension of sustainable development and provides help to countries and groups of people disadvantaged by the transition to a green economy. (Paragraph 35)
4. The green economy is more likely to succeed if the private sector is involved. Many companies have identified that sustainable development is in their own interests. But others need to be incentivised to act in the right way, to fully address the environmental and social aspects of sustainable development. The Government should push for Rio+20 to deploy the green economy ‘tracks’ which could provide such incentives, including taxation and ecosystem valuation, and to agree a mandatory regime for sustainability reporting by companies. In addition, the Government should involve business in the dialogue with stakeholders and the public needed throughout the Rio+20 process. (Paragraph 39)
5. There is work underway in the devolved administrations which could contribute ideas on the Rio+20 themes as well as on how sub-national sustainable development governance could operate. The Government should collect that input and present it to the Conference. (Paragraph 40)
6. The Government should examine the proposals from the International Court for the Environment Coalition, and in its response to this report set out its view of the pros and cons involved and state whether it intends to support any moves at Rio+20 to establish an International Court on the Environment. (Paragraph 44)

7. In any revision of the UN governance machinery, form should follow function. The Government wants to see how the existing UN machinery might be strengthened, including the UN Environment Programme, before creating new bodies is contemplated. That is a reasonable line to take, but the Government should not insist on this if to do so would prevent agreement on more important issues at Rio+20, including agreeing green economy principles and possible new sustainable development and consumption 'Goals'. (Paragraph 45)
8. The Government should focus its efforts on working up its input to Rio+20 ... on a narrower but important list of priorities for the Conference, that they can particularly champion. (Paragraph 51)
9. It would be unrealistic to expect the imperative for economic growth not to be high on the agenda of many countries going to Rio+20, developing and developed. The Government should resist any moves there might be to use the financial situation to dilute the extent of the environmental and social aspects of the green economy discussed at Rio+20. Rather, it should emphasise at Rio+20 that environmental planetary boundaries will ultimately limit the room for growth. (Paragraph 53)
10. Reflecting the commitment to tackle global warming demonstrated through the Climate Change Act, the Government could play a leading role internationally in championing planetary boundaries and other environmental limits. It could also use Rio+20 to showcase its work on valuing ecosystem services, including its recent National Ecosystem Assessment. (Paragraph 54)
11. Within the UK, it is important that civil society is engaged. The Environment Secretary met NGOs and civil society organisations earlier this month 'to share views and inform the UK position' in preparing for Rio+20. That dialogue must continue in the run up to Rio+20, at the Conference itself and afterwards. But the Government now also needs to engage the public more generally, and in imaginative ways, to get support for the measures that need to be agreed at Rio and for their urgency. (Paragraph 55)
12. Risks of challenging the Southern countries' role on the Rio+20 agenda do not, and should not, prevent the Government taking an appropriately strong leadership role of its own. The Prime Minister should attend the Rio+20 Conference in June, and make an announcement to that effect as early as possible, to demonstrate the Government's commitment to the aims of the Conference, within the UK and beyond. And a 'special envoy' should be appointed at the earliest opportunity, charged with bringing together Government thinking on the Rio+20 agenda from across departments but also acting as a focal point for discussion with and between civil society groups, schools, businesses and individuals. The 'envoy' should generate momentum and awareness ahead of Conference, and then be the focal point for carrying forward its outcomes afterwards. (Paragraph 59)

Formal Minutes

Wednesday 19 October 2011

Members present

Joan Walley, in the Chair

Peter Aldous

Martin Caton

Zac Goldsmith

Simon Kirby

Mark Lazarowicz

Caroline Lucas

Sheryll Murray

Mr Mark Spencer

Simon Wright

Draft Report (*Preparations for the Rio+20 Summit*), proposed by the Chair, brought up and read.

Ordered, That the Draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 59 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Eighth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report, in addition to that ordered to be reported for publishing on 7 and 14 September and 12 October.

* * *

[Adjourned till Wednesday 26 October at 2.00 p.m.]

Witnesses

Wednesday 7 September 2011

Page

Tom Bigg, International Institute for Environment and Development, and **Sarah Best**, Oxfam.

Ev 1

Wednesday 14 September 2011

Derek Osborn and **Felix Dodds**, Stakeholder Forum, and **Peter Unwin** and **Chris Whaley**, Defra

Ev 8

List of printed written evidence

1	International Institute for Environment and Development	Ev 22
2	Oxfam GB	Ev 27
3	Stakeholder Forum	Ev 33
4	Defra	Ev 38

List of additional written evidence

(published in Volume II on the Committee's website www.parliament.uk/eacom)

1	International Court for the Environment Coalition	Ev w 1
2	Compassion in World Farming	Ev w 6
3	Dr Edward Echlin	Ev w 8
4	Soil Association	Ev w 9
5	Mr David Woodward	Ev w 12
6	Practical Action	Ev w 17
7	Foundation for Democracy and Sustainable Development	Ev w 19
8	Marine Conservation Society, ZSL, PEW Environment Group, Greenpeace UK and Client Earth	Ev w 24
9	Commission for Global Road Safety	Ev w 26
10	UK Environment Law Association	Ev w 29
11	WWF-UK	Ev w 33
12	Article 19	Ev w 40
13	Frances Aldson	Ev w 43
14	Wild Law UK	Ev w 45
15	Earth System Governance Project	Ev w 49
16	UK Food Group	Ev w 53
17	World Coal Association	Ev w 57
18	Population and Sustainability Network	Ev w 59
19	RSPB	Ev w 64
20	Dr Eloise Scotford, School of Law, King's College London,	Ev w 67
21	Council for World Partnership and Development, Diocese of Hereford	Ev w 71

22	World Society for the Protection of Animals	Ev w 75
23	Marine Conservation Society	Ev w 77
24	Progressio	Ev w 81
25	BioRegional Development Group	Ev w 85
26	Earth Charter UK	Ev w 88
27	UK All Party Parliamentary Group on Population, Development and Reproductive Health	Ev w 93

List of unprinted evidence

The following written evidence has been reported to the House, but to save printing costs has not been printed and copies have been placed in the House of Commons Library, where they may be inspected by Members. Other copies are in the Parliamentary Archives (www.parliament.uk/archives), and are available to the public for inspection. Requests for inspection should be addressed to The Parliamentary Archives, Houses of Parliament, London SW1A 0PW (tel. 020 7219 3074; email archives@parliament.uk). Opening hours are from 9.30 am to 5.00 pm on Mondays to Fridays.

Professor Peter Simpson, Parliamentary and Scientific Committee

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12

First Report	Embedding sustainable development across Government, after the Secretary of State's announcement on the future of the Sustainable Development Commission	HC 504 (HC 877)
Second Report	The Green Investment Bank	HC 505, (HC 1437)
Third Report	Sustainable Development in the Localism Bill	HC 799, (HC 1481)
Fourth Report	Embedding sustainable development: the Government's response	HC 877
Fifth Report	The impact of UK overseas aid on environmental protection and climate change adaptation and mitigation	HC 710 (HC 1500)
Sixth Report	Budget 2011 and environmental taxes	HC 878
Seventh Report	Carbon Budgets	HC 1080

Oral evidence

Taken before the Environmental Audit Committee on Wednesday 7 September 2011

Members present:

Martin Caton (Chair)

Peter Aldous

Katy Clark

Zac Goldsmith

Simon Kirby

Mark Lazarowicz

Caroline Lucas

Ian Murray

Sheryll Murray

Caroline Nokes

Mr Mark Spencer

Dr Alan Whitehead

Simon Wright

Examination of Witnesses

Witnesses: **Tom Bigg**, Head of Partnerships, International Institute for Environment and Development and **Sarah Best**, Policy Adviser, Oxfam, gave evidence.

Chair: Good afternoon, welcome to the Environmental Audit Committee. I repeat the apologies I gave to the previous witnesses that we are running behind partly because of a vote in the House earlier on and that Joan Walley, our Chair, is unable to be here because she is moving a new clause in the Health Bill this afternoon. Could you both briefly introduce yourselves?

Tom Bigg: My name is Tom Bigg. I'm with the International Institute for Environment and Development which is an international policy research organisation that looks at environment and development issues in Asia, Africa and Latin America in particular.

Sarah Best: I'm Sarah Best. I'm a policy adviser at the NGO Oxfam GB and developing our thinking around Rio.

Q1 Chair: Thank you. Can I begin by asking what the prospects are for some sort of binding commitment or treaty from Rio? Is there anything that is realistically likely to be of any real value?

Tom Bigg: The prospect of a commitment to an agreement is pretty high just because these processes have an inexorable momentum to them. If you were to ask about the prospect of a meaningful move forward on existing treaties and commitments, I would say the prospects, frankly, are pretty bleak. The contexts in which this summit is happening are not ones in which there is strong commitment to multilateral agreement. If we look back on previous agreements 10 or 20 years ago, the precursors to this summit, the commitments made previously are more honoured in the breach. I think that is the term. There is a significant degree of cynicism as well about the value of these international instruments and commitments that constitute a major backdrop for this summit.

In terms of the negotiated element of the agreement, I think, to be quite honest, that it will be quite a struggle to come up with major moves forward on previous agreements. That is not to say that it is not an extremely important agenda and one which is both timely and essential for the international community

to grapple with. For your question specifically about the treaty, that will be my assessment of where we are at the moment.

Sarah Best: The declaration which organised the conference talks about getting a focussed political outcome to the conference, which is quite different, of course, from a binding treaty process. Also, the time available to negotiate anything binding is relatively short. But just to expand on the point that was just made, this is not to say that there cannot be some very decisive and path-turning outcomes at Rio in terms of, for example, governments coming with a set of concrete measures that they are ready to take with a progressive coalition and others in order to unleash a fair, green economy. There are also opportunities to look for where the future deals are going to be needed; looking at the looming resource constraints, the looming crisis, and saying, "What is it in our governance framework that is not fit to deal with these crises?" It has a path-finding role in that respect.

We also have to look as an outcome at what it can do to stimulate those kinds of progressive coalitions between countries across north and south who are ready to move, but also, critically, to engage publics and engage citizens so they are ready to support their governments in doing so.

Q2 Chair: Following on from that, you have identified green economy and sustainable development governance as issues and clearly those are the focus that we know about Rio. Is that too narrow? Should we be hoping for something wider than that?

Sarah Best: These are the two themes, so to an extent we have to go with the themes and there is a lot within them we can get out of them. If we look at the green economy and couch it in terms of a fair and equitable green economy along the lines we have just been hearing, there is a lot of potential to address some absolutely critical issues that we are facing. Key sectors that I would focus on would be around the food sector, where we have fundamental challenges in how we shift to a sustainable food system and ensure that the problem of hunger that we face is addressed.

7 September 2011 Tom Bigg and Sarah Best

The energy sector is also ripe for focus in the sense of getting transitions to clean energy but also in expanding energy access. Then beyond sectors, looking at some particular measures where there is growing political interest and political support, whether it is around alternates to GDP and new systems of measurement or around the innovative financing mechanisms that will be needed to stimulate this green economy, and getting attention elsewhere and getting additional support at Rio. Those are four areas that I can see would fit within the existing two subject areas that the conference is supposed to look at.

Tom Bigg: To refer back to the session you have just had, if you take a comprehensive approach to green economy you are not just talking about tinkering with efficiency measures and ways we measure progress, you are also looking at pretty fundamental drivers of the way our society functions and, if you take that to the international level, the way we co-operate with other states and the international norms and rules that are established that determine the ways that countries and businesses interact with each other. That is a pretty huge agenda and I would like to think of the green economy as, if it has value, setting out the route by which we get from where we are now towards what constitutes sustainable development. In essence, what we are talking about with the summit, I think, is as Sarah was saying earlier, identifying priorities both now and for the future in order to make that transition possible and make it happen in the most timely way possible.

To answer your question, that is a pretty broad agenda. We are essentially talking about getting moving on realising sustainable development, and what can be done at the international level that makes that more feasible.

Q3 Sheryll Murray: I would like to talk about the need for action now. The Rio Conference comes on the 20th anniversary of the first Rio Summit but aside from the anniversary, is there anything else that makes 2012 an urgent deadline for change?

Tom Bigg: Sarah will come on to talk about this, I'm sure. This summit is addressing absolutely the critical issues, from our perspective, that the world is facing at the moment. Rapidly increasing evidence of resource scarcity and conflict, the relevance of looking at planetary boundaries and the ways in which collectively we can address those way beyond carbon. We are also talking about the impacts of biodiversity loss; we are looking at impacts of exceeding the nitrogen cycle. We are already looking at some of the major challenges that the world has to find ways, collectively, to address. In that sense this summit is hugely timely and the need for action in all of those areas is urgent. The challenge is to set a framework that countries will endorse and buy into and which also recognises the significance of action taken by subsets of countries, by companies working with civil society actors, within a framework. We are not waiting for a signal to act from governments reaching universal agreement. I think there is also a need for an international event that stimulates and supports, puts a

spotlight on lessons learned from success that can be replicated elsewhere.

All of those things warrant a global event that brings together a diverse range of practitioners, policy makers, private sectors, civil society, in order to share lessons and think about some of these issues. I think it is also important to say this isn't about a management fix. We are also looking at real political challenges. There are very strong reasons why the world is the way that it is and they are about the exercise of power, about the influence of actors who benefit from the economy the way that it is, benefit from the way that society functions as it is. I think the main message for Rio is that ultimately even the well-being of the rich will suffer through hitting some of the limits that we can see coming now, and that the sooner there's a way in which those issues can be addressed collectively the better, in order to avoid the kinds of system collapse that could well happen in many contexts if we carry on as we are now.

Sarah Best: I would really like to support that. Why now? It is about the crisis that we are currently facing and that will increase. In 2008 and 2011 we have seen two food price crises caused by a range of factors related to increasing demand, energy price spikes and so on. But the resource constraints are fundamental to that and the types of volatility and the constraints we are seeing are having a huge impact on our efforts to address poverty reduction. In 2008 we saw about 100 million more people falling into poverty. Hunger levels are rising. We have a drought in east Africa and a famine in Somalia. I think all this shows the intense urgency of using Rio as an opportunity to open up political space in areas where we have had challenges addressing them in the past.

The fact that it is an anniversary is also quite compelling because we have a new generation of young people who are starting to campaign in Brazil and around the world, who are looking for a new future, a new paradigm of growth and development which Rio can set us on the path towards. Alongside the new generation of youth, of course, you have quite a different world in terms of geopolitics, the emerging economies have emerged. Rio obviously will be held in one of those economies. This is also an opportunity for those countries to be coming forward and looking at a future development path. This is why 2012 really matters.

Q4 Sheryll Murray: On climate change, people are now reasonably aware of where the red lines are, and keeping emissions down to stop temperatures rising above or below the 2% rise. But what are the other boundaries or tipping points? What really is the urgency of taking action on other fronts, and how do we get that sense of urgency across to sceptical governments?

Tom Bigg: I touched on one of the other most useful overviews of this assessment of the range of ecological limits that currently exist, which was published in *Nature* a couple of years ago and produced by the Stockholm Environment Institute. That identifies nine planetary boundaries. Carbon in the atmosphere is obviously the most well known and most acted upon. The others are, as I said, the nitrogen

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cycles—we are currently significantly exceeding ecological limits—biodiversity, biological resources and the rate of species extinction. Severe strain on particular species is having a major impact. Interestingly, of the other six, I think there are two where information does not currently exist in order to give an accurate picture but that is not to say that those are not also areas where there is major strain, and one of those is marine ecology and systems.

There are comprehensive assessments that will go into the summit process and form part of the backdrop to discussion. I know that there is a discussion within UK organisations and growing interest in some focus on planetary boundaries as a set—something where there should be clearer global understanding and commitment to action. Recognising the potential not for sequential change, which you can anticipate and plan for before you reach some major point, but the reality that with many ecological systems change happens in leaps. You will certainly reach a point where you tip over into rapid species extinction; you tip over into rapid degradation of the resource and by that time it is too late to act. If that is applied at planetary level, we simply do not have anywhere else to go in order to have a viable marine system or viable biological resource system.

Q5 Sheryll Murray: Is there any progress in looking at the marine ecosystem with regard to what you have just mentioned about degradation?

Tom Bigg: In the context of Rio or in the context of research?

Sheryll Murray: In the context of research, because fishery science is never going to be a precise science; it is very difficult. But I would be interested to know whether there is any progress worldwide.

Tom Bigg: I can point you towards the research that would be relevant for that. There is certainly a huge body and it's not my area, so I am not in a position to give you the nuts and bolts of that in detail. But certainly there is a wide body of research which would demonstrate analysis of particular marine systems and also of global trends and drivers. But, as I say, it is interesting that at the macro level the assessment from the Stockholm Environment Institute is that there is not sufficient information on which to provide an accurate assessment of sustainability of the entire system. There is significant lack of knowledge and lack of information to inform policy on that issue in particular.

Sarah Best: You asked about how we communicate the sense of urgency to sceptical governments. In a country like the UK, I think the issues that really have traction with individuals and citizens are, of course, around the impacts of resource constraints and resource scarcity; the impact on food prices, for example, the impact on energy prices. Chatham House recently did a survey on this which rated these issues very highly in terms of what they saw as important for the Government's foreign policy, so this is one way to communicate with publics in the UK.

Of course, in terms of communicating a sense of urgency with citizens of developing countries, livelihoods are so dependent on access or lack of access to resources that that conviction job is not

required to the same extent. If you have a billion without access to fresh water, 1.5 billion without access to energy, 1 billion living in hunger, it is very immediate and clear. I think that the point there is to frame this also in the context of opportunity. The idea of limits is something that has to be communicated, but also we need to use the language and examples of opportunity. For example, a very salient one is the possibility of an expansion of renewable energy to increase energy access in developing countries. That would be one way to help leaders engage publics, but would also help convince leaders of the importance of Rio.

Q6 Sheryll Murray: Sarah, in your submission you suggested that if developed countries do not build their prosperity on the basis of a smaller ecological footprint, they risk sliding backwards to lower levels of human development. I could see how such a prospect would compel action to be taken, but how soon might that scenario come into play? Can you give us an example of how this might play out in practice?

Sarah Best: Could I ask for clarification? Do you mean in respect of developed or developing countries? I think the submission talked about developed.

Sheryll Murray: Developed.

Sarah Best: Thank you. There is a figure in the submission that plots ecological footprints or carrying capacity against human development, and at the bottom right-hand corner of that figure you see the goal that we're trying to hit, which is a high level of human development and a low level of ecological footprint. Developed countries are clearly high in human development and way over a per capita fair share limit, if you like, of their ecological footprint. There is an option to keep going as we are but that seems intensely, morally unjust as that limits the space available for low income countries who desperately need to increase their resources and to increase their human development. The prospect of slipping back, in terms of human development—that is what could happen—it doesn't apply just to developed countries but to economies overall. If we bust these limits then our very prosperity will be undermined. We have endless reports from OECD, UNEP and Stern showing why that might affect growth and incomes. In terms of a particular example, one which was mentioned to me by a colleague yesterday is that in 2009 in relation to both the debt and, no doubt, the food crisis, levels of people without access to sustained, adequate food in America reached its highest point ever of about 45 million people. Now, when you get to those kinds of crunches you can see a situation where human development might be constrained in developed countries as well.

Q7 Peter Aldous: Can I ask each of you a straightforward question—are you a fundamentalist or an incrementalist? By that, I mean, with your view on the move towards a green economy, do you think it needs a fundamentally different economic model to what we have at the moment or is it more a question of more modest incremental changes in products,

businesses that produce, the way they go about the processes to get there?

Tom Bigg: I suppose I would advocate incremental change in order to get to a fundamentally different economy—maybe that is having my cake and eating it. I don't think we can dream up utopian visions of a green economy and arrive at them tomorrow. Equally, I do think if we establish the necessity for change and the benefits of change over a sustained period and then think what the steps by which you can move in that direction are, then that is the best combination.

For both Sarah and I, our work principally focuses on lower income countries, but there are fundamental barriers in all countries to moves in this direction. There are powerful arguments for thinking seriously about what is wrong with the current system and what is better about a system that takes better account of natural resources, focuses more on wellbeing and aspiration over time, rather than over a very short period. I think I would say fundamental change in an incremental way would be my short answer to that.

