inside:

Rio+20: Co-creating the Sustainable Development Goals.

Access to remedies and redress: time for the UN to step in

a multi-stakeholder magazine on climate change and sustainable development

outreach.

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About Stakeholder Forum

Stakeholder Forum is an international organisation working to advance sustainable development and promote democracy at a global level. Our work aims to enhance open, accountable and participatory international decision-making on sustainable development through enhancing the involvement of stakeholders in intergovernmental processes. For more information, visit: www.stakeholderforum.org

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

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

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*Corporate sustainability reporting: A way forward in implementing sustainable development*
*The role of accountants in the shift to a green economy*
*Rio+20: Co-creating the Sustainable Development Goals*
*Context: The seeds of sustainability*
*Access to remedies and redress: time for the UN to step in*
*What kind of an impact will Impact Investing have?*
*Carbon-based monetary governance: Linchpin for an integrated sustainable development framework?*
*Date with history*
*The Natural Capital Declaration - a statement by financial institutions for Rio+20*
*Moving towards meaningful private sector contribution to sustainable development*
*The Rights of Mother Earth gain momentum in the run up to Rio+20*
*Profile - Teresa Fogelberg*
*Rio+20 Side Event Calendar*
*Reflections on the negotiations*
Corporate sustainability reporting: 
A way forward in implementing sustainable development

In this second week of informal-informal negotiations on the Zero Draft of the Outcome Document we have been closely following the developments of paragraph 24, calling for a global framework on corporate sustainability reporting.

The negotiation document is full of references to the importance of the private sector in sustainable development efforts, either by strengthening public-partnerships, or encouraging the sector to incorporate sustainability in its practices and facilitate technology transfer. We haven’t seen, however, the same number of ideas or proposals addressing the transparency and accountability of the sector. An agreement on a framework on sustainability reporting offers an opportunity to tackle this important issue. It will provide a platform where governments can work (with other relevant stakeholders) on the implementation of transparency policies and policy tools to encourage and require large transnational companies to publish their sustainability reports.

Many companies already publish sustainability reports (an assessment of their performance and impact on environmental, social and governance issues), and furthermore, many governments have developed policies mandating or strongly encouraging companies to publish these reports. Interesting examples are present in South Africa, Malaysia, Brazil and China. Stock exchanges in many emerging markets are incorporating sustainability reporting as part of their listing rules, and local and national legislation has been passed requiring companies to publish this information and go beyond traditional financial reporting.

In spite of these efforts, the number of corporations reporting on sustainability issues is still very low. For example, as Bloomberg highlighted at a side event on sustainability reporting during the intersessional last month – from the estimated 68,000 companies that use their terminals, only one quarter report on sustainability issues.

This is cause for concern and should not to be taken lightly. The importance of sustainability information goes beyond good intentions and PR. It is key information for investors – to inform decision-making about the companies they want to invest in. It is also indicative of how companies manage risks and resources, and embed long-term thinking into their business decisions. Furthermore, by monitoring social and environmental indicators, companies can develop better awareness of their relationship with stakeholders and communities; who can also use this information to eventually hold them accountable. Sustainability reporting is also good for governments because it creates more transparency and enhances social trust. Finally, it provides a useful assessment of the contribution of the private sector to national sustainability efforts, creating the possibility of a broader dialogue with key actors.

These many reasons (and the list is not exhaustive) have encouraged a broad group of companies and other stakeholders to back the proposal for an international framework on corporate sustainability reporting. Only one month ago, the World Business Council for Sustainable Development published a press release with International Union for Conservation of Nature (IUCN) calling for, among other things, governments to strengthen paragraph 24. This builds upon the efforts of a coalition of more than 50 organisations, most of them coming from the private sector to call for a Convention on Corporate Sustainability Reporting.

We encourage governments to launch an intergovernmental process that will support the implementation of policies and policy tools that strongly encourage, or if required, mandate large transnational corporations to publish their sustainability reports as part of their reporting cycle. We propose that this can be done under the report or explain principle – companies can report or explain why they were not able to publish aspects of the sustainability report or the report in full. Implementation under this principle, serves the purpose of transparency, is flexible for companies and is not a burden for governments’ budgets. We hope that governments will agree to launch a process to develop a global framework for corporate sustainability reporting at Rio+20, providing strong leadership on the implementation of sustainable development.
The role of accountants in the shift to a green economy:

Gordon Hewitt
Sustainability Advisor, ACCA

In order for the transition to a green economy to be successful, significant changes in the way the economy and society operates need to take place. This includes changing the metrics used to measure the success and progress of economies and businesses; reforming financial systems to encourage green growth; greening of economic sectors; and investing in the skills required to operate under this new economic paradigm.

The accountancy profession has an important role to play in the shift to a green economy, and the core skills and experience of accountants will be valuable in ensuring that the shift is managed in a transparent and accountable way.