Sarah Best: Oxfam has definitely put itself forward as looking for a paradigm shift; a new model of growth and development. In terms of the green economy, I suppose the definition put forward by UNEP is the type of economy that we would be looking for, which is one that prioritises social equity and wellbeing, while also addressing ecological scarcity and environmental constraints. We are definitely looking for a paradigm shift. Certainly if you look at the food system, for example, what that means in practice is a whole series of changes at all levels. It means looking at subsidies. It means looking at R&D and where the investment flows are going. It means expanding extension services in developing countries. It means more efficient water resource use. In that sense that is a whole agenda for changes that on their own may look small and incremental, but if delivered can deliver that paradigm shift.

Q8 Peter Aldous: I think the move towards a green economy so far is very much focused on sustainability and addressing natural capital restraints. What role do you think the green economy can play, say, in poverty reduction?

Tom Bigg: That is a big area for us to move on to. I think you have to start in answering that question by looking at what is unsustainable about the current prevailing economic model, in which resources are hugely unequally distributed, in which there is huge inefficiency in economic operations and in which we have a growing disparity between the rich and the poor, both within and between countries. That is a characterisation of our economic model in many contexts. For the work that we are doing on the green economy, a fundamental prerequisite is that that level of inequality is not part of the green economy and that we have to move towards a more equitable share of resources. So applying the logic that Nicholas Stern developed in his work on the economics of climate change, we have to move towards greater equity in that resource use. Not just for reasons of social wellbeing and equity, but also to be viable in the use of a limited resource. We have to move more towards greater equity and access. That logic applies to other

natural resources as well, so if we are looking at access to food or water, currently we are heading towards major problems with scarcity and unpredictability in access to those resources. Unless we find a way in which to address that unpredictability and scarcity we will have major problems. That is going to hit rich countries as well as poor ones. It is integral to the green economy to address and to prioritise a focus on poverty reduction and a focus on bringing greater stability and security to the livelihoods of all people. That's it in a nutshell. I can give more examples to substantiate that if useful, but that's essentially the position we must take.

Sarah Best: Just to add to that, I think it is important to have a mind to the politics of these discussions around the green economy. There have been some perceptions by some governments and civil society organisations that green economy is a northern agenda that is about commodification of natural resources that they depend upon. In order to get political buy-in for this new term, clearly we have to have a very strong focus on how and why this can deliver for reducing poverty, for increasing people's access to resources, for protecting their rights. I think it is very important to keep an eye on that political dimension as the UK Government prepares its position. One way that it can overcome these perceptions is to use the language of a fair and equitable green economy. That would help a lot.

In terms of the substance, what does that mean in practice? The whole agenda around a fairer way to share resources, which Tom has talked about, is one aspect of it. If we talk about this in the most simple terms, it is about developing countries—which is where a lot of the destruction of natural resources is happening, partly to serve consumption in the developed world. Given that, you cannot talk about the green economy unless you talk about it in the terms that are important to developing countries. We also have to think about it at a community level. The role of women, for example, as smallholder farmers, intensely dependent on access to land, on access to water; spending long portions of the day going to collect firewood, from ever further distances, to use to cook; and then suffering the health effects of inhaling that smoke. The green economy must have an agenda that is about expanding access, protecting rights and delivering benefits for those communities who are so dependent on natural resources and so vulnerable to the shocks, where we are hitting the resource constraints that we are hitting.

Q9 Peter Aldous: Finally, are you optimistic that from Rio a consensus might emerge, whether incrementally or fundamentally, about the model we need to embrace the green economy?

Tom Bigg: As I was saying at the beginning, I am not that optimistic about a strong negotiated consensus on what a green economy constitutes and how collectively countries should act on it. I wanted to draw an analogy with the politics that have gone on with the climate change COPs, and obviously everyone on this Committee will be aware of the failure of the COP15 in Copenhagen. I think one of the major impacts that that had was a huge increase

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in awareness of climate change, and the challenge of energy policy in practice in many countries around the world. Pre-2009, many of my colleagues working on climate change had a major challenge getting beyond the officials directly responsible for the negotiations to engage with Government officials responsible for energy policy, responsible for key planning decisions that had major impacts on energy use, and responsible for some of the key aspects of adaptation—which obviously is a critical challenge in many contexts. They simply were not aware of the relevance of climate change debates at an international level to domestic policy and practice. That has changed dramatically over that period. Now, what we see much more in a country like India is that even though India has a total aversion to entering into an international commitment, domestically we have seen a major shift in terms of investment in alternative energy; of long-term planning for energy scenarios in which they won't have access to the fossil fuels that they currently rely on; and an understanding of population trajectories and the implications those have for future energy planning.

Just to use that as an example, at the next climate change COP, although the official negotiations didn't come up with any huge progress on Copenhagen, what happened around the margins were some very significant discussions, interactions, sharing of practical experience, identification of potential for partnership and collaboration, which is a key element of an international meeting. If you draw that analogy for Rio, I think that is the way in which significant progress can be achieved in Rio next year, not just in the kernel at the middle that is increasingly looking a bit dead.

Sarah Best: I would say that a multilateral consensus on text, on a new model and all the ways to get there, is probably unlikely. But what we can and should be doing is raising awareness, using the opportunity to raise awareness and bring these discussions forward and, critically—building on what Tom was saying—building coalitions of like-minded countries who are coming to similar views about things to change, so they are able to move forward and demonstrate leadership to others. I do think in some particularly salient sectors and issues, you could start to get real change in the terms and debate. I referenced these at the beginning but, to underline them again, some of the ripe areas are around food, energy, alternate measures of GDP, and potentially looking at some of these innovative financing mechanisms that have been discussed elsewhere.

Where there isn't consensus, we should look at this as a pathfinder summit in saying, "What is it in our international system of governance that is lacking and how can we get a pathway to change over the long term?" We definitely need to see Rio as a start of a process rather than an end.

Q10 Katy Clark: Global population expansion is obviously making both the sustainable development agenda more difficult but also impacts on all of the green economy issues and green agenda that we have been talking about. It is also a very sensitive subject. Do you think this is something that can be dealt with

on an international level, and do you think it is something that should be part of the discussions at Rio?

Sarah Best: Population is obviously a key challenge and the countries where it is most challenging are in some of the poorest countries where population growth will be fastest, but also the resource constraints are most severe. A country like Niger would be a good example.

In fact, we know what we need to do to address these challenges and it has been said for many years—which is investing in women's education, in health, in reproductive rights, so that they are able to make choices about the size of their family. It is also critically—and this is an issue for Rio—about the consumption patterns of the small number of people around the world who are consuming the most and, therefore, having the biggest impact on our environment. That is how the population question should be addressed. I think it would be a mistake politically to try and raise this up the agenda in Rio by looking at other types of means where there is no consensus. The discussion of population controls is morally very dubious and politically will have no attraction whatsoever, so the approach is much better focused on investing in education and health for women and looking at the consumption footprints of the richer few countries and elites.

Tom Bigg: Just to add to that, the estimates of net population growth over the next 10 or 20 years suggest that around 90% to 95% of that will be in urban centres in low and middle income countries. If you are looking at population growth, one of the major focuses for this summit would be on urban issues, on ways in which cities are able to make a transition to operating in ways that are more sustainable, that better meet the needs of their people. But also, we need to learn the lessons from cities where we can already see comparatively efficient uses of land space, efficient placement of different factors of the city. There are existing lessons that can be learnt and population growth will dramatically change many cities, but planning for that change and understanding where an urban development wants to go presents a major opportunity as well.

Again, I come back to the example of India, because I took part in a dialogue on green economy in India this time last year. This was one of the major things that was seen as an opportunity. Urban growth within India is one of the major processes of change that will happen over this period, so addressing many of these challenges seems possible in a way that in some other more intractable areas it is hard to envisage.

I would go along entirely with everything Sarah has said and add that population per se tends to come down to a very divisive issue, which is seen as one that cannot be mentioned in these processes. It can be quite stultifying to introduce. Ten years ago in Johannesburg there was an effort to introduce population issues into the agenda, which essentially just led to a standoff between two blocks of countries that were never going to change their positions. I would say, looking at the implications of population, there are lots of things that can be done but they do

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not necessarily translate into an effective multinational negotiation.

Q11 Katy Clark: We are obviously here scrutinising what the British Government do. Do you think the British Government have it about right on this issue? Do you think they should be doing more?

Tom Bigg: I think we would push them to focus exactly on the kinds of issues we are saying are key, both in encouraging population growth that can be sustained, and also in addressing the implications of population growth where we can predict that it's inevitably going to happen. That should be the approach that is a priority for the UK Government in its international policy.

Q12 Katy Clark: They say they do that. They say that this is one of their priorities. Do you see that in the work that you do? Do you think they should be doing more, or do you think they have it about right?

Sarah Best: Around the specific issue of population?

Katy Clark: Yes.

Sarah Best: It is not something that I personally have been working on but can certainly get back to you on that.

Katy Clark: That's okay, thank you.

Chair: We are running out of time, so can I ask the Committee members and witnesses to be as succinct as they can?

Q13 Dr Whitehead: We talked earlier about the discussion at the moment about moving away from GDP as an appropriate measure of development and discussing alternative measures that might monitor or might drive changes. You, Tom, said in your submissions, "The very language that the world uses to discuss the economy would change in order to break away and move beyond the neoliberal paradigm that has served a few well but has served our planet and too much of society so poorly." Isn't that a bit mealy mouthed? What I am trying to grasp at in a number of these discussions is the reason that GDP is the appropriate measure of development in many people's eyes is because that is what drives countries to making large sums of money across the world. Standard & Poor's credit ratings are an indicator of where and how those investments might take place. The question, I think, is if we do change these paradigms and we change these measures of development, how conceivably would that work in practice, in terms of the extent of that paradigm being used at the moment as a way of measuring apparently how countries are doing, but in practice measuring who can make money out of what country where?

Tom Bigg: As our colleagues were saying earlier, there is a diverse range of different focuses on ways in which to move beyond GDP, primarily because it simply has not worked as an adequate measure of growth and stability. That is the driver behind the Sarkozy Commission, which has come up with some very interesting work looking at broader ways of assessing economic health and value, and the OECD work on measuring growth that was also referred to. At the macro level, first, there is a pretty wide breadth of opinion that GDP is insufficient as a measure of

economic wealth and stability and, secondly, that there are ways in which to broaden a definition and a set of metrics that you use in order to assess wealth that provide a better point of assessment.

To give a very specific example that would draw on our work, we have done quite a bit of work in Namibia over the last few years, and the Namibian Government incorporate within their economic models an assessment of natural resources, so the value, the economic return from natural resources is explicitly based on the fact that Namibia would say, "We benefit heavily from tourism and we benefit heavily from natural resource extraction." Those values are not incorporated within the model of GDP and the costs of losing those assets also are not incorporated, so they build that into their economic model. Not because they have some alternative world view, but because it gives them a better basis for decision making. That, I think, is fundamentally the direction that we would want to move in.

Q14 Dr Whitehead: A not entirely unserious rejoinder is do you therefore need a Standard & Poor's ecological limits credit rating in order to underline investment in countries?

Tom Bigg: That might well be the kind of measure that you would end up with, because it is a significant factor in assessing that country's economic strength and stability.

Sarah Best: I would only add that the question of measurement and indicators seems to be getting political interest for Rio. What governments can do there is support the development and usage of these. Essentially it is a compass to guide the economy. It is necessary but not sufficient. What is going to be needed is all the policies and legislation and so on to enact change overall.

What we would emphasise from Oxfam's perspective is that, in looking at these alternate indicators we need to look both at ecological assets and factoring in of all these unpaid goods and services, like ecosystem services, but we need to give a higher profile to the social dimension as well. For example, the role of the care economy would be one example of that. Questions of inequality we would also emphasise. In the discussion around alternate indicators, it is both the environmental and the social dimension that we need to be looking at.

In terms of companies and how companies make decisions, I suppose a company has its profit and loss account and it has a balance sheet that looks at its underlying assets, and that is what investors look at. That is what we need for our economies as well. We need to have compasses and indicators that look at our underlying assets, whether financial, human, physical or social. All those assets need to be measured and used as the basis for decision making.

Chair: Thank you. We have come to our last question of the afternoon, but we are up against the wire now so, again, if I can ask the questioner to be brief and the answer to be brief.

Q15 Simon Wright: What more, if anything, does the UK need to do to make Rio a success?

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Sarah Best: Okay. To be very succinct, the UK Government is starting to develop its position but visibility is fairly low, so what we need to see is a very concerted effort for coherence across Government in building a position towards Rio. UK NGOs wrote to the Prime Minister a few months ago emphasising this point and saying that appointing a special envoy on Rio to achieve that buy-in of coherence internally would be a good option, but also to play that outreach role externally. We think there is a lot in Rio for the UK Government. The UK has a good record internationally in climate change, and on aid, and it has this marvellous Foresight report on the *Future of Food and Farming*, so it has something to offer. What the UK Government can and should be doing is a very concerted outreach to allies to find those progressive coalitions who are looking for an outcome at Rio.

Particular processes we would highlight of course would be the EU, which is always a critical player, and there are some key decision-making moments in the EU at the moment, but also of course the G8/G20 and so on. We want to see greater internal and high level buy-in at the top level of Government to make Rio a key focus and drawing on areas where the UK is strong to do external outreach to allies.

Tom Bigg: I endorse all of that. If I were to add something particularly, I think it is a sort of habitual thing for NGOs in these kinds of events on sustainable developments at global level to say, "This is the last chance to save the earth." That was the slogan used 10 years ago and 20 years ago. I think our message is that is not the way to approach this event. The key challenge for this summit is there are difficult intractable issues that, not least, have come about because of the rapidity of change in the world; the rapid rise of the BRIC countries, as Sarah was saying; and the combination of different stresses on different systems, which we don't have simple answers to.

One of the challenges for the UK Government is to be serious about what some of those pressing challenges are and not to try and come up with a quick policy approach that means you can sign it off, but essentially say, "We want to engage in real dialogue about how, globally, we can best address these issues." Just to give you an example, climate finance will, over the next 10 or 15 years dwarf official development aid going from rich countries to poor countries. There is a very inadequate system for ensuring that that provides development benefits. In this context of looking at the green economy, potentially that is one of the major tools that could be steered towards better meeting the needs of poor people in developing economies, but we

don't have an adequate system for addressing that. The debate going on at the moment within the climate change community doesn't, as far as I am concerned, learn sufficiently from development experience; learn sufficiently from practical experience of what works in particular countries. This summit could be an opportunity to say, "These kinds of issues are hugely important"; we need to find the right way of working them through so that, not in Rio but subsequently, we have set in train the momentum for coming up with something that does move us forward in some of these key areas.

Q16 Dr Whitehead: Oxfam has said in evidence that it is very concerned that the Government's response to Rio is not stuck in a particular departmental silo. Can I ask whether you have seen evidence that there is a departmental cost-cutting approach emerging?

Sarah Best: Certainly, we know that a cross-departmental group has been set up and that departments such as DFID have started to look at this. The level of engagement appears to be relatively low from other departments. Those that we would see as having a particular interest and relevance for Rio would obviously be DFID, but also Business, Treasury, DEFRA—of course—who is in the lead. So some evidence but I think we need to see a lot more engagement and we need to see top Prime Ministerial level endorsement and support for Government to get together its position and strategy towards Rio.

Tom Bigg: If I could throw a question back to you on that, I presume it is within the EAC's mandate to ask different departments to clarify what their ambitions are for the summit, given their own specific agenda. It would be particularly interesting to know from DFID, let's say, what their ambition is, given their focus on development for the summit, as opposed to just being subsumed within a single position that is led by DEFRA.

Q17 Dr Whitehead: To be clear, do both of you feel that DFID is one of those departments from which we need to see more engagement in this process?

Tom Bigg: I would say for me DFID and DECC would be two in particular.

Dr Whitehead: Yes, okay.

Chair: We can certainly seek answers to the sort of questions you suggested there, Mr Bigg. Can I conclude this afternoon by thanking you both for the excellent evidence that you have provided. It will be useful when we come to producing our report.

Wednesday 14 September 2011

Members present:

Joan Walley (Chair)

Peter Aldous
Zac Goldsmith
Simon Kirby
Mark Lazarowicz

Ian Murray
Sheryll Murray
Caroline Nokes

Examination of Witnesses

Witnesses: **Derek Osborn**, President of the Board, Stakeholder Forum, and **Felix Dodds**, Executive Director, Stakeholder Forum, gave evidence.

Q18 Chair: Gentlemen, I welcome you both. You are both long-term friends of this Committee, to put it in one perspective. This afternoon we have two panel sessions. We are interviewing Defra officials directly afterwards and we are expecting votes. We have a certain amount of questions that we want to get through, so I really would be grateful if you could be succinct with your answers, please, to enable us to cover the agenda that we wish to cover. Thank you very much indeed for coming along.

In the evidence that you have given us, you suggest that the UN Commission on Sustainable Development is no longer as productive as it should be. What has gone wrong?

Derek Osborn: Shall I have first go, and then Felix, who I think must be one of the only people in the world who can claim to have been at every single meeting of the CSD, which is quite good going and not always a bed of roses, will come in.

I think the basic thing that has gone wrong with it is that it has the enormous agenda of trying to keep track of sustainable development in the world and trying to influence progress towards sustainable development, but it has not had either the people attending it or the means at its disposal to make sure that happens as effectively as it should. But one should not write it off altogether. It has done a lot of good analytical work and it has initiated some important processes and ideas in particular subject areas, but it is not carrying the political weight in the world that the subject deserves now, and it needs some refreshment and reinvigoration.

If it is going to be the body to pursue green economy ideas around the world, it needs to have not just environment Ministers and environment Departments, it needs to have more regular attendance from finance and economics Ministers—those people who hold the levers that are needed to advance sustainable development. It needs more recognition and occasional attendance by heads of Government to give the overall political push in that direction, and it needs a bit more access within the UN system to a higher level. At the moment, it reports through ECOSOC to the General Assembly. If it was a full-blown council with universal membership, it would have a higher standing in UN terms and more weight and influence in the UN system itself.

Felix, do you want to add to that?

Q19 Chair: Just before I bring you in, Felix, what you are referring to there, I think, Derek, is the whole issue about architecture and the infrastructure that is needed. I wonder whether in answering that part of the question, you could also address what new architecture or infrastructure might be needed to be able to get the Government arrangements that would ensure that the issues from the environment perspective, but also from Treasury and business, are being addressed as well. Perhaps you could comment on that as well.

Felix Dodds: Yes. Just as a quick addition to Derek's comments, one of the successes in a sense of the first 10 years of the CSD was that development Ministries were required to go, because they had to report on the delivery of Agenda 21 against the financial commitments that were made or hoped to be made in Rio and immediately afterwards. That was no longer required after 2002, so development Ministries started not to go.

The issue on the architecture is that we have a number of very critical issues now on the agenda that have no clear home: food security, water security, energy security, climate security, all of which are important to this country. We need a place to have a constructive conversation. At the moment what has happened is that Britain and Germany have taken those to the Security Council. That is not a very good place to be discussing environment. We need to be discussing it in a place that is more creative, and there is a suggestion that such a high-level council of the General Assembly, similar to what they did for human rights, putting sustainable development at the heart of the UN, maybe should have an executive board that could meet whenever there is a crisis. There was a suggestion at the meeting in Solo of Governments that might even be a number of countries such as 20 countries, so you might try to link in the G20 process to such a council. Because all those issues are interlinked, as you know, the need to be able to deal with the interlinkages at the highest level is very important.

Q20 Zac Goldsmith: To what extent do you think the success of Rio will be measured against any kind of binding agreement or treaty that emerges, and how important do you think it is that we end up with something along those lines at the end of the process?

Derek Osborn: It is very important that that should not be the sole measure of the success of Rio. Rio can

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be, should be and will be very different from Copenhagen in that respect. Copenhagen was very much the culmination of a programme that had been trying to negotiate binding agreements for carbon reductions, and delivered something much more modest, and there was a great sense of disappointment about that. I hope this new Rio will be equally important for trying to release energy and reignite enthusiasm for pursuing the sustainable development agenda, not only among Governments, but among all the other groups who will be there. All the local communities and local authorities who did so well after the first Rio on creating Local Agenda 21 could do that again, or the business community. They have the idea of sustainable businesses; again, they are beginning to gear up as to how they can take that a stage forward.

What binding agreements are reached between Governments is therefore not the whole picture, but of course Governments themselves must deliver something, and I think there are two interconnected things: first, that they should give some description, blueprint, the principles for what a green economy is about and the kind of measures that need to be pursued around the world; and the second, on this structure and governance front, is that they institutionalise it in some way so that there is some body that can carry forward the momentum that we hope will be created next year.

Zac Goldsmith: What do you think the prospects are in real terms of there being any kind of tangible agreement at the end of this?

Derek Osborn: I think they are better than they were. To us the exciting thing about it, and the difference from the Rio 20 years ago, is that some of the southern countries, and particularly the emerging countries, Brazil, China, Colombia, South Africa, are taking much more of a lead as equal partners in this and are setting a new agenda defined in their terms. So it is much less a question of greenies in Europe and the UK setting the agenda for the world, and more of equal partners saying: "There are big problems in the world, we all face these things. How are we going to do it together?" That is the exciting idea, I think. Of course, it could still fail, but there is quite a buzz beginning to get going.

Felix Dodds: This is the first of the summits that have been called for by developing countries; Stockholm, Rio and Jo'burg were all initiatives of developed countries. This came from Brazil and was supported by G77, reluctantly supported by the European Union and the United States. I think they see that we need to change the dynamics, because they can see what is going to happen in the future.

To answer your question, there are now clear ideas about what the summit is going to achieve, so there have now been four important meetings that have happened over the last three months, and the last one, which was in Beijing, hosted by the Chinese, underlined Derek's point about the need for principles to address the green economy as a key outcome. We had the Rio Declaration in Rio, the Stockholm one in Stockholm, so it sets the principles to guide the green economy. Colombia tabled a call for Sustainable Development Goals, not Millennium Development

Goals, but Sustainable Development Goals to address issues on agriculture, food, but also consumption, so that if we deliver the MDGs, the chances are we will need that second plan quicker. If we do not address the consumption models, we will have a serious problem in the context of living on this planet in a fair and equitable way.

On the governance issue that Derek raised, there are three very clear things. In addition to that, and this goes to your point, which was more the treaty issue, there has been a big push for what is known as Principle 10, which is access to information, public participation and environmental justice, on which we are, as a Government here, signed up to the Aarhus Convention, the European one. It looks very likely that that will now be copied in other regions as a base; Latin America is discussing that.

There is a push for a convention on corporate sustainability, and you will hear a very big push for that coming from business next week in the General Assembly. It will be backed by additional calls by industry at the UNEP Finance Initiative conference in October, and we are working with a Cambridge programme of sustainability leadership, and it is very likely that that process will also support the call for mandatory reporting for companies listed on the stock exchange, a big push by industry recognising we need a new line. That will be, I think, one of the big outcomes from Rio.

Q21 Zac Goldsmith: Based on where we are going and what has already happened in the run-up to this conference, what are the areas, do you think, where it is reasonable to attach most optimism? Where is the consensus likely to fall in terms of the areas you have already discussed?

Derek Osborn: Most optimism? I think there is a widespread feeling now that something can and must be done on the governance front that we have been talking about. There has been a lot of talk about this for several years. I think many countries, north and south, are feeling we have to get this together and make something happen this time, so that is good.

On the conceptualisation of the green economy, I am sure it will not be completed, but I think we shall make progress on getting some really good principles for what you mean by a green economy, what sort of things you should be pursuing. This is more uncertain, but with any luck the new machinery that is invented will be given a duty to pursue turning those principles into measurable outcomes over a future decade—say getting the green GDP out of the academic talking shop idea into something that can be used to measure and contrast countries' performance and other indicators of progress. Principles, targets for sustainable development, the list of measures, recognising that variety between different countries ought to be being pursued and some real ways of measuring progress so that people can be held to account and can compare one another, I think those will all be positive outcomes.

Felix Dodds: Let me give you a specific example, because the water community met in Stockholm and endorsed a call for a target for water to come out of Rio+20, and I am going to read it to you. This was

signed up by UN Water, which is all the UN agencies that deal with water, “By 2020, local, municipal and national governments and all stakeholders commit to achieve the following intermediary targets: 20% increase in total food supply chain efficiency, reducing losses and waste from field to fork; 20% increase in water efficiency in agriculture; 20% increase in water use efficiency and energy production; 20% increase in the quantity of water reused and 20% decrease in water pollution.” These are very focused targets that can help guide countries in their legislative process.

Q22 Zac Goldsmith: Last question, in that case. What do you think are the main risks that could contribute to failure of the summit? What are the things we have to watch out for?

Derek Osborn: The risks of all summit processes. We all know that enthusiasts like us—we recognise ourselves to be enthusiasts—talk up the agenda too much, and what is actually agreed between countries falls short and the media make a great deal of noise about the difference between aspiration and delivery. The way to guard against that is to make a good deal of what is also real, and I made the point earlier about all the other people who will be meeting around Rio, at Rio—all the local government people who will come together and try to re-launch and re-energise a version of Local Agenda 21, or a modern version of that, all the business people who will commit to doing new things, and all the parliamentarians, if I may mention them, who through the Globe Initiative are going to come together and try to push for parliamentary scrutiny in sustainable development more vigorously. It is a great thing not to have all the eggs in one basket. Even if the Governments do not come up with a frightfully exciting agreement, all these other people’s energies and commitments will be real too. I think it cannot fail; that is what I am talking about.

Felix Dodds: Yes, I think he is right. The point with Copenhagen was that it was a very focused target and it made it very clear—win or lose—as far as the media was concerned. Here, part of it is the ideas fest. The mood around this conference is about how we can address making the economy work for the issues that we care about. It has already brought a lot of enthusiasm and energy to it, which was not around in Johannesburg in 2002, but was around in 1992, and that for me will be the big thing.

Q23 Zac Goldsmith: Can I follow up with one question? I do not want to take up too much time. Without wanting to sound too superficial, do you not think there is going to be a need for something measurable and tangible from the point of view of the public, who otherwise might look at this with great expectation and emerge from it feeling totally demoralised? That seems to me the biggest risk of this, that people just give up. I do not want to ask you to reduce things down to tiny boxes that can be ticked, but something understandable and tangible surely should emerge from this, that people can understand.

Derek Osborn: Yes. You are absolutely right, of course. Perhaps I sound a little bit too vague, talking about the commitments of all the other bodies. As far

as Governments are concerned, I think the tangible things we should be trying to hold the Governments of the world to achieve at Rio are beefing up the international governance in the ways we have already discussed; setting new sustainable development targets that can get sustainable development right to the heart of the next iteration of the Millennium Development Goals, and should also include not just what the developing countries should be trying to achieve, but what the developed countries should be trying to achieve to be more sustainable; something on the principles that should be guiding the measures to be created in the green economy; and something on some accountability measures, both for Governments and for businesses, and for local government, for that matter, in how they are making progress. I think that is quite a doable package and it ought to be chunky enough to satisfy the great public and the media.

Felix Dodds: The governance debate is not just global, it is about what happens in countries, what happens at the regional government level and what happens at the local level, so this debate will be about the need for countries to create mechanisms at the national level to bring stakeholders together to implement and advise Government. It will be about regional government doing that as well. It is going to be a look at the best examples of what has happened before and hopefully something that will put in a framework to ensure there is a link all the way through the governance process.

Derek Osborn: If I may just add one point to that, what the first Rio achieved, and we very much hope this new one will do, is Governments getting the buzz, getting the mood and getting the expectation. Many Governments also came forward at Rio making unilateral commitments to do things in the world that would advance the cause. At Rio, the UK Government launched the Darwin Initiative, which did a lot to get our tremendous resources in the universities of expertise in the biodiversity field working in partnership with people around the world to protect biodiversity in other parts of the world. There was a similar initiative on technology transfer. We are pressing, and Stakeholder Forum, with a number of the other leading NGOs in this country, have recently written to the Prime Minister saying, “We do hope that as well as taking part in the international debate, you are crafting some significant—not enormous, but significant—UK initiative that will take its place in the whole festival of ideas.”

Felix Dodds: It was the UK Prime Minister who announced first they would go to Rio in 1992. The UK Prime Minister was the first leader to announce they were going to Johannesburg, and if you compare the activities to Germany, for example, who have just had a global civil society conference of 1,600, have a major forestry conference happening in October, have a huge conference on water, energy and food security nexus in November, and then in January have a conference on agriculture, all fitting in and showing leadership, what we would like to see is this Government doing the same.

Q24 Chair: How does that compare with our—

Felix Dodds: We are not doing anything.

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Chair: Do you want to comment, Mr Osborn?

Derek Osborn: Ground is being prepared, but I would say the UK Government looks a little more cautious on this front at the moment, so there is a bit of catching up to be done. There is still plenty of time for it if they are encouraged forward in the right way.

Q25 Chair: I am just going to bring in Mark Lazarowicz, but you just mentioned research—the research that came out of Rio originally—and the involvement of the universities. Is all that activity still ongoing, would you say?

Derek Osborn: Yes. There is a lot of activity on the environment certainly and on sustainable development more broadly in at least 10 universities in this country that are very leading in that field, sometimes stronger on the scientific side, sometimes stronger on the economic side. It has, I think, been very stimulating academically, because what it has tried to do in the university field is what is sometimes even more difficult in that field than it is in government; that is, to get interdisciplinary thinking and people working together from different academic backgrounds to really understand what is happening in the world and what needs to be done to make it work better.

Felix Dodds: I would add that the UK—not the Government, but the UK—will be hosting the largest gathering of scientists and academics here at the end of March next year called Planet Under Pressure; it is an interdisciplinary meeting of scientists around the world to input to Rio+20.

Chair: I think Mark Lazarowicz is just going to sweep up on some of the issues we were talking about, on the urgency of action.

Q26 Mark Lazarowicz: Yes. To follow up some of the points that Zac has been making, I can see the logic of saying that you do not want to try to achieve firm agreements at Rio+20 and that the emphasis is on frameworks, targets, principles and the rest of it, but is there not a danger that by setting a relatively low ambition at the start, you end up with statements of principle and frameworks that are themselves pretty vague? The success of the first Rio I suppose was partly because you had an agenda for action that was also supported by a lot of work in the grassroots of the countries, which provided pressure on governments, both local and central, to implement the things that were agreed at the conference. Is there not a danger that the ambition has been set too low and that the conference will happen and that will be the end of it?

Derek Osborn: I think it is different from the first Rio in that respect. The first Rio took place after about five years of intensive international effort, sparked off by the Brundtland Commission, on first putting the sustainable development concept on the map, and then reacting to the emerging threat of climate change and biodiversity, so that by the time we got there in 1992, there was a climate change convention to sign. It was the first legal document in that field. There was also a biodiversity convention to sign. We are not there this time. We have not had five years of preparation, we shall have had about two by the time we get there, so I think it is inevitable that, if the conference is a

success, it will not be signing off on a lot of things, but starting off some things that are meant to deliver later.

For example—the example that Felix gave—there is a considerable move around now among business, and some quite surprising business partners, to move forwards with Government towards the negotiating of a convention on corporate responsibility for sustainable development, something going beyond the conventional bottom line, and incorporating what is sometimes called the triple bottom line. Of course it will take a year or two to negotiate, but if it is launched at Rio in the right spirit, we can be confident that that will be delivered. They will be setting off on that path, meaning to have something a year or two later. I think this may be an occasion that does not so much sign off processes, but initiates quite a few chunky, decisive initiatives that will help to change the world in the future.

Felix Dodds: We would have to agree that the 2000 summit that agreed the Millennium Development Goals was not seen as a low but as a high point. This is the same thing. Sustainable Development Goals dealing with agriculture, biodiversity and urbanisation will set the parameters from the sustainable development world that will then become part of the new goals that are agreed in 2015. Instead of, as we were last time, catching up, because the Millennium Summit happened in 2000, Johannesburg happened in 2002, and we retrospectively added sanitation as a goal; this time, the world of sustainable development has a leadership role to ensure that any goals that are agreed in 2015 have as a major component part sustainability. That is our real achievement, because what happened after 2000 is development aid followed the goals. We need the money to focus down on delivering, whether it is the private sector or Government that needs to deliver those goals. I think this is a huge opportunity, and the opportunity of having a convention coming out was similar to what we had in Rio. We had the desertification convention, not negotiated for Rio, but started. We had the straddling fish stocks agreement started in Rio. Clearly, fisheries will be an important part of this agenda and fish stocks will be an important aspect of how we have a just transition in the context of that agenda.

Mark Lazarowicz: If we can—

Felix Dodds: We can go for a drink later if you want.

Q27 Mark Lazarowicz: If we are talking about starting out on the road on a number of areas, what areas are you talking about? As a possibility, you mentioned corporate responsibility; you mentioned water. What are your other main candidates for starting a process on?

Derek Osborn: Water, picking up on what Felix just started. On the oceans, we all know the problems of over-fishing and destruction of other resources and acidification and the loss of the coral, all the other bad things that are happening to the nation's oceans. There is quite a mood around setting a real process going on the blue economy, which means a green approach to managing the economy of all marine activities. That I think could be taken to the point of starting a real

negotiating process—a long haul, but worth doing. More and more countries are seeing the folly of the short-termism of destroying fishing stocks in one part of the world after another through over-consumption. On the green economy—you encourage me forward, and here I recognise we may be over-reaching ourselves—some people say when they first hear the Rio agenda, “Oh, for goodness sake, don’t you realise the world economy’s in trouble? We have all the recession, everything going downhill. We have to look just at how we keep things on track in a very short-termist way, how we repair the damage to the financial systems, how we get the banks operating better again.” But we say that the green economy, properly conceived, is in fact part of the answer, and that the underlying issues that are causing some aspects of the present crises are that we have more and more people in world and we have limited resources that are becoming shorter in various key sectors. We are going to have to learn to manage to live in the world as a whole in a way that is more economic and more efficient in the use of resources, not for soft environmental reasons but just as a matter of necessity. The green economy and putting a proper price on the consumption or destruction of natural resources and on the benefits of using things more efficiently is actually part of the answer to the big global crises of our times.

That, I agree, is an ambitious leap at the moment. Not all that many people are speaking in that way, but that is what the green economy is about. It is not just a little bit of greening at the margins of tax systems here or there. It is about transforming the world economy. If people can get that point and start it moving significantly in Rio and the follow-up, that is a tremendous achievement and that is worth putting a lot of effort into.

Q28 Zac Goldsmith: My last point. In the next session, we will be talking to the officials about the European communication document, which I am sure you have seen, which is in my mind a lot of good stuff, but it is a kind of motherhood and apple-pie wish-list of all kinds of things and all kinds of aspirations. Ideally, we want to see our Government go to Rio with a really clear agenda, and that probably means reducing the ambitions possibly or focusing the aspirations on two or three key goals. Am I correct in thinking that your advice would be that the focus should be the blue economy and absolute clarity around the Sustainable Development Goals? Are those the two things that you think we can emerge from this conference with that might have some clout?

Derek Osborn: Felix, you have first go at it.

Felix Dodds: I think the blue economy is part of the goal thing, so I think—

Zac Goldsmith: So it is part of the same thing?

Felix Dodds: I chaired recently the UN conference for NGOs for Rio, and the suggestion here is, “By 2030 to reverse the decline of fish stocks and create sustainable, diverse and abundant fish stocks supported by a healthy habitat.” Having those goals helps to frame the activities of stakeholders, helps to frame the activity of Governments and industry, and they will be very important. You want an energy goal,

so the European Union was very much a leader in wanting a renewable energy goal in Johannesburg. We need to bring that back on the table. We are saying that by 2030, at least 50% of the world’s energy supply should come from renewables, so your energy, your agriculture, your blue economy, your water are key goals that will help us frame a way. As Derek said, it is not so much a green economy, it is how we are transforming our economy, so transformation from where we are to live in a world that will have many more people with less access to water. I think it is a 40% reduction in water access in the next 20 to 25 years, from where we have it at the moment. We have a huge agenda; if this conference does not put us on the right path, it is going to be a very unpleasant period over the next 10 to 15 years.

Q29 Sheryll Murray: On the blue economy, we have the review of the Common Fisheries Policy coming, and one of the strands contained in that policy is the third-country partnership agreements. A lot of people believe that this goes completely against conservation. Do you think that we should be looking at making representations, before Rio, to the European Commission to try to change Europe’s view on these? Clearly, the two interlink and the timetable might not marry up. That is one thing that comes up for review every 10 years, so what are your thoughts on that?

Derek Osborn: I am a little bit unsighted on that and I am not sure I heard every aspect of that question, but getting European policy into a more sustainable direction is very high on my list of priorities. I spend a good deal of time in Brussels on exactly that subject as part of the European Economic and Social Committee, and there is an opportunity, because they are, as you say, rewriting the policy at the moment. Some aspects of the Commission communication are quite encouraging, but there are some nasty holes in it too.

Sheryll Murray: I am wondering in particular about the third-country partnership agreements that are in place.

Derek Osborn: Yes. This is one subject where I would like to add to Mr Goldsmith’s last question. I expect you are thinking we are all over the place and we have goals in every area, and how can it possibly get focused. Because we are trying to keep track of what people are pressing for from all over the world, it is a bit like that at the moment. But I entirely agree with Mr Goldsmith’s point that it does not mean every country has to concentrate on every point in the world, and the UK particularly ought to be looking for a few things that they can particularly make themselves the champions of because we have natural advantage and expertise and we are in a position to try to attract other people too. It does not mean we should ignore the other stuff, but it is where we should be trying to do some of the batting, and I think the oceans and the fisheries, reforming European policy, getting more global understanding of the issues would be a very good one for UK leadership. We have natural advantage there.

Felix Dodds: I would point out that Monaco is showing leadership here, because they will be hosting the Blue Economy Workshop at the end of November,

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so they as a country are showing how important they think these issues are.

Q30 Caroline Nokes: We have heard some interesting comments previously about the green economy. Given that there is such a wide range of economic models globally, do you think it is feasible for Rio to put forward a single ideal model of what a green economy should look like?

Derek Osborn: I do not think there can be a single model that says, “Everybody should have exactly this set of taxation policies, this set of regulatory policies, this set of promotional policies,” no; but that they should be thinking about the same issues within an agreed set of principles about what a green economy involves, yes, and they should be trying to agree a system for measuring progress. We have talked about, and you have studied in this Committee before, getting away from the tyranny of GDP as the measure of all things to some better measure of how we are making progress.

That is now ripe, I would say, after lots of good work by UNEP, OECD and others, for taking up by the central UN statistical bodies and actually pushing it through: we are going to start publishing around the world green accounts for everybody and green progress, and then at least we have a common yardstick. Even if different countries are approaching it in different ways, we shall be able to see, if that can be agreed, where progress is being made, and—I think we need to get a bit of this into it—where people are being particularly unsustainable in what they are doing, and get a little bit of peer-group pressure going against some of the more flagrant countries and practices that are exacerbating the world’s problems.

Felix Dodds: We are in a period of learning about what people are doing, so I think again this an exciting space. We are not trying to say there is one model fits all. It does not. What we want are the best examples from around the world about what they are doing, but guided by principles. We did a paper, which we submitted to the UN, which looked at the Rio declaration and the Stockholm declaration and brought out what we thought were the principles that relate to the economy for that, to give an idea of what a principles document might include. That would include economic equity and fairness, intergenerational equity, the precautionary approach, international co-operation, the right to development, internalisation of externalities, information, participation and accountability, sustainable consumption and production, just transition and redefining wellbeing. Having a set of principles that Governments could use and apply to their own economies, we think, would be the best way of approaching looking at how different economies in different states of growth are, and how they might develop in the future.

Q31 Caroline Nokes: Can I just go back to Mr Osborn on something? How important do you think it is that a green economy consciously addresses poverty reduction and inequality, or can it not achieve worthwhile goals by focusing on environmental and resource constraints?

Derek Osborn: It is absolutely critical that the green economy is not in fact pursued as just trying to adjust the economy to deal with environmental issues more satisfactorily without regard to the social impact. It is obvious when you go into the analyses that if, for example, you just clap on carbon taxes and push up energy prices without any regard to those effects, you make life pretty tough for the people at the bottom of the pile who have no easy choices as to what to do about their energy. You have to couple that particular example with the social policies that help people, particularly those who do not have access to capital, to manage their energy more efficiently—insulate their homes, make green transport choices and so on. That is what we mean by the “socially just” transition. Some things—the consumption of resources, natural resources, particularly the scarce ones—have to get more expensive so as to add the economic pressure to conserving them better, but that has to be coupled with some socially considerate measures to make sure that does not bear too heavily on the poor, or exacerbate differences in society.