The development of new metrics and measurements

The use of traditional measures of economic progress - such as GDP - can lead to unsustainable practices, as they assume that economic capital can be substituted for natural capital. This is reasonable when impacts are managed, but considering the extent to which humankind has altered the planet; the assumption no longer holds true. Green economic governance will require the development of new metrics to assess economies, which take a broader view of what constitutes benefit. Accountants working within the public sector will, for example, need to consider national well-being and natural capital when measuring progress.

Within the corporate sector, traditional financial reporting focusses strongly on profit as the core measure of success and generally does not consider a company’s wider impacts. In order to address this, the International Integrated Reporting Council (IIRC) are developing a framework for companies to report on material information about an organisation’s strategy, governance and performance that reflects the commercial, social and environmental context within which it operates. The full IIRC framework is expected towards the end of 2013.

Managing financial flows

Managing public and private financial flows in a way that promotes green growth calls for the use of policy instruments such as emissions trading schemes and environmental taxes. Policy instruments have a significant influence on corporate behaviour, and the effectiveness of any policy is critically dependent on its design. Accountants, with their experience in the design of such mechanisms, have an important role here.

Greening economic sectors

Greening economic sectors requires the collection of reliable data, so that targets can be set and progress monitored. The data collection and audit skills of accountants and assurance practitioners fit very well with such a mandate.

At the international level, progress was made towards legally binding emission cuts at COP17 in Durban, but a common sticking point during climate negotiations has been the absence of strong monitoring, reporting and verification systems for tracking emissions and holding parties to account. The assurance of data is one of the main services offered by accountants, so the profession has much to offer in building trust in future negotiations.

Companies can only manage what they measure. Another skill of accountants is the design of well-controlled information systems that allow companies to monitor and manage their operations accurately. Helping companies to better manage their impacts on society and the environment is another area where accountants can contribute.

Skills for a green economy

The greening of economic sectors will only take place if governments and businesses invest in the appropriate skills in its workforce to facilitate change. The transition to a green economy will require a shift in employment – the creation of green jobs.

As consensus builds over many of the key issues associated with sustainability, companies are being faced with an increasingly complex landscape to negotiate. ACCA works to ensure that its members and students are equipped with the knowledge and skills to address these emergent issues.

Need for swift action and leadership from the profession

This article has highlighted a number of challenges, but greatest is arguably the pace at which change needs to take place.

The accountancy profession has shown in the past that it can be flexible. The globalisation of business is the greatest change to take place in recent decades, driven largely by ever-improving information technologies. In the face of such widespread change, the profession has worked hard to develop standards that are fit for purpose.

As the world is going through another period of rapid change, the accountancy profession needs to remain flexible and use its experience to assist in the shift to a green economy.
Rio+20: Co-creating the Sustainable Development Goals

Jonathan Tench
Global Advocacy Manager, Unilever

When delegates gather at Rio+20, they will do so during the most serious economic crisis the world has faced since the Great Depression and at a time when the world’s political leaders are consumed by the daily demand for job creation and economic growth.

But today’s challenges can be better addressed if we look at those of tomorrow. World leaders must shift their horizons and attend Rio+20 to agree how to deliver a path to sustainable growth that will meet our planet’s present and future challenges.

Within two decades, the collective human demand for water will exceed foreseen supply by about 40%, while global food production will need to increase by 70% to feed a growing population. Increasing the supply of food, water and energy is a huge challenge, compounded by the effects of climate change and by the stark reality of the inequality of our current economic model.

We need to find a new model of growth – one that is equally conscious of the needs of people and of the planet. To bring about a sustainable, equitable model of capitalism we need greater collaboration between business and governments. In order to foster this – we should look seriously at the ideas around developing Sustainable Development Goals.

Firstly, if business is to win the argument that it is part of the solution to sustainable development we have to prove it. As we look towards Rio+20, our focus must be on action, not words. Business must show the way.

At Unilever, we’re already clear about the business case for sustainable development. Our Sustainable Living Plan aims to double the size of our business by 2020, while halving our carbon, water and waste footprint and improving our consumers’ health.

We are taking a stand on moving the world to sustainable palm oil. We develop detergents that require a third less water as they’re used. We’re re-using our waste. We use natural refrigerants for our ice-cream cabinets. Our world leading Lifebuoy soap will educate over billion people about the benefits of handwashing with soap. A prerequisite if we are to end the over two million deaths each year of under 5s from diarrhoea and pneumonia.

We are aiming to decouple growth from our environmental impact. Our brands with sustainability at their heart are also delivering above average growth. For us, the business case for a sustainable model of growth is clear.

But Unilever cannot act in isolation; governments need to find the right public-policy incentives to encourage more businesses to take action on sustainability. Companies should be rewarded for addressing sustainability issues – making the business case for sustainability even clearer.

To foster greater collaboration between business and governments, we should ensure business is a co-creator of any new processes to develop Sustainable Development Goals. These goals should follow on from the Millennium Development Goals (MDGs) from 2015 and address both poverty eradication and environmental sustainability. They should set targets for all UN Member States covering water, carbon, energy and waste efficiency, along with issues such as deforestation, climate change, basic sanitation and food security.