Felix Dodds: You do not have time, but I will go into some of the Millennium Consumption Goals that the non-government organisations have put forward. I am happy to send you more details on that to see what is being suggested.

Q32 Sheryll Murray: There seems to be a range of opinions on the extent to which advances in and sharing technology more widely can lessen the challenge of sustainable development. What, if anything, do you think Rio can do on that front?

Derek Osborn: Technology transfer is a hardy perennial in these international debates and it proves elusive as something that you can reach agreement between Governments about, because they tend to go off and say, “Oh, well, intellectual property rights—we cannot force the transfer of technology.” Actually, technology does transfer one way or another most of the time, sometimes with delays, but I do not myself believe it is quite such a block as those who talk a lot about it sometimes claim. That is not to say nothing can be done and nothing should be done. Obviously, some of the technologies that are needed for the greener world need to be spread around as rapidly and as economically as possible. Fortunately, quite a lot of the technologies—in the energy field, for example—are not very high-tech. We are not talking about things where billions and billions have to go into cutting-edge research to create them in the first place. We are talking about mobilising finance to move fairly well-understood technologies around the world now. I think it is more a matter of finance than of technology.

Q33 Sheryll Murray: To what extent do we leave it to business operating in the traditional market economies to generate innovative technology? If international institutions get involved, is there not a risk of inefficiency—second-guessing technological developments?

Derek Osborn: Yes.

Felix Dodds: As you said on finance, the issue here is the incremental cost. We set up the global environmental facility just before Rio to pay for the

additional costs the developing countries had to pay to be able to have access to certain technologies. There are ways of helping that access to happen quicker and that is a financial need. There is a move, as some of you will know, to have an opportunity for pooling technology examples and let them, like the internet, be free for use where they have an opportunity. Maurice Strong in Beijing only a few days ago called for an earth bond—like the Amazon bond—where people could give to focus on delivering some of these kinds of things.

Q34 Peter Aldous: Advancing the sustainable development and the green economy agenda in many respects is a bottom-up movement, with localism playing the important role. Is there a danger that this role could be bypassed at Rio? What could Rio do to help that agenda?

Derek Osborn: If you go back to Rio 20 years ago, one of the exciting things that happened at Rio, and not very much through Government action, was that all sorts of people from around the world—local communities, local authorities and informal groupings—had the buzz and the idea. They came together at Rio and found they were all doing similar or related things around the world, and they passed resolutions between themselves about what more they would do and they got Local Agenda 21 going. It was a really exciting movement in 1992, which made quite a lot of difference in this country, and more in some other countries, in both making some real changes and engaging a lot of people at all levels, fairly small communities and bigger ones, in the process. The hope and the aspiration is that this new Rio can give a recharge of that energy. I think there is a very exciting opportunity for the UK—I tread a little bit delicately here because of course the new localism agenda is not without controversy in Parliament or in the country—shall we say, in giving the new localism agenda a bit more of the green economy substance, if we can capture some of the ideas from around the world that are being pursued successfully by local community and local government, bring them back here, integrate them with the new localism agenda and get something going that all sides can feel, “Yes, this is worth doing,” whatever the political debate around localism is.

Felix Dodds: I think that Derek is right in the context that, yes, we had Local Agenda 21 after Rio, and this time it should be about local green economy and what we can do. But Government plays an important role. HSBC, as I am sure you know, produced an excellent report that pointed out that, I think, 83% of the Korean recovery package was green, 34% of the Chinese recovery package was green, 20% of Germany’s recovery package was green and only 7% of the UK recovery package was green. That was a huge lost opportunity for refocusing the British economy into being a leader. We do not want to be a laggard, because with these technologies that are coming up, we are in danger of not being competitive in the new place, which is partly why Germany is playing such a critical role in leading for the summit, because their industries are going to gain from that leadership role.

Q35 Peter Aldous: In your submission, you speak of Rio mandating best business practice on sustainability reporting and accounting. Could you just outline that a little bit more? Is it your expectation that Rio might seek to get businesses to replace the profit objective with a sustainability objective? Is that a realistic goal, if that is the case?

Derek Osborn: Of course the profit objective can never be removed from businesses, otherwise they would go under, and that is how businesses thrive, but it is not impossible to have more than one objective. Most of us, most Governments, have many objectives, and businesses already have more than one objective. I think what we are trying to latch on to here is the responsible objective that they need for playing their part in their communities on the sustainability agenda. That may need some adjustment, either to what they are required to do in companies legislation or in the incentives that they are given through taxation systems, or a good deal through just the co-operative effort that the more progressive businesses are already engaged in—thinking, “We in businesses are not immune to the changes that are happening in the world. We want to be playing our part in moving sustainability forward.” They are seeking these things out for themselves, and I think encouraging and promoting that positive spirit is almost as important, perhaps as important, as changing the ground rules. It is a combination of changing the ground rules, the incentives and the motivation factors that I think we are looking for.

Felix Dodds: The other thing is it is a risk issue; you see companies like Coca-Cola and Pepsi now doing water footprint. Pepsi has now decided that water is a basic human right. We have SABMiller. They are all looking at water offset, so they are aware now that the weather patterns are going to affect what is available as far as water is concerned, so they are very much getting involved.

Q36 Peter Aldous: Are they doing that for genuine purposes or stunt purposes?

Felix Dodds: I think they are doing it for genuine things, and I think you will find that the World Business Council for Sustainable Development has produced a toolkit to allow companies to see what their water footprints are going to be in the future. It is on their website and the companies have found that very useful. Some companies will approach it by disinvesting from places. Coke and Pepsi and some of the others are playing a leadership role and investing in trying to support rainwater harvesting and other ways to ensure that they are not seen—as water becomes more scarce—as a problem.

Q37 Caroline Nokes: If the choice was yours, who would you prefer to send to Rio, the Prime Minister or the Chancellor of the Exchequer?

Felix Dodds: I think they are friends, so I think they should both go.

Caroline Nokes: We heard that this morning.

Felix Dodds: In my viewpoint, it is a heads of state thing, and the reason for that is that the heads of state are heads of Government, and they should be showing the leadership role in the context of making sure that

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their whole Cabinet is doing this. This conference happens every 10 or 20 years. It is an opportunity to educate the present leadership, and that comes from the top, so if the Prime Minister shows his commitment by going and announcing tomorrow, due to our conversation here, that he is going to go, then I think that shows the leadership.

There will be one very important announcement very shortly, possibly in September, by a very key G20 country, and it will, I think, be unfortunate that we were not the first. Again, the developing countries are showing the lead here and we are like, "Oh, do we have to go to a summit?" They see the challenges. They are at the place where these are impacting, and if we do not start to join in, it does look like a lack of leadership.

Derek Osborn: I see the Rio summit—I do not know how this rings in this room or wider now—as another occasion for the "Yes, we can" spirit to be sounding in the world. There is an awful lot of "Oh dear, we can't" around at the moment, and this ought to be the occasion for a new message of hope.

Q38 Caroline Nokes: In the spirit of "Yes, we can," what do you think the UK Government needs to do make Rio a success?

Felix Dodds: I think that it should take a leadership role in one of the areas where it feels that it can do that. There are a number of areas. It could do that in biodiversity, it has shown a leadership role there, and I know the Secretary of State has an interest in that. I think it could take it in the area of urbanisation. Cities will be a critical success or failure place for addressing sustainable development, and a number of the UK cities have shown leadership in the last 20 years in trying to make their cities more sustainable—I think that will be very important—and reduce their footprints. They could do it by helping ensure that developing countries have enough space to be able to discuss the critical issues. They could do it by supporting by civil society engagement.

What was again successful in the context of Rio originally was that it gave birth to so many opportunities for people to engage across the world in a way that perhaps we did not even realise was possible, and I think that if this summit is to be a success, it cannot just be a heads of Government summit, it has to be a people summit as well.

Derek Osborn: If I may just add to that, there is a sort of downside bit too and we have been pressing this both on our own Government and in Brussels. The tone that was a bit around in Rio 20 years ago was rather that, "Oh, well, we in Europe know about sustainable development and we are trying to project it to the rest of the world." That will not wash this time. It will have to be a meeting of equals, some of whom are making more progress on some issues and some on others. What we certainly need to do in Europe and in the UK is to make sure our own house is in order. I have no doubt at all that one of the things the countries will try to agree in Rio is that they should be refurbishing and refreshing their own national sustainable development strategies and pushing them forward. They should be looking at their structures for bringing ideas and advice to bear on

Government like the Sustainable Development Commission used to do. I have to say that we are not looking frightfully integrated on that front at the moment, with the sustainable development strategy. Are we still operating on the previous Government's one? Is there ever going to be another one? There is a question. We need to be able to face up to that. There is no commission any more, and I believe this Committee is playing some of the role that SDC was playing. The story of what we are doing within the UK to advance sustainable development in an across the board way needs to be freshened up a bit, I would suggest.

Felix Dodds: Perhaps, like Hungary, we should have an Ombudsman for future generations, so we are not just taking into consideration this generation and this short-termism.

Q39 Caroline Nokes: The Stakeholder Forum described the EU communication back in June as being slightly disappointing. Very briefly, can you just say why?

Derek Osborn: I expect you have all had the Commission's communication, have you? It covers the ground but not in a very exciting way, not in a very dynamic way. It does not show very much political leadership. It reads more like a report card on the various things that are going on in the Commission and in the European framework that bear on sustainable development. It does not look like a document that has used the prospect of Rio to create something new, so on the green economy, the ideas, it is coming out with its recent resource efficiency strategy and referring to the carbon trading scheme, neither of which are absolutely shining examples of successful policy-making in that area at the moment. I feel it has the agenda there, but it does not yet have the political dynamism, and that is what we look to the more political parts of Europe now to produce. The Council is engaged. We hope that Governments, including our own, are using the Commission document to now come up with some constructive new thinking on particular aspects, such as we have been discussing today.

The Parliament is just coming through with a much stronger resolution, which has been through the Environment Committee and is due to come to plenary fairly soon, on what they think might be made at Rio. I think Europe is in a rather similar position to the UK—just beginning to come up to speed, but in some danger of falling behind some of the other parts of the world that are a bit further ahead.

Q40 Caroline Nokes: You have used the term several times; is leadership what we are lacking at both a UK level and a European-level?

Felix Dodds: Yes, we are lacking leadership. I think that you have leadership in Germany, and France maybe, but in the context of Europe, compared to what we did in 2002 and 1992, I see no new ideas, no push forward. Indonesia hosts a Government meeting of 80 Governments and all the UN agencies. China has just hosted a meeting. Other people are putting it in, but it is coming from the developing countries. It is not coming from what we would expect. It is not

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bad that they are doing that, but we are not yet leading the way. We are kind of just going along.

Q41 Chair: In terms of injecting that wow factor into the preparations leading up to the summit, what could be done?

Derek Osborn: The field is wide open, that is what we are saying, so any UK, any European Government, including our own, that could get the buzz of what we are trying to communicate could play a very leading part now. Committing early to a top-level presence at Rio and then building initiatives around that, is an important part. We hope—no doubt you will be examining our Defra colleagues—that we are playing a constructive part in the negotiations of the Council opinion and the negotiating position that Europe will take. We hope that, increasingly, outside bodies, external bodies—your own, the media, the NGOs—are beginning to get their act together to start demanding a more exciting agenda, and no doubt Governments will react to that as they always do.

Felix Dodds: The advantage for parliamentarians is that you will have a GLOBE conference just before—I think it is in Rio—with the opportunity to look at what has been agreed and also start to develop legislative ideas that you can take back to the parliaments and show leadership from the parliaments about taking forward this stuff, not leave it to the Governments to do it themselves. Parliamentarians have been a missing part of the follow-up to Rio. They

were there in Rio, and what they need to do is start to take a leadership role in the process up to this summit, but then more importantly in taking the ideas from the summit and taking them back into parliaments and making them happen.

Q42 Chair: Given that parliaments, or indeed, Governments can only do that for which they have the support of people, what could be done to inject a sense among people across the country that this is a summit that really has great importance attached to it? Do you see a role for arts, for music, for creativity?

Felix Dodds: Yes, yes, yes. In the context of that, there is a global process; Earth Day, which is a global thing, is going for a billion pledges for Rio. We are at the moment working with UN volunteers to develop a website for personal pledges that can then be quantified and used as a run-up to the MDG summit in 2015, so we can do yearly reviews of what people have made as a contribution to their delivering of a green economy. Maybe the UK should lead on jobs. It is not a bad thing to lead on. What is the jobs agenda around this? Because there is a jobs agenda around this.

Chair: Really you are saying perhaps an Earth spring, and maybe in view of the announcement today on jobs and unemployment an opportunity for job creation?

Felix Dodds: Yes.

Chair: Fine. There we must leave it. Thank you both so much for coming along this afternoon.

Examination of Witnesses

Witnesses: **Peter Unwin**, Director General, Environment and Rural Group, Department for Environment, Food and Rural Affairs, and **Chris Whaley**, Head of European and International Co-ordination Division, Department for Environment, Food and Rural Affairs, gave evidence.

Q43 Chair: Mr Unwin and Mr Whaley, I think you have been in the room for the bulk of the session that we have just had, so we can move straight on to the second part of our inquiry this afternoon. Thank you both very much indeed for coming along, and also for the memorandum that you have submitted to the Committee. We are expecting votes, so we may have one eye on the clock as we go through this.

In view of the exchange that we have just had with our previous witnesses, I think the Committee would like to hear from you just what the Government wants to see come out of Rio, and perhaps on the other side, what would not be a very good outcome from Rio.

Peter Unwin: I would agree with a lot of what Derek Osborn and Felix Dodds were saying. As will not surprise you, I would not agree with everything they were saying at the end. Looking first of all at the context Rio+20 comes in, obviously it is a very different context from the original Rio conference in 1992. The world is emerging from a major recession and shock to the financial system. Growth is essential for all countries, both developed and developing, but we are faced still with significant environmental challenges. There has been much progress since the original Rio, but there is a lot left, in particular, emerging challenges on scarcity of natural resources,

problems around water, food security, agriculture—issues you have just been talking about.

In that sense, we have two choices as a world. If the growth is not green growth, it is not going to last because we are going to come crashing up against that resource crisis that faces us. That is why we see green growth as the only option, and we see it as very important that Rio+20 helps the world to get on a path towards that green growth.

What does that mean we want out of the conference? The first thing to say is that everything we are going to get out of it has to be negotiated with 200 countries, so we have to put that in context, but broadly we want to see concrete deliverable outcomes that are going to drive the world towards green growth as opposed to non-green growth. What we do not want to see—I am sure we will see some of it—is a lot of text that does not lead to action.

Q44 Chair: In terms of the way the Government takes forward its position, are you intending to publish the UK's position ahead of Rio, and if so, when will that be? Or is it a question of wait and see—see how it goes and keep your cards very close to your chest?

Peter Unwin: We want to work with lots of people, so we are certainly not keeping our cards close to our chest, and we are very grateful for the opportunity for

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this discussion with you this afternoon. We are working of course as part of the European Union, and the EU will be developing its position to put into the process by about the end of October, and we will be at the centre of shaping that. Whether we will put in a separate UK contribution as a formal contribution to the conference is something we still need to decide.

Q45 Chair: How will that be decided?

Peter Unwin: Ministers will decide. For example, there is a lot we are doing in the UK as a country that we could showcase and put out there on the table just to exchange ideas with others, because as you were saying in your previous session, a lot of the Rio+20 process will be about Governments, businesses and civil society learning from each other and learning how we can all tackle this problem of green growth together. We think we have a lot to show on that in the UK. We may want to put something out on that. The decision will be taken partly in the light of—if we achieved everything we absolutely wanted in the EU submission, then obviously we are less likely to put something out there.

Q46 Peter Aldous: Shouldn't we, with aspirations to be the greenest Government ever, be taking the lead rather than waiting for the EU to come up with plans?

Peter Unwin: We are very much taking the lead within the EU, and Caroline Spelman is certainly one of the most active members—if not the most active member—of the Environment Council working on this at the moment, working very closely with Commissioner Potočník. She is taking a lead; she has been out to Brazil already to discuss this with not just the Brazilian Environment Ministry but the Foreign Ministry as well, who are crucial in running this conference. She will be going out to the conference that India are holding next month to discuss it, as well as taking part in the EU process. She is taking a lead internationally, as well as being part of the EU. This is in no sense being subservient to the EU, but experience shows that if we go in with an EU position that we have helped to shape and are happy with, that position is going to get further off the starting blocks than a single-country proposition.

Q47 Sheryll Murray: Is there any reason why we should not, as a matter of course, put in our own submission as well as contributing to the EU?

Peter Unwin: Legally, under the European Treaty, we have a duty of co-operation with Member States to work towards a common position and then within that common position stay within that common position, but if we wish to add to it, yes, we could. Of course we could add to it, yes.

Q48 Sheryll Murray: So we could do that as a matter of course?

Peter Unwin: Yes.

Q49 Mark Lazarowicz: This is in no sense—I say this to my Conservative colleagues—a criticism of Caroline Spelman, and I think it is obviously a difficult position for a Government that has been in power for one year after one that was in power, as

the Labour one was, for 13 years. You do not get the impression that the UK's ability to exert leadership is the same as it was, say, in the run-up to the Gleneagles Conference, the G8 or even up to Copenhagen. The role, therefore, of the UK in getting the EU to do something is really, really important, it seems to me. What other EU countries are likely to respond to leadership initiatives from the UK? We have heard the important one about Germany. Angela Merkel seems to have quite a lot on her plate today, to put it mildly. Where is this leadership going to come from? The British Government, with a change of government, is in a different position from one which had been in power for 13 years and so on.

Peter Unwin: I would not entirely agree with that. I give you the example of Caroline Spelman at Nagoya, who I think, by common consent, was one of the leading Secretaries of State there, as indeed, as you say, Ministers under previous Governments have led in many environmental and sustainable development conferences going right back to the original Rio conference. I do not think being a relatively new Government—although 18 months is no longer relatively new—is necessarily a disadvantage in that. What countries can we work with? We work with all the European countries, but obviously the key ones at the moment are Germany, France—absolutely key—Poland, with the presidency, absolutely key, and that is why we will be going to the meeting they will be holding in Poland shortly on this. We will work with anybody who wants to work with us, but those are the big countries.

Q50 Mark Lazarowicz: It is not a reflection on Caroline Spelman; between the Labour Government and now the world situation has changed. Just how can that sort of sense of movement be generated in a way that we do not quite yet see happening in the same way as we did?

Peter Unwin: I think you are absolutely right, the world has changed a lot, and if you go back to the original Rio conference in 1992, after the euphoria of the end of the Cold War, there was huge recognition of emerging environmental issues and the atmosphere was very different. Now it is very much more that emerging from economic and financial crisis and growth is at the top of everybody's agenda. That will shape our approach and will shape the sort of conference it is. If we and others, in particular the Brazilians, and the UN who are working on this, can shape the conference in a way that is attractive and excites not just politicians but also businesses and civil society generally, we are going to have a much better outcome than if we cannot. That is the sort of leadership we want to show, and that is why, not just with other Governments but, for example, in the UK, we are arranging sessions with both business and civil society to talk about this. We have invited the Brazilian Minister here next month on the way back from the conference in India. We have yet to secure that, but if we do, we want to build events around her presence here with industry, with NGOs, basically to get ideas on the table and to excite the same sort of enthusiasm you saw from Felix Dodds and Derek Osborn.

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Q51 Chair: In view of what was just said in the previous session, that the EU document lacks a little bit dynamism and there is not that sense of a great deal of interest and public interest in this agenda, what will you be doing and what will the Government be doing to raise public awareness as well as the immediate stakeholders?

Peter Unwin: I think the EU document covers the ground fairly well. It is a document by the Commission, so what is important now is what comes out from the Council. That is what Ministers will be feeding into, and that is being negotiated in Brussels next month. How do we engender public interest in this? It is a very good question. We are in the market for ideas. We have to take account of the fact that it is a very different world we are in from 1992, and therefore the same process is not automatically going to follow. Getting the NGOs and groups like the Stakeholder Forum, who we are talking to, involved and using them to get out to people I think is important, as is talking to local government about it, which we will be doing, and talking to as many groups of society as we can to bring them in and to see the relevance of this, which is why we need to put it in the green growth context, because growth and economic recovery is what everybody sees as essential at the moment.

Q52 Zac Goldsmith: On the same point, I should be interested to hear your take on the communication document produced by the European Commission, ideally identifying areas where you think it is strong, where it strikes the right tone, areas where you think it is weak and also to know whether or not it fully encompasses all the interests that we have taken to the discussions. Is there anything missing in your view, or from the Defra point of view?

Peter Unwin: It sets out a reasonable analysis of the position: a lot of progress since Rio, but a huge amount still to do and some really major challenges, and particularly the emergence of the resource scarcity and the reduction in natural capital. You will see from our *Natural Environment White Paper* in December that we see that as a really key issue, so we would agree very much with them on that point. I think the views they set out on the green economy are similar to ours. We published our own document on that back in August, I think, and there is quite a bit of crossover between the two. The sort of actions they are proposing are—if we can get them through—the sort of concrete actions that I was talking about that we want to see, and I think—

Q53 Zac Goldsmith: Could you be more specific on that, on the concrete actions? I mean, realistically.

Peter Unwin: Realistically, some of the things we—not just the EU but actually the G20—have been pushing for are the removal of subsidies that harm the environment, the introduction of pricing that is going to reflect externalities and the liberalisation of trade markets to environmental services. Those are examples of the sort of concrete things we would like to see on the table.

Q54 Zac Goldsmith: Do you share as well the comments made earlier by the previous panellists on the importance of focusing on developing robust and clear Sustainable Development Goals as a replacement for the Millennium Goals? Is that something that the European Union has specifically written it is likely to—

Peter Unwin: I did not hear that part of the previous question, but that is an idea that is interesting. Chris and a colleague were at an informal meeting in Brazil last month where the Colombian delegation put this idea forward, and we think that is an interesting idea. I think if it could be shaped properly, it could be a very interesting and useful thing to look at.

Zac Goldsmith: Can I just continue this point? I know I was meant to come in later on that point, but—

Chair: We will have to decide at some stage whether if we have a vote at 3.30 pm, we are going to come back afterwards, but on the basis that we will come back afterwards, please go ahead.

Q55 Zac Goldsmith: Okay, I am going to make this the last point. What worries me is that if people are beginning to settle on this idea of replacing the Millennium Development Goals with the Sustainable Development Goals, which makes sense, it seems so late in the day for countries to still be considering whether or not that is a good idea, and if they decide it is a good idea and they are going to focus on it, there is so little time between now and the conference that it is hard to imagine that any really sensible goals will be properly developed, let alone agreed upon. There just does not seem to be a huge sense of urgency.

Peter Unwin: I will let Chris come in on this, because he was at the meeting in Brazil, but first of all, I do not think they are replacing the Millennium Development Goals. They would be—

Zac Goldsmith: They would be an extension.

Peter Unwin: Yes, an extension. I agree, the timetable is challenging. It is good that ideas like this have come from Colombia, because as I think you were discussing with Derek and Felix, there is always a difficulty in these situations that the developed countries seem to be putting their agenda on the table and it makes consensus harder. My experience of international negotiations is that it is often the ideas that come on the table from developing countries that have the best chance of flying, and therefore often the smartest thing to do is to encourage those ideas out, and Sustainable Development Goals is an interesting one to look at. You are right that the timetable is challenging, and that is part of the UN process that has brought us to where we are, but time is now very tight and we see that. We share that sense of urgency.

Chris Whaley: Yes. As Peter was saying, this was proposed by Colombia with the support of Guatemala at a meeting. They were the only two countries who were signing up on the spot there. I think there is time. The submissions to the UN system have to be in by 1 November, and then there will be a document that comes out for negotiation in January, so provided the Sustainable Development Goals are logged in that, it is part of the negotiating text.

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Q56 Zac Goldsmith: Do you think they will be logged in the European document? It does not currently include them, so do you believe that the existing communication document will be updated to include some of these more tangible goals?

Chris Whaley: The place where it would appear would be in Council conclusions. Essentially the sustainable development goals were developed further between the communication coming out and Environment Council conclusions on 10 October, so that would be the place to look for them.

Q57 Sheryll Murray: Just very quickly, and a brief answer will suffice, we have the communication document. It is going to the Council. Is co-decision in place with the European Parliament, and how will that decision take place? Is it qualified majority or do other Member States hold the veto on whether that document is adopted or not?

Peter Unwin: Chris will correct me if I am wrong, but Council conclusions are adopted by consensus and are not subject to co-decision.

Sheryll Murray: So anything we put forward could be weakened by other Member States?

Peter Unwin: The Environment Council conclusions will be a distillation of what Member States want and what the Commission put forward. It will not be the document itself at the Commission. It would be much more condensed, probably fairly high-level, making a smaller number of points.

Q58 Sheryll Murray: Does this go to the European Parliament? Do they have an input in any way?

Peter Unwin: This is a guiding document that will lead negotiations. On the point about urgency and when proposals come out, sometimes, if you go back to the Kyoto conference, for example, with the clean development mechanism, which was a way of getting the technology transfer you were talking about in your previous session, it has worked quite well. It came in a week before the conference as an idea developed in private between Brazil and America, and sometimes those things can sort of overtake. I would not recommend it as a way of doing things, but it is never too late for good ideas to come through.

Chair: Sheryll Murray, you were going to come in on Government action as well. Could you bring that forward, just in case we are caught by the bell?

Q59 Sheryll Murray: Yes, okay. Your note to us mentions the Interdepartmental Steering Group. Can you give us a feel for its emerging thinking?

Peter Unwin: I will ask Chris to come in on that. It is an Interdepartmental Steering Group involving ourselves, DECC, BIS, Treasury, Foreign Office and DFID, who are the key departments involved, run at director level. It has met twice so far.

Chris Whaley: It also includes the Cabinet Office and UKTI. It is doing a broad look at what the UK's position should be and it is focusing on four particular elements. One is an international green growth narrative: in a high-level statement about the green economy, what would the UK want to say about green growth, and the underpinning role of natural resources? Second, are there some specific

measures—Peter mentioned environmentally harmful subsidies, fossil fuels—where the UK might want to propose action? Third, are there sectors of the economy—environmentally sustainable agriculture, forestry, oceans and marine—where initiatives could be launched which the UK could lead or support? Fourthly, what should be the UK's position on institutional reform?

Q60 Sheryll Murray: If you could just expand very briefly, how is Rio being considered at Cabinet level, and when we will see the results of the work under way, and what assistance is the UK giving the UN on Rio in terms of research, material, staff support and funding? How does it compare with other countries' contributions?

Peter Unwin: We have consideration across Government and we have the official committee. Obviously in the normal way we will write round with proposals for what we would agree to in Council conclusions, and as we move forward, that will be cleared through the normal Cabinet Committee system, which will have Cabinet clearances. I am happy to talk to you about how you might hear about it and be involved. We have sent you this communication and we are happy to keep you involved and informed as we go through the process, and talk to you about it. On financial assistance, yes, we are contributing. Brazil are paying a large amount as a host. We are putting into the conference about 6% of the amount that is left, which is our share under the UN scale.

Q61 Caroline Nokes: Would it be fair to conclude that the document *Transition to a Green Economy* is really only proposing a greening of the existing economic model rather than anything radically or fundamentally different?

Peter Unwin: I would not say it was anything radical. I say that you can make radical changes to the existing model, and this goes to the point of how radical do we want to be, both domestically and at Rio? I said earlier, whatever is agreed has to be agreed by 200 countries. Also, it has to then be implemented, and I think some of the proposals put forward that might be seen as a fundamental change of the economic model are not going to get agreed, and if they were agreed, they would not be followed up. But that is not to say we do not want radical action. We want fast action where we can have fast action easily, such as on resource efficiency, where we have estimated that in the UK, business could save £23 billion simply by being more resource-efficient, and that we want to see in the UK. We would like to see that spread across the world. There are other things like removing environmentally harmful subsidies. That is a direction we want to go on, but all of these things, as you well know, need to be considered in the context of the social and other impacts that introducing them will have, and therefore one needs to bring them in in a transitional way over time. We have radical goals, but we need realistic ways of getting to those goals.

Q62 Caroline Nokes: A number of the people who have submitted evidence to us previously have

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highlighted the importance of a green economy advancing social fairness and equality. Has the Government looked at the riots that happened last month and considered working on equality within our economic structure and the green aspect of that?

Peter Unwin: The answer is broadly yes, that is the sort of thing we are looking at. I do not want to prejudge what Ministers might say about it, but we are actively looking at that issue.

Q63 Chair: How does the Government do that in a cross-cutting way involving Defra?

Peter Unwin: As you can imagine, the riots have been discussed a considerable number of times both at Cabinet and in other Cabinet Committees, so there is work going on across Government on that, which we are involved in. There is a broader interesting point about fairness, poverty and green growth, because developing countries often see green growth as an attempt to prevent them having the growth they need to deal with poverty. If you look at a country like India, if you look at the poorest people, the poorest people depend hugely on ecosystem services they get for free, and therefore growth in India that was not green would be more harmful to the poorest part of the population than to anybody else. That is very much a point internationally. I think the same goes in the UK domestically: environmental unsustainability often hurts the poorest part of society most.

Q64 Chair: Moving on finally to international governance, I do not think you were here at the first part of the previous session when we referred to the possibility of a United Nations council for sustainable development, and we just wondered about the Government's view on that. Is there a need for such an institution? Is there a need for change? What change might that entail?

Peter Unwin: I have seen that idea in the Stakeholder Forum's proposals. There are a lot of interesting ideas in that document, and we will look at them. On institutional reform, the EU position first of all is that they would like to see UNEP strengthened by turning it into a specialised agency. We certainly see the need for strengthening UNEP, but we see the need for looking at the system across the piece. In the UN system, institutions have grown hugely in this field since Rio; we have a huge number of environmental treaties and agreements. We have a lot of UN bodies with environmental mandates. We have a general line that we do not wish to see new bodies, or certainly a net increase in bodies, but we want to strengthen the machinery we have. I have to say it is a huge challenge.

Q65 Chair: So that would rule out a commission, would it?

Peter Unwin: I am not saying it absolutely rules it out. Certainly I think we would not be in favour of a new council coming in on top of the existing Commission for Sustainable Development and ECOSOC.

Chair: Presumably you have to do it on the one in, one out rule, so you have to have some way of getting out of the UN one to take it out.

Peter Unwin: But the Rio conference set up the Commission on Sustainable Development. What the Stakeholder Forum are now saying is the CSD has not worked, and I would not disagree with them on that. I am not sure the answer is simply to create another one. We need to think, why hasn't the Commission on Sustainable Development worked?

Q66 Chair: Is there any detailed analysis going on as to what form such a commission could take? We have a bit of a record in this country of institutional frameworks—that kind of international architecture we are trying to set up. Are we looking at how we could advise on that?

Peter Unwin: We have been looking a lot at the international institutional framework, yes.

Chris Whaley: In particular, looking at what a set of principles might be that would drive institutional reform. On new institutions, the issues are clear, but it is extraordinarily complex. If we just take food security, there are about a dozen UN agencies working on food security. If there was a council on sustainable development, what would its relationship be to the FAO, for example, or to UNDP on food security? It is the co-ordination, the coherence in the way in which bodies work together, rather than the addition of new bodies.

Q67 Chair: But does that not really reflect the problems that we have at a national level, this silo thinking? In just about every session this Committee holds, it is about how we can get the cross-cutting agenda to work so you do not get these individual bodies working outside the bigger picture. Surely this summit is an opportunity for us to try and get a cross-cutting agenda internationally, isn't it?

Chris Whaley: Agreed. The question is whether that is best done through a new institution or better co-ordination and coherence through intergovernmental processes.

Q68 Chair: The detailed analysis to look at that is going on within your Department?

Chris Whaley: It is being done in conjunction with the Cabinet Office and other Government Departments with an interest.

Q69 Chair: Almost finally, do you think that there are any presentational dangers in spending too long thinking about this in the abstract rather than looking at the actual work that needs to be done on the ground? I suppose behind the question is, how do you link up the vision with actually getting the work done on the ground? The first Rio summit was a very good example of that with Agenda 21 and so on and so forth, but we hear today that there are decisions being made about growth and we do not know to what extent that is going to be green growth. How do you link these two things up?

Peter Unwin: You are right in the sense that the challenge, as we said at the outset, is linking the Rio process to real action that is going to follow from it, and in that we were certainly, as you say, successful at the original Rio conference. I would say it was less successful, with some successes, at the Rio+10

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conference, and our challenge is to make Rio+20 more like the original Rio than Rio+10, possibly.

Q70 Chair: When are we likely to have an announcement from No. 10 that the Prime Minister will be going?

Peter Unwin: Felix Dodds had a letter from the Prime Minister, which I do not know whether he told you about, when he wrote to the Prime Minister on this, and the Prime Minister has made it clear that Caroline

Spelman is leading preparations. Decisions on ministerial attendance will be made in due course, but I am sure he is hearing what people are saying.

Chair: I cannot see anybody else wishing to get in, so I thank both of you very much indeed for coming along this afternoon. I am sure this is an agenda we shall want to be working very closely with Defra on. Thank you very much indeed.

Peter Unwin: Thank you.

Written evidence

Written evidence submitted by the International Institute for Environment and Development

A. INTRODUCTION AND SUMMARY

A.1 The International Institute for Environment and Development (IIED) is a policy research organisation which focuses on sustainable development challenges and solutions, particularly in low and middle income countries in Africa, Asia and Latin America. By forging alliances with individuals and organisations ranging from urban slum dwellers to global institutions, IIED ensures that national and international policy reflects the agendas of marginalised people (see www.iied.org).

A.2 IIED hosts the Green Economy Coalition (GEC) which is an international alliance of organisations which share the view that our economy is failing to deliver either environmental sustainability or social equity. In short, our economic system is failing people and the planet. The shared vision is of a resilient economy that provides a better quality of life for all within the ecological limits of the planet. The Coalition's mission is to accelerate the transition to a new green economy (see www.greeneconomycoalition.org).

SUMMARY

- A strong negotiated outcome to the Summit looks unlikely—but the focus on green economy in the context of poverty eradication plus sustainable development governance is highly appropriate.
- There is much that the UK and others can achieve through focusing in three areas:
 - showcasing highly effective initiatives and policies which can be replicated and scaled up to achieve major impact;
 - supporting “coalitions of the willing” in areas such as job creation, wealth accounting and valuation of ecosystem services, and government procurement policy and practice; and
 - debating and progressing principles and tools for future global collaboration—notably the framework to come into effect when most of the Millennium Development Goals reach their target date in 2015.
- The institutional framework for a green economy requires real change—for the UK as much as for other countries. Priorities for attention include:
 - Move beyond GDP as the main means to define progress in development and the way we measure it.
 - Bring environment into national budgets and policy frameworks.
 - Make changes in decision-making structures—recognising that powerful actors benefit from the status quo while our current economic models don't adequately benefit the vast majority.
 - Empower unrecognised actors who already play key roles in “greening” economies and can do more if supported effectively.
 - “Tilt the playing field” to encourage sustainable practices by businesses, governments and consumers.
 - Make changes in environmental management and accounting to enable better management and use of environmental assets.

1. *Issues which should be urgently addressed at Rio and issues that should be avoided*

1.1 We are currently losing the battle for sustainable development. The incremental changes in economic policy and governance that we have been able to bring about are not keeping pace with the more negative trends that persist, notably in the fields of environment, climate and energy and also in resource scarcity and inequality in access to water, food and fuel both between and within countries. While 20 years ago at the first Rio Summit major progress was achieved in establishing new conventions and shared understanding of common goals and imperatives, the prognosis for Rio 2012 is bleak: the failure of the climate change COP15 in Copenhagen, and lack of momentum in other global negotiations has led to a decline in interest in global environmental issues at the senior political and policy level.

1.2 A core of major powers has little interest in locking themselves into domestic policy obligations on environmental issues through international commitments and routinely resists strong consensus agreement in UN fora. The UN secretariat has limited capacity to provide intellectual leadership on the issues on the agenda and the UN has adopted a markedly low-key approach to the Summit preparations (eg only providing eight days of inter-governmental negotiating time, in comparison with UNCED in 1992, for which approximately 50 days were scheduled). Many have looked to the Brazilian hosts (both the government and civil society organisations) to articulate a high level of ambition for the Summit but this has yet to emerge and time is short.

1.3 Given the above, while the issues on the agenda for Rio +20 are hugely important and timely, any progress in agreeing common commitments and frameworks for action is likely to be small in scale and of little significance in relation to the current challenges and future trends the world faces. However, this doesn't mean that Rio 2012 is not an important event with potential to have major positive impacts on future policy and practice around the world. Although the Chinese, Indian and US governments (and others) can be expected to block agreement to major new commitments, all recognise the need to shift energy use away from fossil fuels; to invest in low-carbon technologies and jobs; and to plan for a future in which key resources become even scarcer. For many poorer countries, the impacts of climate change and resource scarcity are placing immediate pressures on society and economy—and solutions that can work within each country are urgently needed, together with support from the wider world. A high profile global event on green economy and sustainable development governance can have a major impact in sharing lessons from good practice (and cutting out bad practice); in allowing “coalitions of the willing” to form without being held back by others; and in enabling high level dialogue and agreement on the principles and tools needed.

1.4 The UK Government should actively promote three linked approaches in the Rio +20 process

1.4.1 Sharing of good practice. This might include:

- (a) Lessons on increasing energy access for poor and marginalised communities.
- (b) Lessons on spatial planning and urban development—including direct engagement of alliances of urban poor people plus development agencies (see for example IIED and UNFPA work on urban density: <http://www.urbandensity.org/>).
- (c) Identification of appropriate technologies which have significant energy savings, are readily transferrable and have potential to operate at scale (see for example work led by Development Alternatives in India on the Vertical Shaft Brick Kiln—<http://www.iges.or.jp/en/cdm/pdf/india/04/10.pdf>).

1.4.2 Development of “coalitions of the willing” on key issues. For example:

- (a) Build on work of the cross-agency WAVES partnership (Wealth Accounting and the Valuation of Ecosystem Services) led by the World Bank to explore willingness of countries, inter-governmental agencies, regional and city authorities plus non-state actors to adopt better measures of economic value in their decisions and operations.
- (b) Join with other countries willing to commit to supporting creation of significant numbers of green and fair jobs through use of policy incentives, regulation and investment.
- (c) Join with other countries willing to use government procurement as a lever to shift market practice through guaranteeing use of sustainable and ethically produced products wherever possible.

1.4.3 Elaboration of principles and tools to underpin global collaboration in a rapidly changing world. Major issues the UK could lead on or contribute to include:

- (a) *Assessing the future role of development aid and climate finance.* Over the coming decade climate finance channelled from high income to middle and low income countries will dwarf official aid flows, but the links between the two are still very unclear. Climate-resilient poverty reduction will not be cheap: making the MDGs in Africa resilient to climate change over the next decade was recently estimated to be 40% more expensive than in a non-climate change affected scenario. The UK Government has strong credibility in this context, both through continued growth in our aid budget and through leadership on international climate change policy and knowledge generation. HMG (and particularly DFID and DECC) plus the multi-agency Poverty Environment Partnership (in which DFID plays a leading role) should use the Summit to engage in dialogue with developing countries to explore how climate finance can take on board lessons from aid effectiveness about the need to align with, and support, national development and policy.
- (b) *Supporting better REDD strategies.* There's been a strong global push to create the means to pay for avoided deforestation but with insufficient attention to the complex systems governing rights to forest resources. This poses a significant hurdle to strategies for reducing emissions from deforestation and forest degradation (REDD). Dialogue involving key countries and relevant non-governmental actors in the Rio context could lead to significant improvements in practice in the management, channelling and use of REDD funding—particularly through better recognition of the need for effective and accountable national governance to deliver clear and fair benefits for forest-dependent people in country as well as current and future contributions to global emission reductions.
- (c) *Relaunch the concept of global sustainability*—focusing on responsible and equitable economic models and sustainable prosperity. As a result of high level political engagement in climate change policy, the sustainability concept is now much more anchored in future economic and resource development. If climate change is the problem, sustainable development is the solution. While future climate change accords are clearly necessary, it is new economic and governance goals and structures—a “green economy”—that will drive sustainable development. There is some momentum

behind efforts to start setting the framework for international co-operation in Rio next year that will succeed the 2015 Millennium Development Goals (see for example the work of the UN High Level Panel on Global Sustainability). The UK could play a key role arguing the need for this framework and helping to establish credible and ambitious effort to put this framework in place over the next four to five years.

2. *The extent to which greening the economy can help eradicate poverty*

2.1 The current dominant economic model will increase extremes of poverty and disparity between rich and poor if it is allowed to continue unchecked: attempts to shift our economies to a more sustainable and fairer footing are of fundamental importance if to efforts tackle poverty, now and in the future, are to have any chance of success. The last few years have seen a combination of crises that threaten our ability to spread prosperity and sustain our planet. Climate change, environmental degradation, unemployment, poverty, insecurity and inequality seem to feed off one another. At their roots are prevailing “extractive” economic models, and governance systems that are not capable of shaping a world that respects nature’s potentials and limits.

2.2 It is now considered inevitable that climate change, a by-product of unsustainable growth, will threaten the lives and livelihoods of many, especially poor people. As a result, previous gains in development are being reversed—leading to a loss of 5–20% World Gross Product by 2050, with 55–90 million more people living in extreme poverty and 100 million more suffering hunger. Real “tipping points” are looming in environmental, social and economic systems, but our governance and financial systems cannot cope with such linked changes. While we are currently aware of the climate change boundary, others are looming closer unrecognised. The Millennium Ecosystem Assessment of 2005 revealed how the environmental foundations of development are threatened. It calculated that 60% of ecosystems are now degraded with, for example, 75% of marine fisheries fully or over-exploited, and a freshwater crisis imminent. In 2009 an authoritative paper in *Nature* identified the world as having exceeded three of nine interconnected “planetary boundaries”.

2.3 What is true for the environment is true for many development issues. The Millennium Development Goals stand out not only because they were adopted by Heads of State at the Millennium Summit but because they are realistic and eminently implementable. No insurmountable financial, institutional, cultural or diplomatic obstacle stands in the way of smooth progress towards their realisation. But with the target dates growing closer, it appears that very few goals will be met.

2.4 *Why, then, take the current wave of interest in “green economies” seriously?* There are several good reasons to do so now, despite the limited impact in the past:

- 2.4.1 First, the dominant global economic paradigm—variously called the Washington Consensus or neo-liberalism—collapsed with the economic crisis of September 2008, provoking the deepest global economic downturn since the Great Depression. Despite prominent efforts to put the economy back on its feet on the same basis as before, many also believe that the crisis is an opportunity to amend economic organisation.
- 2.4.2 Second, the economic collapse coincides with the growing fear of irreversible environmental crises, and realisation that returning to environmentally destructive forms of growth would only precipitate these crises and undermine the economic foundations of recovery. Fear of climate change is the most visible of these, but it is likely that influential people will begin to take seriously the evidence that other crises are imminent. Most of the recovery packages claim—at least in name—various shades of green.
- 2.4.3 Third, if a new economy is to be designed with the imperative of controlling climate change as an integral motivation, then attention shifts to imagining what that economy might look like and how we might get there. The emerging scenarios are attractive—most proposals emphasising “low-carbon” models, ambitiously reframing our approaches to generating and using energy, and promising a range of new green jobs, industries and business opportunities, especially for the first movers. The imperative stems from observing the jobless growth, the breakdown of social institutions and the rapid degradation of natural resources and ecosystems that appeared to be an inevitable companion of the form of growth followed by the neo-liberal agenda
- 2.4.4 Finally, there are also recent calls to shift economic goals towards resilience as opposed to growth. Some of them also point, if obliquely, to (a) social justice and equity, and (b) investing in good management of the environmental asset base—both key contributors to that resilience.

Why does the world need green economies?

1. Economic security and human wellbeing are dependent on natural systems.
2. Yet much economic activity damages natural systems and creates poverty.
3. Economic inequality exacerbates this, as fewer actors make resource use decisions.
4. Certain policies, such as subsidies for fossil fuels and corporate accountability frameworks, are clear causes—but are entrenched by vested interests.
5. A few policy and market innovations reveal ways forward—but are not at scale.

6. The problem is systemic: debt-fuelled, consumption-based growth with insecure jobs is so entrenched that we rely on it to solve the problems it creates.
7. Thus a spiralling confluence of crises in economic, natural and social systems is beginning to exceed system thresholds.
8. Thus we need a system-wide effort to put “people” and “planet” into the heart of economic thinking, governance and management.

[from “A Green Economy Framework: To inform dialogue, diagnosis and strategy” (Steve Bass, IIED Working Paper August 2011)]

3. *The institutional frameworks required to deliver a “green economy” and a more sustainable future*

3.1 As above, green economy is not a “bolt on” to existing economic models. Many of the following entail institutional transformation at national level, which will require strong political commitment, capacity, and (in many instances) international support and engagement. HMG should assess the extent to which the UK can claim to address these issues, and also how we can effectively support and learn from others’ efforts:

3.2 Redefine progress in development and the way we measure it: GDP has proven to be a grossly inadequate tool for measuring national development, and GDP driven economic, monetary and fiscal policies and targets have led to many of the problems we are now confronting. The need for new methods and indicators has been increasingly acknowledged. For example, the Commission on the Measurement of Economic Performance and Social Progress, established by the President of France, has developed recommendations for a global measurements system that emphasises people’s well-being rather than economic production. *The UK National Ecosystem Assessment is a significant contribution to this ongoing debate: how can lessons and policy implications be shared in the context of Rio +20?*

3.3 Bring environment into national budgets and policy frameworks: Industrial, economic, fiscal, agricultural, health, land use, transport and many other policies can have impacts, both positive and negative, on ecosystems and the goods and services they contribute to human well-being. Achieving a green economy requires that environmental concerns and priorities are taken into account at all levels of national policy making and spending, and also integrated into the countless tributaries of development—sectoral government ministries and departments, local government institutions, businesses, the media, academia and civil society in its many facets. *How is the UK addressing this challenge? What do we have to share with others and how can we learn from their experience?*

3.4 Changes in decision-making structures: One barrier to change is that those who are setting economic and market policies believe they are well served by the status quo. Invalid assumptions are therefore made about others’ demand, preferences and willingness to change. The language and tools of public participation, while widely accepted in many areas of development, have barely made an impact on economic and financial planning. There is much that participatory approaches can do to bring economic policies and decisions more into line with the widely shared desire for a sustainable future. Decentralising decision-making processes can also help to assure that those affected by economic decisions have a say in them. In Brazil and several other countries, participatory budgeting, in which citizens are directly involved in setting budget priorities, is used by many municipalities. Resulting decisions have seen greater allocation of government resources to expenditures with widespread impacts on well-being, such as health care.

3.5 Empowering unrecognised actors: Much of what is now contributing to the emergence of a green economy is coming not from governments or the mainstream business sector but from economic actors that are often overlooked, including the informal sector, local communities and social enterprises that have characteristics of NGOs, unions and businesses. The Self-Employed Women’s Association in India has put in place a system in which poor women in the informal sector get organised, receive training and earn better wages by providing communities with electricity through renewable energy sources. The NGO IDE has created a flourishing business in treadle pumps in India and Bangladesh, which has allowed millions of poor farmers to greatly increase their incomes. Waste recycling employs millions of poor people, particularly women, in cities throughout the world—very often in terrible conditions. A 2008 study of informal waste recycling in five cities estimated the combined value of environmental benefits from these activities at up to €30 million per year. Not only are the contributions of these actors rarely considered in economic planning, but in many countries some of them are systematically excluded, particularly the informal sector. The economy needs to identify, scale up and strengthen these innovative initiatives, which have positive environmental and social as well as economic outcomes, and assure these actors a voice, rights, legal and social protection.

3.6 “Tilt the playing field” to encourage sustainable practices by businesses, governments and consumers: Tilting the playing field means making “good” behaviour cheaper and “bad” behaviour more expensive. For consumers the sustainable choice and lifestyle should be the easy and right choice. Often the reverse is true at the moment, so we need to level and then tip the rules in favour of positive behaviour and business practice. One good example is the German “feed-in” tariff that has provided 200,000 green jobs in Germany and significantly increased the amount of renewable energy used. By providing an incentive for people and companies to generate their own renewable energy and input the surplus to the national grid at a guaranteed premium, the playing field was tilted effectively in favour of both small and larger scale renewable energy production.

3.7 Changes in environmental management and accounting: With ecological limits approached or already exceeded, scarcities in natural resources reflected in wild price fluctuations, and environmental deprivations making up a significant part of poverty, it makes real sense to be more organised in accounting for, and managing, environmental assets. The last decade has seen some innovations that need now to be reflected in—or integrated into—key mainstream procedures, such as public expenditure review and development monitoring. They include:

- 3.7.1 *Integrated assessment of human and ecosystem wellbeing.* The UN Millennium Ecosystem Assessment developed a framework linking human and ecosystem well-being for its 2000 global assessment. This framework might also inform better ways to integrate factors such as national accounts, development monitoring, household census, and environmental assessment.
- 3.7.2 *Environmental cost accounting:* One approach being widely used is EcoBudgeting, an environmental management system designed with and for local governments to help them plan, monitor and report on natural resource consumption within a municipal boundary. It has three main components, which mimic the phases of the financial budgeting cycle: budget planning, spending and balancing. Citizen and stakeholder participation is considered critical to success. EcoBudgeting was pioneered in the Philippines and is now being used by a number of other countries including India, Sweden and Italy.
- 3.7.3 *Environmental certification:* Certification programmes can protect natural resources from overuse by steering consumers towards products that are exploited sustainably. For example, the Marine Stewardship Council has developed standards for sustainable fishing and seafood traceability to ensure that the products it certifies come from, and can be traced back to, a sustainable fishery. The programme currently covers 69 certified fisheries, which are reviewed on an annual basis.
- 3.7.4 *Co-benefits:* The costs of environmental management can be converted to social and economic benefits when management also contributes to other national objectives. For example, the Working for Water Programme in South Africa has cleared more than one million hectares of invasive alien plants, providing jobs and training for about 30,000 poor rural people each year, more than half of whom are women. The scheme, which has been in operation for 15 years, also helps develop entrepreneurial skills and alternative jobs for women in ecologically sensitive areas, such as the production of charcoal from the vegetation cleared. Also, the Building and Woodworkers International has promoted afforestation and reforestation policies in East African countries, as a means for securing incomes, jobs and the environment.

4. *The objectives and roles the UK Government should assume in order to drive ambition in the run-up to the Conference*

4.1 As set out under section 1 above:

- Showcase good practice and innovation—and create effective means for this to continue and grow after the Summit.
- Actively seek to develop commitments to act jointly among likeminded countries—and other non-state actors (eg trade unions, civil society alliances, private sector).
- Elaborate principles and tools to underpin global collaboration to realise sustainable development.

5. *The ideal outcomes from Rio +20 and how any agreements should subsequently be monitored*

5.1 First, focus on accountability. Rio +20 will be a failure if its main output is a “consensus text” that merely recalls past agreements, or creates further weak and unenforceable ones, reflecting the lowest common denominator or willingness to change among participating government officials. It is much more important to focus on implementation of existing targets and accountability for action. It must challenge countries to make unilateral or shared political commitments to change, and to show how they will be accountable. It should also offer an attractive stage for them to showcase those commitments.

5.2 Despite the concerns noted above over the current political context for Rio +20, we see a strong need for international consensus on the goals of sustainable development and the potential for “green economy” and effective governance and institutions to move us in the right direction. In our ideal scenario, the very language that the world uses to discuss the economy would change in order to break away from and move beyond the neo-liberal paradigm that has served a few well, but has served our planet and too much of society so poorly. The big shifts that Rio 2012 could help the world to understand, to commit to, and to be accountable for, include these:

5.3 *A new way of understanding and supporting innovation.* In order to break out of current systems and infrastructures that the world is “locked in to”—such as fossil fuel-based mobility, fragmented decision-making processes, and national or local regulations to global challenges—more radical innovation processes and pathways need to be set out. In many cases, innovation will need to involve many more stakeholders and industries—bottom-up, community or workplace innovations revealing pathways for reorganising society. It may be rooted less firmly in market contexts.

5.4 *An end to financial practices that fuel environmental degradation and economic insecurity.* The unconstrained expansion of the global financial sector has produced too many negative social and environmental returns. Strong international accords must be agreed to rein in dangerous speculation and to instead encourage positive externalities from economic activity. One piece of the solution should be a global commitment to sustainable employment through decent and green job creation.

5.5 *Recapitalisation of our natural resource base.* Leaving environmental protection in the hands of the market or governments alone has failed. What is needed now is a sustained global commitment, matched by robust financial mechanisms, to recapitalise eroded soils, depleted water bodies, degraded forests and fisheries and other parts of the natural resource base, and to incentivise investment in such “green infrastructure” that provides countless goods and services to society, from flood protection to timber, recreation and clean drinking water.

5.6 *An international challenge “race to the top”.* The more profitability can be aligned with the creation of positive sustainable development outcomes, the more likely it is that business will strive to deliver these. This will require getting not just the prices right but also getting the incentives right. The WTO and other international trade and financial institutions often undermine efforts to move in this direction at present. But if the goals and values by which they operate are reframed these institutions can be important partners in achieving a more sustainable world.

6. Potential risks to the ideal outcomes being achieved and lessons from previous conferences

6.1 There is a very real risk that preparations for the Summit will see a steady downgrading of expectations and an attritional negotiating process which entails rearguard action by the EU and others to retain existing commitments and language from dilution or removal. There is also significant hostility toward the “green economy” concept from many G77 governments and civil society organisations: in part this is justified in that the concept has not been adequately articulated as one which draws on their countries’ priorities or realities, or as a tool which is intended to aid in a collective transition to a fairer and more sustainable world.

6.2 The second Summit focus, on the institutional framework for sustainable development, is also widely questioned: while a thorough analysis of lessons since 1992 would suggest that the dominant governance capacity to deliver sustainable development lies at national level, to date the Summit deliberations have been dominated by a rather stale rehash of longstanding positions on the international institutional framework (notably the mandate for the UN Environment Programme and potential amendments to the role and functions of the UN General Assembly). There seems little likelihood that this will lead to major improvement given that past efforts to recast these parts of the UN system have come to nothing. In the meantime key actors from national contexts with real contributions to make to an international process addressing SD governance will largely be left out as a result of this misplaced prioritisation.

6.3 As a result the main focus and objectives of the Summit may be called into question during the preparatory process and the negotiation of the consensus text may run into serious problems (as happened at the 2011 session of the UN Commission on Sustainable Development and of course at the 2009 UNFCCC COP15 in Copenhagen).

30 August 2011

Written evidence submitted by Oxfam GB

Oxfam GB welcomes the opportunity to make a submission to the Committee’s inquiry on the **UN Conference on Sustainable Development in June 2012** (“Rio+20”). Oxfam works with partners around the world to find lasting solutions to poverty and injustice. Currently, we work in more than 70 countries and respond to an average of 30 emergency situations each year. Oxfam believes that people are entitled to five fundamental rights: a sustainable livelihood; basic social services; life and security; to be heard; and equity. We work to support people in realising these rights and fight poverty and suffering through campaigning, long-term development work, and emergency response. Oxfam GB is a member of Oxfam International, a confederation of 15 Oxfam affiliates around the world.

SUMMARY

1. **Rio+20 is a milestone Summit that can deliver decisive action.** The world has deep knowledge about sustainable development and many of the solutions needed, yet the threats to sustainability are increasing. The barriers to progress are largely political, as governments focus on short-term issues, over longer-term, global risks to prosperity and security. Rio is a unique opportunity to expand political space and agree concrete actions to build a fair, resilient and sustainable economy. It sets the direction for another generation: on-going policy paralysis and multiplying resource risks, or paradigm shift for a new prosperity.

2. **Failure at Rio carries high costs and risks—governments must not waste this opportunity.** Rio+20 could fail to achieve strong outcomes due to the low priority and ambition accorded to it by governments, including the UK. Yet failure at Rio would only lead to: an ongoing drag on economic recovery and development from a depleted natural asset base; destabilising competition over scarce resources; greater market

volatility, macro-economic imbalances, social deprivation and unrest; a reversal of progress on the Millennium Development Goals (MDGs); and a loss of faith by citizens in governments' ability to take decisive action. Strong UK action on Rio+20 can help achieve economic stability.

3. **Governments should view Rio as both a “catalyst” and “pathfinder” Summit.** Without a specific treaty to negotiate, Governments are still grappling with what outcomes Rio can deliver. Identifying these is not straightforward—which is why the UK and other governments need to increase engagement rapidly. In general terms, governments should view Rio+20 as a Summit to:

- *Set the vision for 21st century development and agree concrete measures* across key areas that will shift economies onto a sustainable, equitable path (“catalyst”).
- Identify areas where *future multilateral action* is needed to manage shocks and scarcity, and start to build the interim steps and progressive coalitions to achieve these (“pathfinder”).
- *Engage citizens* so they are inspired to act and change consumption behaviours, and support strong governmental and intergovernmental action.

4. Rio must focus on the big questions of **greening economic development, achieving fairness in a world of resource constraints, and increasing resilience to shocks and risks**. Some specific outcomes Oxfam GB believes the UK and other governments should work toward include:

- Agreeing a vision and approach to the **green economy** that make **poverty-eradication, equity and resilience** central—not supplementary.
- Committing to **reform the food system**, focusing on key hotspots of food security, smallholder agriculture, agro-ecological approaches, gender, soil, water and biodiversity.
- **Agreeing new energy goals** to expand energy access to the poorest, shift to renewables and increase energy efficiency.
- Using **new indicators of economic progress**, additional to GDP, focused on well-being and equality, on building social, human and economic wealth, and preserving natural resources.
- Championing a **financial transactions tax** and measures to raise finance from **international transport** to generate financial flows for climate change and poverty reduction.
- Enacting a step-change in global **institutional co-ordination and coherence**—in particular to mitigate, and respond to, resource-related crises and risks, such as food and climate shocks.

5. **The UK is in a good position to show leadership** due to its record on aid and climate change. Raising the priority across Whitehall and building buy-in for strong outcomes in key international fora are vital. The PM pledging his attendance at Rio can help build political momentum.

Defining the challenge and vision of 21st century development

6. **Progress on sustainable development since 1992 has been weak and, overall, threats have worsened.** Whilst millions of people have been lifted out of poverty, the benefits of growth have been unevenly distributed and global income inequality is rising. Hunger levels are almost unchanged from 40 years ago, despite gains in income and agricultural productivity. We have faced two food price crises within three years and now a famine in Somalia. Humanity's ecological footprint has more than doubled since 1966 and we are using nature's services 50% faster than Earth can renew them. We have transgressed three out of nine critical planetary boundaries (biodiversity, greenhouse gases, nitrate use). Further natural resource depletion threatens to widen the gross inequalities of today, whereby most resources are consumed by a well-off minority.

7. At Rio, governments need to set a vision and direction for 21st century development, equipped for the underlying sustainability challenge we face. Between now and 2050 the world needs to:

- Cut **humanity's ecological footprint by 33%** to live within the planet's resource capacity (for climate change alone this means an 80% cut on 1990 greenhouse gas emissions).
- **Share the world's limited resources more fairly** so those living in poverty have more, and are able to meet their needs and rights.
- Accommodate a growing **population** of 9.3 billion and a **global economy** expected to quadruple in size¹—both of which imply increased pressure on resources.

Reconciling these challenges requires unprecedented political, economic, social and technological transformations, particularly in terms of patterns of consumption and production.

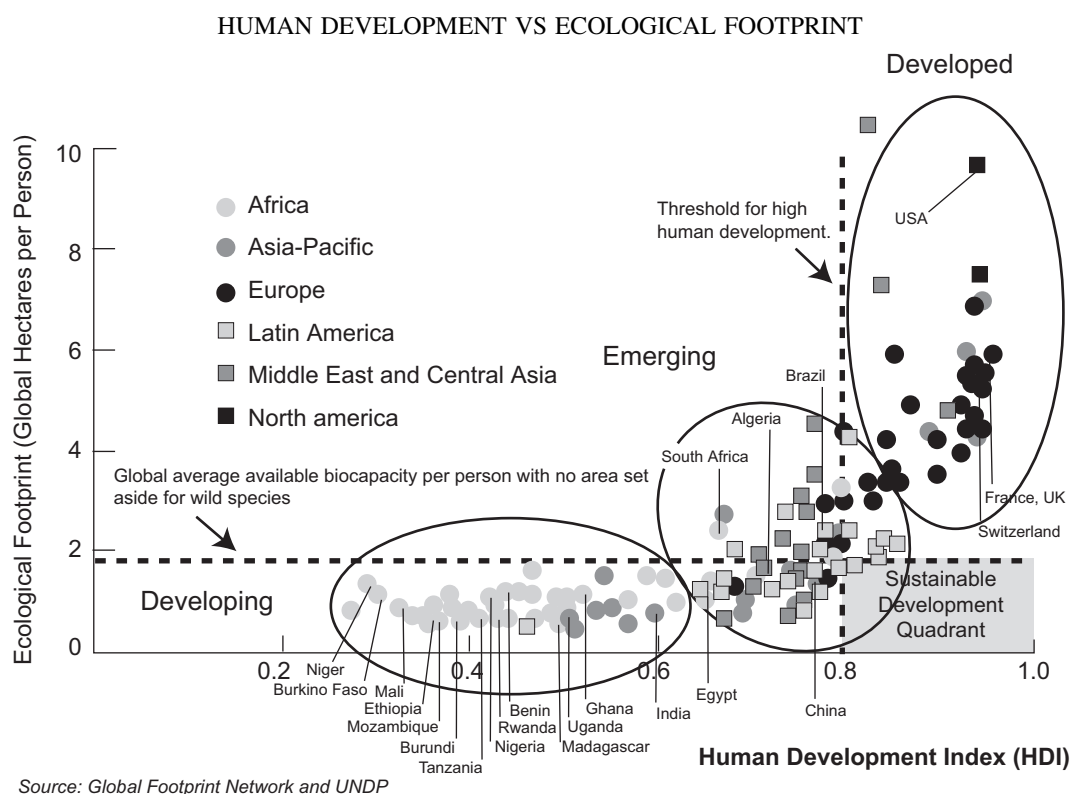
8. Figure 1—which compares a country's Human Development Index rating to its Ecological Footprint²—highlights these challenges and **indicates the critical choices countries face at Rio+20**. **Developed countries** can either focus on building prosperity on the basis of smaller ecological footprints, or risk sliding backwards to lower levels of human development as resource scarcities undercut their model of development. **Emerging economies** are critical; currently closest to the ideal “Sustainable Development Quadrant,” they must change

¹ According to the OECD, the global economy (in 2005 prices, PPP \$) is expected to grow from \$70tn in 2010 to \$150tn in 2030 to \$300 tn in 2050

² Human development is a measure of income, education and life expectancy. The dotted vertical line indicates each person's sustainable share of the planet's biocapacity using a proxy measure of 1.8 hectares per capita.

tack to avoid replicating the unsustainable path of developed countries. The clear priority for most **developing countries** remains to increase levels of human development: the action of developed and emerging economies will determine the extent to which they can do so.

FIGURE 1



To what extent can “greening the economy” help eradicate poverty?

9. Oxfam believes that “greening the economy” has good potential to help eradicate poverty, but achieving that depends on how the vision of “green economy” is understood and pursued. The term is being frequently used, but with widely differing meanings. For some (such as the OECD), policies to “green the economy” are primarily focused on pursuing “green growth” in order to decouple environmental impacts from increased economic output, while social policies are an important, but parallel, area for action. For others (such as UNEP) a Green Economy is one that “results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities”—thereby making eradicating poverty central.

10. This lack of a shared meaning is leading to politically charged debates. For instance, some Southern governments and civil society groups have raised concerns that a concept which marries environment (“green”) with economy will neglect poverty and equity, and could prioritise market-led responses (carbon trading) over other effective approaches (eg regulation, human rights).

11. To win international buy-in, governments at Rio must back a vision of the green economy, which has eradicating poverty, ensuring equity, and building people’s resilience at its heart. Five key principles and policy areas are highlighted below.

- **Ensuring fairness in global efforts to manage natural resource.** Equitable burden-sharing between countries—with the biggest polluters cutting emissions most and helping others—has long been accepted as both ethically just and politically necessary for a global climate deal (the principle of “common but differentiated responsibilities”). As the world starts to hit limits for other key resources (eg land, water), the issue of “fair shares” in consumption may become relevant to these as well. Finding ways to operationalise “fair shares” and win widespread political backing remains extremely difficult. Rio+20 is a space to discuss “fair shares” in new ways and help overcome long-standing stalemates.

- **Expanding access and protecting poor people’s rights to natural resources.** People living in poverty in rural communities are especially reliant on natural resources for their livelihoods and resilience, yet their access to, and rights over, these resources are often inadequate and insecure. As demand for key resources grows and supply struggles to keep up, poor people may be excluded further—as evidenced by the trend toward “land grabs” leading to improper displacement of people from their land. Unless properly designed, green economy interventions could further exclude or harm poor. Rio should endorse a green economy approach, which ensures effective regulation to protect people’s rights to these assets, and creates benefits (eg designing new clean technology which is appropriate and affordable).
- **Promoting gender equity.** Rural women in developing countries have long experienced unequal and insecure access to natural resources, while depending disproportionately on them. Supportive policies include, for example, securing women’s land rights or designing energy services to meet women’s needs. In every country, policies should recognise and invest in the unpaid or low-paid care economy—a sector with high social value and low resource intensity, but which is undervalued in its contribution to national output and wellbeing.
- **Ensuring a just, resilient transition.** The transition to green economies will involve significant industrial change and economic flux, exposing people to rapid adjustment as jobs in resource-inefficient industries are lost. At the same time, economies will face more shocks and stresses from volatile commodity prices (oil, food) and as climate change gathers pace, pushing the poorest into hunger and poverty. Green economy policies need to ensure the transition is fair and increases resilience. For instance, by re-skilling workers and promoting jobs for low-income workers (eg agriculture, forestry, construction), by making green funds accessible to SMEs, and by using social protection measures effectively.
- **Voice and participation in green economy strategies.** Participation and accountability have long been emphasised as critical for sustainable development, but in many countries these remain weak. For instance, discussions on new low-carbon strategies can be highly technical, skewed by elite interests or focused on technology solutions not suited to poor people’s needs. Green economy policy processes should make a specific effort to include marginalised groups, build their understanding of the issues and their capacity to hold governments to account.

What are the issues that should be urgently addressed at Rio?

12. Rio needs to go beyond defining a vision and green economy principles by agreeing concrete measures, which can catalyse the shift to a sustainable, equitable economy. Whilst precise goals and actions require further thought and definition, four areas Oxfam GB already sees as important are: food, energy, alternate economic indicators and innovative finance.

FOOD SECURITY AND SUSTAINABLE AGRICULTURE

13. **Rio is the key opportunity to set us on a new global course for agriculture.** With its Foresight report on the “Future of Food and Farming”, the UK is well-placed to champion this agenda.

14. The food system is under intense pressure to meet demand for a growing population in a world of resource-constraints. Arable land and water resources are being degraded and squeezed by demands for other uses. Climate change is an additional threat. At the same time, investing in smallholders, rural economies and sustainable agricultural practices in developing countries can boost poor people’s incomes, food availability and environmental protection—and provide the “growth spark” for development. Setting a new course for global agriculture requires multiple interventions and a much stronger role for governments. Some key priorities for action in developing countries, which Rio+20 can support, are to:

- **Change the terms of debate toward an “ecosystems approach”.** Despite significant developments in agriculture, policy remains dominated by an interventionist approach focused on specific techno-fixes and inputs, such as agrochemical application. However, there is huge potential for low-input, agro-ecological farming techniques to raise yields, improve soil fertility, conserve natural resources and reduce dependence on expensive inputs (eg System of Rice Intensification). Several expert agencies and reports advocate these approaches (the UN Special Rapporteur on the Right to Food, UNEP, UNCTAD, FAO and the IAASTD).
- **Focus on key threats to soil, water and biodiversity.** Soil health, water availability, and biodiversity are three pillars for a productive agro-ecosystem, yet these are under threat. For instance around a quarter of vegetated land on earth has already been affected by human-induced soil degradation and three-quarters of plant genetic resources—vital to make production resilient to pests and weather shocks—have been lost over the last century.
- **Promote smallholder access to resources, markets and information—with a strong role for governments.** This wide agenda encompasses, for example, improving access to finance (credit, insurance) and information (market prices, weather forecasting), supporting producer organisations to strengthen their links into value chains, improving land tenure systems and water rights, and investing in on-farm and rural infrastructure (storage facilities, roads).

- **Champion the needs and contribution of women farmers.** Women produce much of the food consumed in developing countries, yet receive just 7% of total aid to agriculture, forestry and fishing. Inclusion in decision-making and ensuring access to land and water, new technologies, agricultural extension, credit, markets and social capital will dramatically increase women's productivity and the food security of their communities.
- **Increase and re-align finance flows.** Donors, governments and companies need to increase investment in smallholders, agriculture extension services, conservation agriculture and rural infrastructure. R&D should be redirected toward "technologies of practices" (not just specific products or inputs). **Perverse subsidies** should be dismantled, including biofuels mandates and trade-distorting agricultural subsidies in the EU and North America.

ENERGY ACCESS AND CLEAN ENERGY

15. There is already strong interest in making the energy sector a focus for Rio+20, which Oxfam GB welcomes. Transforming our energy systems is essential to cut poverty, meet the Millennium Development Goals, boost growth and help countries cope with rising fossil fuel prices.

16. **Rio+20 should build political commitment by agreeing new energy goals.** The UN's 2012 campaign of Sustainable Energy for All provides a starting point for defining what those goals could be. This aims for, by 2030, universal access to modern energy services, a 40% reduction in global energy intensity and increase of renewable energy use globally to 30%.

17. **Increasing poor people's energy access should be the priority.** On current projections, the numbers of people using traditional biomass for cooking will be higher in 2030 than today and those without electricity access will only fall by a small margin. New goals and investments must focus on the full range of energy services that poor people need, such as energy for lighting, cooking, heating and cooling, access to information and communications, and mechanical power. Achieving universal access will require additional finance of \$35–40 billion per year by 2030, with at least \$15 billion of that needed in the form of grants for the least developed countries.³

MEASURES OF PROGRESS BEYOND GDP

18. Governments at Rio should **champion the development and systematic use of new indicators of economic progress**, which can "measure what matters" in the 21st century, far better than GDP has done. A fair green economy will require new measures of economic progress. These can provide a new compass to steer economies and targets for governments and policy-makers. Leading, credible experts and institutions are throwing their weight behind this agenda—from the 2009 Stiglitz-Sen-Fitoussi Commission, to the work of OECD and UNEP. The UK is well-positioned to contribute through its own work on measuring well-being.

19. New indicators could draw on the Stiglitz-Sen-Fitoussi proposals to: shift from focusing on economic output to **measuring income, including its distribution** across households; recognise the value of **unpaid goods and services**, particularly in the **care economy and in environmental service provision**; and give value not just to the current stream of goods and services but to changes in the **underlying stock of assets** from which all wealth is generated—a nation's natural assets (ecosystems, renewable resources), human assets (people's knowledge and skills), social assets (institutions and community), and physical assets (infrastructure and machinery). Measures and goals on **inequality** should be a particular focus, given the link between equality, social cohesion, resource use and development. Economies, defined in these broad terms, can grow and progress substantially from where they are today.

INNOVATIVE FINANCE FOR CLIMATE CHANGE AND POVERTY REDUCTION

20. A fair green transition will require a mobilisation of public finance on a massive scale to leverage private investment and address gaps. As well encouraging rich nations to meet their commitment to spend 0.7% of GNI on development aid, Rio is an opportunity to get agreement and backing for **innovative finance mechanisms**. Two mechanisms which are gaining political momentum among governments (in the EU, G20, UNFCCC) and are supported by many expert reports are:

- **Revenue-raising from tackling international transport emissions.** Schemes to cut air and shipping emissions, which are currently unregulated, could raise at least US\$12 billion each year. This should be used to address climate change adaptation and mitigation in poor countries.
- **A tax on financial transactions.** An average tax of 0.05% on all transactions between financial institutions could generate US\$400 billion worldwide for poverty-reduction and climate change—and help address the risks of high frequency trading. Several countries already levy certain types of financial transactions tax, including the UK.

³ UN, 2010. Energy for a Sustainable Future. The Secretary-General's Advisory Group on Energy and Climate Change.

What are the institutional frameworks required to deliver a “green economy” and a more sustainable future for all, now and into the future?

21. Reforming the institutions, rules and processes is vital, since “unsustainability” is largely a result of weak governance at all levels (global, regional, national, local). Yet, even though many drivers of environmental degradation and vulnerability are global, appetite for more multilateral co-operation is currently weak among many governments. Painfully slow process at the UNFCCC and failure by the G20 to tackle the drivers of food price volatility are just two examples of this governance vacuum. The existing ideas being discussed by governments for Rio+20 for a small reconfiguration of the UN system fall short of what is needed. Governments need to take more concrete steps to reform at Rio. As a starting point for defining those steps, governments should:

- **Assert firm backing for stronger multilateral governance needed** to a) assess and regulate resource use so these remain within safe environmental limits and are shared fairly; b) mobilize investment to public goods and shift the behaviours of business and consumers; and c) protect vulnerable people by limiting risks and building resilience to shocks.
- Prioritise the need to **build resilience to shocks and stresses** as a new challenge for the international system. The frequency and intensity of shocks (financial, economic, food, environmental, weather-related etc) experienced by poor communities are increasing, but without any major advances in resilience. At an international level, a resilience agenda would involve, for example, more leadership and investment on **Adaptation and Disaster Risk Reduction** and exploring a multi-stakeholder initiative to develop a **Common Resilience Framework**—needed to harmonise currently un-aligned interventions across development, risk reduction and climate change adaptation.
- Focus on improving **co-ordination and coherence** in the short-term. Institutional silos and fragmentation between different parts of the international systems continues to be a key problem—leading to wasted resources, lower impacts and short-lived or conflicting outcomes. More joint work between agencies on cross-cutting issues, like food or energy security, to create shared goals, develop and share data, and build common analysis and responses is vital.
- Play the **“pathfinding” role to see where future deals** are needed in the long-term. There are some areas where future agreements and co-operation will be needed, but understanding of the issues or solutions may be limited, or political consensus does not yet exist (eg food price volatility, soil degradation, water grabs, “fair shares”, conflict-related resource shocks etc). Rio+20 provides a space to identify these gaps and tensions, the different interests at stake, and agree initial steps to address these—for instance, by commissioning assessments of the readiness of existing institutions and agreements to handle future stresses.

22. Finally, there have been discussions around whether Rio should help define a successor framework to the Millennium Development Goals through new “Sustainable Development Goals” (SDGs). Oxfam is currently exploring the pros and cons of such an approach.

What objectives and roles should the UK Government should assume in order to drive ambition in the run up to the Conference?

23. The UK should aim to play a leading role in driving ambition and helping prepare for Rio+20. The government’s commitments on aid and climate, and contribution to the debate on sustainable food (Foresight report on Food and Farming), puts it in a good position to drive discussions forward. Key actions it should take domestically and internationally, include:

- Ensuring all relevant government departments are actively engaged in preparing for the Summit, particularly Treasury, DECC, DfID and BIS, and avoiding Rio+20 being sidelined or stuck in a DEFRA silo.
- Appointing a Special Envoy or Ambassador on Rio+20, tasked with generating a vision across government, ensuring effective public engagement and helping lead dialogue with other countries.
- The PM pledging his attendance at Rio+20, as a way to help build political leadership.
- Hosting a high-level international policy dialogue on a prominent issue, such as sustainable food systems. The government should also capitalize on the fact a major science conference (Planet under Pressure) will be held in London in March 2012.
- Building global political buy-in for a strong result at Rio in key international processes. The **EU** should be the immediate focus, as it defines its position at the Environment Council in October and its submission to the zero draft text. Current discussions on an EU position appear to lack any real substance. Other key international fora include the **G20, UNFCCC and the Busan Forum on Aid Effectiveness**, which already have Rio-related themes on their agenda (green growth, food crises, finance, climate change). These are key opportunities to identify strong outcomes for Rio+20 and build progressive coalitions to support these.

Written evidence submitted by Derek Osborn and Felix Dodds, Stakeholder Forum

INQUIRY INTO THE UK PREPARATIONS FOR THE UN SUMMIT ON SUSTAINABLE DEVELOPMENT TO BE HELD IN RIO DE JANEIRO IN JUNE 2012

1. CONCLUSIONS AND RECOMMENDATIONS

1.1 The Rio 2012 United Nations Conference on Sustainable Development ought to send out a clear signal to the world community, with specific proposals for the transition to an economic order based on the restoration and improvement of quality of life, natural environments and ecosystems. Sustainable development will require more efficient use of energy and resources and lower levels of environmental pollution than have ever been achieved in the past.

1.2 The transition to a sustainable economy needs to be a fair one, with all that that implies. To this end, the social dimension of sustainable development needs to be given greater emphasis. The basic preconditions for this are: social cohesion, fairness, including inter-generational fairness, fair redistribution and solutions for social problems such as growing inequality, lack of access to a whole range of resources, poverty and unemployment.

1.3 New global challenges to maintain food security, energy security and natural resources security need to be added to the global sustainability agenda and prioritised.

1.4 Governance for sustainable development should be strengthened at national, regional and local levels, and in the governance of businesses. Ombudsmen for future generations should be considered.

1.5 The Conference should establish a UN GA Council for Sustainable Development similar in status to the UN Human Rights Council.

1.6 It should adopt a set of principles to guide the new Council and all others concerned with the greening of the global economy.

1.7 The Conference should give the new Council a “Rio” mandate to drive forward work around the world on:

- Dealing with emerging issues including: food security, water security, energy security, climate security and economic security and their interlinkages.
- Greening the global economy including:
 - Measuring progress in the green transition;
 - Educating for the green economy;
 - Fiscal measures for the green economy;
 - Investing for the green economy;
 - Regulating for the green economy; and
 - Targets for sustainable development in different sectors of the economy that can feed into the MDG review in 2015.

1.8 UNEP should be upgraded to a World Environment Organisation and given a responsibility for co-ordinating and rationalising all the disparate global multilateral environmental agreements.

1.9 The conference should launch negotiations to establish a framework convention on corporate responsibility requiring listed companies to operate sustainably and to report publicly on this.

1.10 Forums for dialogue should be established at national and international level to facilitate dialogue between civil society stakeholders, and between civil society and political decision-makers, on issues related to the greening of the economy and sustainable development.

1.11 The Conference should support the establishment of regional conventions to secure public access to information, participation in environmental decision-making and environmental justice in pursuance of Principle 10 of the original Rio Principles.

1.12 The EU, the UK and all the other member states should put their own houses in order on all the challenges of sustainable development and moving to a green economy. Both the UK (and other member states) and the EU need to revive and reinvigorate their own commitment to sustainable development, so that they can be credible champions of the global advances that should be made at Rio.

1.13 The conference should recognise and support role of Parliaments in countries throughout the world in promoting and monitoring progress on sustainable development and the transition to a green economy.

2. BACKGROUND

2.1 On 24 December 2009, the UN General Assembly (GA) adopted a resolution to hold a Summit level Conference on Sustainable Development (UNCSD) in Rio in 2012.

2.2 The GA resolution determined that the Conference should have three objectives:

- securing renewed political commitment for sustainable development;
- assessing the progress to date and remaining gaps in implementation of the outcomes of the major Summits on sustainable development; and
- addressing new and emerging challenges.

2.3 **Progress to date.** Although there has been progress on some aspects of sustainable development over the past 20 years many issues are becoming more difficult. Well-known examples include:

- Current demographic trends mean that by 2050 the world's population will have grown to around 9 billion.
- Poverty has increased in absolute terms. 2.6 billion people are living on less than USD 2 a day;
- 1.5 billion workers, half the global total, work under insecure conditions. In 2010 the highest level of unemployment was measured since records began;
- Carbon emissions and carbon levels in the atmosphere are continuing to increase and climate change is having increasingly damaging impacts on living conditions in many parts of the world; and
- Migration is on the increase globally, putting additional pressure on the environment and security of supply;

2.4 **New and emerging challenges.** Growing world population and continuing growth in expectations of standards of living and material consumption are beginning to place strains on the world's supplies of food, marine resources, forests, energy and other natural resources, leading to higher prices and severe social and political problems.

2.5 Maintaining or achieving adequate food security, energy security, and resource security for all in a world of increasing population and greater scarcity of resources is therefore one of the biggest new challenges facing the world in the century ahead. Establishing institutional structures and an intellectual framework for managing this challenge should be a central issue for the 2012 Summit.

2.6 The financial and economic crisis has preoccupied political leaders and finance and economics departments over the past three years. But these pressing short term issues must not be allowed to distract attention from these emerging problems in the real economy of the world and the urgent need to transform the operation of the world's economies in a more sustainable, fairer and greener direction. That transformation should itself be a major source of new investment and new jobs, and should create greater equity, cohesion, stability and resilience. It is an essential part of the solution to current economic difficulties.

2.7 **Renewed political commitment.** Rio 2012 provides a crucial opportunity to build a framework for this transformation, and to establish the high level political commitment to making this change a reality. It is essential that Heads of Government themselves take hold of the issues, attend the Conference and guarantee its follow through. And since transformation of the global economy is the key issue the Conference needs to be attended also by Ministers of Finance and Economics and prepared by all the major financial players as well as those responsible for environment and development.

2.8 Sustainable development relies on civil society initiatives and participation. Civil society needs to be actively involved in both in the preparation for the Summit and in its follow-up and implementation. Forums for dialogue should be established at national and international level, to facilitate dialogue between civil society stakeholders, and between civil society and political decision-makers, on issues related to the greening of the economy and sustainable development. Businesses of all kinds need to be actively engaged in reshaping their operations in a more sustainable direction.

2.9 The GA resolution determines two specific themes:

- a green economy in the context of sustainable development and poverty eradication; and
- the institutional framework for sustainable development.

2.10 The hope is that the Summit will outline a compelling vision and intellectual framework for the greener economy that the world now urgently needs. It will not be possible however at a single Summit meeting to reach agreement on all the practical steps that need to be taken in the world to achieve this transition. A crucial objective for the Conference should therefore be to establish a stronger governance framework for sustainable development at national and international level that will be able to carry forward an effective action programme for greening the global economy and pursuing sustainable development over the years ahead.

3. THE INSTITUTIONAL FRAMEWORK. A NEW COUNCIL FOR SUSTAINABLE DEVELOPMENT

3.1 At international level the UN Commission for Sustainable Development has had a responsibility for monitoring progress on sustainable development in the world for the past 19 years. In its present form however the CSD is no longer as productive as it should be. It has made some good analyses of problems, but it has not proved capable of following through with substantive action on the major transformational issues for the

global economy. A more powerful structure within the UN system is needed to tackle the big global sustainability issues more effectively.

3.2 One promising idea that is emerging in the preparatory discussions in New York is the concept of a new top level **Sustainable Development Council** reporting directly to the General Assembly and integrating and strengthening the work currently done separately in the UN ECOSOC and CSD. It should be charged with driving forward global action on all aspects of sustainable development, promoting the transition to a greener economy, and initiating action on new and emerging issues such as food and energy security.

3.3 Participation in the new Council should be led by Heads of Government and supported by all relevant departments and ministries with the responsibility and power to discuss and agree substantive action on sustainable issues at a global level. In particular economics and finance ministries need to be fully engaged and committed to managing the transition to a greener global economy in a just and sustainable way.

3.4 Membership of the new Council should include all the countries of the world. The G20 or a similar grouping of leading countries might be given a special responsibility within this structure to prepare positions on some key topics.

3.5 The new Council should establish close links with the World Bank and the IMF, which should themselves be given a new mission to put promotion of sustainable development at the heart of their mission.

3.6 The work of the new Council should have a strong secretariat under the Secretary General and should be able to draw on the highest level professional advice on economic, social and environmental issues. It should be supported within the UN system by an interagency committee led by the Secretary General bringing together all the UN agencies concerned with aspects of sustainable development, including the World Bank, IMF, WTO, WHO, UNESCO etc.

3.7 UNEP and UNDP should be strengthened so that they can together provide stronger inputs on the environmental and developmental dimensions of sustainable development.

3.8 **National governance.** At the same time as establishing this new UN Council for Sustainable Development political leaders need to use the opportunity of the Rio Summit to reinvigorate their own national machinery for sustainable development. The lead responsibility for promoting sustainable development needs to be clearly identified at the heart of government; and economics and finance ministries need to take on an explicit responsibility for managing the transition to a greener economy with appropriate support from environmental and other ministries.

3.9 Good governance and transparency are essential for sustainable development. National Sustainable Development Strategies need to be revived and refreshed with full engagement and support from business and all parts of civil society. Advisory bodies such as Councils for Sustainable Development need to be adequately resourced to play their full part in bringing forward new thinking and maintaining pressure for progress.

3.10 **Regional, city and local governance.** Regional, city and local governments have many responsibilities that are crucial for the advancement of sustainable development, and there are many excellent examples in the world of what they can achieve. The Summit should showcase the best examples and commit national governments to mandate and support their regional and local governments in making further advances.

3.11 **The role of business and social partners.** Building on the best examples of good practice the time is ripe for mandating best business practice on sustainability more widely by creating a framework convention on corporate sustainability responsibility and Accountability Framework convention based on ISO26000. Negotiations to this end should be launched at the Summit. Trade unions and other social partners should be fully engaged in this process.

3.12 **Ombudsmen for Future Generations.** The needs of future generations are a crucial element of sustainable development, but are not represented in the relevant decision-making processes. In order to remedy this situation and ensure that long-term interests are heeded, a proposal is being advanced at the UN for the creation of ombudsmen for future generations at UN and national level.

4. THE GREEN ECONOMY

4.1 At present the operation of the global economy does not produce deliver sustainable development. On the environmental side it encourages over-consumption of natural resources, allows pollution of the environment, and fails to prevent climate change; while on the social side it allows widespread unemployment, allows widespread poverty, poor health and lack of education to be widespread.

4.2 Greening the global economy means redirecting the way it operates so as to deliver more sustainable outcomes. Other economic objectives need to be reassessed in terms of their contribution to sustainable development. All the tools of economic management need to be reset to steer the economy in a more sustainable direction.

4.3 Economic growth has been a central objective for all countries for the past two hundred years as providing the means for people to enjoy a better quality of life. It must remain a key objective, particularly for developing countries still striving to achieve a decent quality of life for all. But the world is now for the first time coming up against the finite limits of some non-renewable resources, and the severe global impacts of by-products and pollution from some economic activities. Future economic growth will therefore need to follow different pathways, and be consistent with the sustainable use of natural resources. There will need to be less reliance on consumption of material resources, particularly non-renewable and scarce ones. There will need to be more care to avoid waste and pollution. Growth paths will need to favour leaner, cleaner, greener modes of production and consumption

4.4 This is a very large task that has to be carried through in many different arenas:

- at international, national and local levels of government,
- in many different sectors of the economy, and
- involving businesses of all kinds and social partners and other economic actors.

engaging citizens and consumers in the changes they will need to make in their lifestyles and consumption patterns

4.5 The Rio Conference should generate a new political commitment to promoting sustainable development and the green economy transition throughout the world. It should adopt a set of principles to guide the new Council and all other bodies concerned with the transition to a greener economy. And it should give a mandate to the new Council to develop and action-oriented work programme on key issues for the advancement of sustainable development in the world

4.6 **Principles for a green economy.** Principles for a greener global economy could be derived from relevant parts of the Rio principles, the Earth Charter, work in UNEP and OECD and other authoritative sources. They should clearly include:

- the polluter pays principle and the internalisation of externalities;
- the elimination of perverse subsidies;
- building sustainability assessments into investment programmes and fiscal decisions; and
- the crucial principles of intra and inter-generational equity, cooperation, and common but differentiated responsibilities.

4.7 **A Green Economy mandate for the new Council.** Six main pillars or chapters should be included in a green economy or “Rio” mandate for the new Council to drive forward work around the world on:

- Measuring progress in the green transition;
- Educating for the green economy;
- Fiscal measures for the green economy;
- Investing for the green economy;
- Regulating for the green economy; and
- Targets for the green economy.

4.8 **Measuring progress.** Parameters need to be established that give a clear indication of the extent to which countries, businesses and other organisations are making progress towards greater sustainability. In particular there need to be agreed ways of measuring the various types of natural capital in our land, seas and atmosphere and the biosystems they support, and of how this capital is eroded or can be enhanced by different types of economic activity.

4.9 The Summit should establish a timetable for the new Council to oversee standardisation of the way in which countries should draw up and publish natural capital accounts, and reports on how annual economic activity in each country is contributing to the enhancement or erosion of natural capital and to the shared goal of sustainable development.

4.10 In the past most countries have focussed on the growth of GDP (production and consumption) as the main goal for management of the economy, and have given attached less importance to dealing with “externalities” such as pollution and with promoting equity. A more sustainable or “greener” approach to the management of the economy requires a broader concept of maximising national welfare as the true goal of society. Commitment to establishing a new system of measuring welfare or a Green GDP, perhaps derived from the new OECD Better Life Index, should be a specific goal for the Summit.

4.11 **Education and Information.** Information about the environment, progress towards a greener economy and other aspects of sustainable development need to be made widely available within each country so that there can be better informed public debate about the key issues. In Europe the 1998 Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the Aarhus Convention) has been successful in extending and entrenching public rights of access to information, and promoting public participation and access to justice. The Summit should encourage moves to establish similar conventions in all the regions of the world and the new Council should be mandated to pursue this objective within a global framework.

4.12 **Fiscal measures.** The Summit should give a further impetus to national and international efforts to green the fiscal base, by eliminating perverse subsidies and shifting tax burdens away from taxes on labour and more onto pollution and consumption of fossil fuels and other natural resources that need to be better conserved. The time is also ripe to launch a new initiative to tax financial transactions on a globally agreed basis, and to use the proceeds to fund sustainable development investments.

4.13 **Investing for a green economy.** The new Council should be specifically charged to have an oversight of R and D efforts for sustainability throughout the world, and in particular to identify areas for potentially useful international collaboration. It should also promote the greening of public procurement programmes throughout the world.

4.14 **Investment Flows. A new Global Deal.** Authoritative estimates of the global investment needed in the energy sector alone to move to a low carbon economy over the next 40 years run to trillions of euros. Other aspects of the sustainability transition will also need very large sums. The new Council and its supporting machinery should provide a forum for monitoring the major global flows of investment, and identifying where they need to be increased or modified in order to support the sustainability transition.

4.15 The capacity to make the sustainability transition varies considerably between countries in terms of natural, economic and human resources. The 2012 Summit needs to secure a global deal to mobilise public and private resources for capacity building, technology transfer and sustainable investment programmes to help the Least Developed Countries (LDCs) and other developing countries to keep pace with the sustainability transition in an equitable way. The new Council should be mandated to monitor progress on financial and other commitments to assist developing countries in the sustainability transition.

4.16 **Regulatory Measures.** Within Europe efficiency standards for many different products and processes (particularly energy efficiency standards) have been driven steadily upwards by progressive tightening of minimum standards over the years. Europe should propose similar machinery for driving the same process forward internationally. The time may also be ripe for new international initiatives on the management of chemicals in the environment, and for regulating the impact of new emerging technologies such as nanotechnology.

5. TARGETS IN KEY SECTORS

5.1 A greener economy will affect all the main economic sectors. In each sector it will be necessary to promote greater efficiency in the use of energy and all other natural resources, to reduce the impacts of pollution and waste production, to pay greater regard the natural environment and biodiversity, and to ensure equity and fairness.

5.2 International development objectives are currently focussed around implementation of the Millennium Development Goals. Many believe that at their review in 2015, a new set of international development goals should be set for the next period, with a greater emphasis on sustainable development objectives. The Rio Summit should adopt this as a general objective and should mandate the new Council to follow it through with specific proposals in the key subject areas. The following paragraphs briefly review the priorities in some of the key sectors.

5.3 **Energy.** The greening of the energy sector and the promotion of energy security is the single largest challenge within the whole greener economy project.

5.4 The transition to a greener economy requires a radical transformation of the energy sector away from fossil fuels towards low or zero carbon sources of power such as renewables. At the same time in order to manage this transition more economically and efficiently there needs to be a major effort in all sectors to utilise energy more efficiently and thus to contain or reduce increases in total global energy demand.

5.5 Many people in the world still have inadequate access to energy or suffer from fuel poverty. The transformation to greener forms of energy production must have as a primary objective the bringing of energy to poorer communities.

5.6 **Agriculture, biodiversity and the natural environment.** The agricultural sector in many parts of the world needs thorough review from the perspective of the green economy perspective and maintaining food security for all, in maintaining the natural capital of the land and its biodiversity resources, and in promoting resource efficiency in this sector. There is a particular need to manage and conserve water resources better. New targets are needed in these areas.

5.7 **The marine environment.** The marine environment is under severe stress from pollution, over-fishing and over exploitation of other marine resources. The Summit should initiate a new international process to strengthen and coordinate existing mechanisms for protecting the marine environment, and protecting fish stocks and other marine resources more effectively than present arrangements, perhaps under the banner of the "Blue Economy" concept.

6. ROLE OF THE UK AND THE EU

6.1 The Rio Summit in 2012 provides a unique opportunity to establish a new Council for Sustainable Development in the United Nations charged with driving forward an action programme for the greening of the global economy.

6.2 The UK and the EU should both be powerful champions of this approach over the next 12 months.

6.3 The UK has established appropriate inter-departmental machinery to co-ordinate UK positions, for inputting both to Brussels and direct to the UN process. It has also held some initial discussions with UK civil society on the issues. But the imminence of the Rio Summit is not yet very high in public awareness, and there will need to be more intensive interactions between civil society, business and other groups and government in the months ahead.

6.4 Many of the issues on the UN agenda for the Summit will need to be co-ordinated at European level, and a European preparatory process to establish appropriate European positions is already under way. The Commission has produced a slightly disappointing communication setting out some ideas for this process. The European Parliament will be discussing a rather stronger resolution early in September. The Council is expected to co-ordinate Ministerial positions during September and October.

6.5 In order to be credible champions at the UN both the UK and the EU (and other member states) need to put their own houses in order on their approach to sustainability. The most important points, corresponding to the recommendations for international action recommended above, are:

- for the UK (and other member states) and the EU collectively to reconfirm their political commitment to sustainable development by placing responsibility for it at the centre of government supported by economics and finance Ministers as well as by environment and other ministries;
- for the UK (and other member states) and the EU to reinvigorate their own sustainable development strategies and specific action programmes, which can take a worthy place in the global framework for the green economy transition to be established at Rio; and
- for the UK (and other member states) and the EU to engage fully with business and all parts of civil society in preparing and following up the Conference and in promoting sustainable development and the green economy.

6.6 There is considerable scope for Parliaments throughout the world to play an active part in championing sustainable development and in promoting and monitoring the transition to a greener economy. The Environmental Audit Committee is well-placed to take this role within the UK. It might also wish to support international efforts to promote Parliamentary capacity and engagement with sustainable development issues around the world through the GLOBE process or other similar initiatives.

5 September 2011

Written evidence submitted by the Department for Environment, Food and Rural Affairs (Defra)

1. Rio+20 is the **UN Conference on Sustainable Development**. It will be hosted by Brazil from 4 to 6 June 2012 to mark the 20th anniversary of the original “Rio Earth Summit”. The conference will seek renewed political commitment for sustainable development, and address two themes: “a green economy in the context of sustainable development and poverty eradication”; and the “institutional framework for sustainable development”.

2. Rio+20 offers an important opportunity to take action at the global level to deliver green growth and to address the interlinked challenges of climate change, food, energy, water and resource security, in particular to emphasise the underpinning role of natural resources in sustaining growth and lifting people out of poverty. It will also consider changes to the governance of sustainable development.

3. Brazil has high expectations for Rio, and hope to attract the participation of heads of state and governments. The Brazilian domestic preparatory process was launched by President Dilma, accompanied by Foreign Minister Antonio Patriota and Environment Minister Izabella Teixeira on 3 June 2011 in Rio.

4. Preparations are underway at the UN in New York. Two preparatory committee (Prepcom) meetings (May 2010 and March 2011) have been held to exchange ideas on the themes of the conference. Written contributions have been invited by 1 November which will feed in to a compilation document for Rio+20. Three negotiating sessions will be held next year to discuss a text for Rio, and a third and final Prepcom has been organised for 28 to 30 May 2012 in Rio. Brazil is also organising a series of informal discussions to prepare for Rio: the first of these was held on 22 and 23 August. The EU is also preparing for Rio+20.

5. The UK is actively engaged in these preparatory processes and will continue to be so, in New York, with Brazil, the EU, other international partners, and with the private sector and civil society organisations in the UK to help to make Rio a success. This note sets out the approach we are taking.

UK APPROACH IN PREPARING FOR RIO+20

6. Caroline Spelman, Secretary of State for Environment, Food and Rural Affairs, is leading the UK's preparations and developing a coherent vision across government, in collaboration with her Cabinet colleagues. An inter-departmental steering group, chaired by Defra, has been established at Director level and is developing the UK's position this includes:

- An international green economy narrative, supported by a robust evidence base, on the need for low carbon, resource efficient, and climate resilient growth;
- Specific green growth deliverables to support the transition to a green global economy. The recent OECD and UNEP reports provide a useful starting point; and
- Consideration of how the institutional framework for sustainable development might be improved, on which there is a wide range of views, from strengthening UNEP, to establishing a new institution.

WORKING WITH OTHERS IN PREPARING FOR RIO+20

7. The Secretary of State visited Brazil in April 2010 and offered support to the Brazilian Government both on Rio+20 and on preparations for a sustainable Olympics. The Secretary of State was accompanied by senior officials who presented the UK Government's approach to Green Growth to a cross section of Brazilian Ministries working on Rio+20, including Environment, Foreign Affairs, and Finance. The Secretary of State invited the Brazilian Environment Minister Izabella Teixeira to visit London to meet British businesses and NGOs to promote Rio+20, in particular its theme of Green Growth. In addition, the Secretary of State has discussed Rio+20 with the President of the UN General Assembly (Mr Nassir Al-Nasser).

8. Engagement with the EU: The European Commission published a communication on Rio+20 on 20 June, setting out their initial views on potential outcomes for Rio+20 and building on the EU's policies on sustainable development and the EU2020 strategy. The communication's proposals include:

- A framework to inform and complement governments' efforts towards sustainability, including an overall narrative vision, a roadmap at national, regional and international level, exchange of best practice policy, and a mechanism to monitor progress;
- Strengthening sectoral action, including partnerships in the key resource areas, eg further protection of oceans, sustainable agriculture and food security, sustainable forest management, and an international regime on chemicals and hazardous waste; and
- Economic instruments, including carbon emission trading schemes, reduction of environmentally harmful subsidies, public-private finance partnerships, and green skills training programmes.

9. The EU and Member States' contribution to Rio will be agreed at Environment Council on 10 October, on the basis of a Polish Presidency draft. In parallel, the EU will also make a detailed contribution to the UN compilation document for Rio+20 by 1 November. The UK is fully engaged in both processes and is working closely with Poland and Denmark (incoming Presidency) to support the development of a robust EU position for Rio+20, for example on resource efficiency. Caroline Spelman is working closely with Commissioner Potocnik and her fellow Environment Ministers on all these aspects.

10. **Engagement with wider International work and Institutions in the rest of the world:** The Natural Environment White Paper set out UK Government's broad international ambition as: "*internationally, to achieve environmentally and socially sustainable economic growth, together with food, water, climate and energy security*". Rio+20 is one of three major international meetings taking place over the next 18 months, where decisions will be made on a range of priority issues relevant to this agenda, including green growth, climate change, biodiversity, forestry and environmentally sustainable agriculture. The other two meetings are the 17th Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) in Durban (South Africa) in December 2011, and the 11th Conference of the Parties to the UN Convention on Biological Diversity in Hyderabad (India) in October 2012.

11. **Engagement with business:** Delivering green growth will rely heavily on private sector actions—through trade, innovation and investment. Enlightened business is already advanced in its own thinking about sustainability, and knows how to be green, and understands how this aids sustainable profits. Government can facilitate green growth by putting in place measures which will enable the private sector to deliver a green economy. The Secretary of State is engaging with business on this.

12. The Government's approach to delivering a green economy is set out in "*Enabling the Transition to a Green Economy: Government and business working together*". The transition to a green economy is essential to delivering sustainable development and long term growth. More detail is provided in Defra's response to the Environmental Audit Committee's inquiry into the Green Economy.

13. **Engagement with civil society:** Similarly the Secretary of State is meeting civil society stakeholders to seek their views in preparing the UK's position for Rio.

9 September 2011