Rio+20 can be a success, we can agree a how to achieve even more progress on the MDGs and a process to jointly define new Sustainable Development Goals. This requires business to extend a hand to governments, and for governments to grasp it. Our future depends on it.

MORE INFO
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Context: The seeds of sustainability

Mario Henrique Lima
Axia Sustentabilidade Brazil

The ideal place to sow the seeds of a sustainable city would be a greenfield site where everything is clean, new and simple. But soon, over half of humanity will be living in crowded, fast-growing mega-cities. So, starting afresh is not an option: the challenge is to transform what is already here. Addressing the complexity of human interactions and finding dynamic systems to resolve this challenge in fragile urban infrastructure settings, is the mind-set of Rio Sustainable City (RCS).

This pilot project seeks to show how two small hilltop communities in the Leme district (Chapéu Mangueira and Babilônia) – with a combined population of 6,000 people in 1,200 homes – can be integrated into urban life, without losing their distinctive identity, self-determination or legal right to their homes. We believe that showcasing urban sustainability will have an important demonstrative effect for other cities in Brazil, and beyond.

Rio de Janeiro’s favelas – or informal communities – where some 2 million people live, have been part of the Rio landscape for well over a century. As far back as 1995, the Inter-American Development Bank-funded Favela: Bairro project began working with 73 communities to integrate them into the city’s fabric. In succession, came an umbrella program, Morar Carioca, run by the City Housing Department (CHD).

The two Leme favelas form part of Morar Carioca and, since 2009, have benefited from a 99-strong Police Pacification Unit (UPP). UPPs are the key to the government’s largely-successfully strategy of ousting drug traffickers and restoring security as a first step to bringing officialdom back to hilltop areas it had long vacated. RCS working with CHD and the Rio state government to show how private enterprise, under the management of CEBDS, can actively participate in the city’s transformation.

As the city cleans up for the 2014 World Cup and 2016 Olympics, tensions are rising in Latin America’s most expensive city, as some favela land could become high-value real estate. Already, some favelas are being transformed by new housing projects. Historically, with these kinds of projects, original residents have been forcibly relocated – in some cases to outlying regions of the city. While management of this environmentally-sensitive hilltop topography may pass into responsible hands, as the favela becomes a middle class neighbourhood, the ‘people problem’ would simply be shifted elsewhere, creating a new generation of social tensions.

The RCS project, therefore, can help to define sustainability in more holistic terms. It also provides a test-case for business to show its commitment, not just to planet and profit, but to people as well.

Purpose: Aligning Stakeholder Needs

In complex urban settings with a history of social exclusion, sustainable solutions are best arrived at consensually and through purposive relationships.

In terms of housing solutions for the Chapéu Mangueira and Babilônia communities, the interest in capacity-building through the learning of construction trades and volunteer retrofits to 28 homes shows this commitment to improving dwellings as opposed to simply shifting to new ones.

According to Jaime Lerner, a member of the RCS Advisory Council, distinguished urbanist and former mayor of the city of Curitiba (a pace-setter in terms of sustainability and urban transport), the problem of coordination is central to sustainability. “Nobody knows how to do this on their own. Yet today, nobody knows how to help others to play their role.”

For this reason, dialogue has been crucial to the RCS journey, right from the 2011 visioning process, through to the residents’ assembly and feedback sessions. Initially, 21 stakeholders were interviewed, including the heads of residents’ associations and the police head of the UPP, as well as policymakers, officials and NGO representatives. Then local residents were trained to conduct interviews with 50% of all community households. Then facilitators conducted regular feedback sessions with the help of residents’ associations. The result is a dynamic process in which residents have an important and on-going stake, supported by local NGOs or residents’ associations.
This enhanced interaction also affords the business sector a greater understanding of how to interact with city, state or federal government bodies responsible for urban development. Brazil’s economic growth means the public sector is now a vibrant market for the social goods and services that businesses can offer, and that local residents urgently need. So RCS is also showing how business and the public sector benefit from working together.

Finally, experience shows that a neutral facilitator is can be valuable in ensuring the system operates harmoniously and all stakeholders function well together. AXIA Sustentabilidade has shown how a third party actor can fulfil this role and help deliver project continuity.

With a complex project involving up to 6,000 people living in tightly-knit communities, experience shows the risk-reduction value of clearly defining the contexts and getting intentions aligned, well before moving to the execution phase.

Focus: Cooperative Housing Retrofits

Housing is the single most important issue of concern to inhabitants of Chapéu Mangueira and Babilônia communities. Almost half of all residents consulted in our survey plan to improve the look and quality of their homes.

For the most part these are long-established residents, 95% of homes are of brick and concrete, and 75% have tiled floors. In these homes, 93% have TV, 88% have refrigerators, and 38% internet connections. So these are homes in a prime condition to be improved, not replaced (as had been originally been planned by the City Housing Department). It’s against this backdrop that the RCS team identified the need for a cooperative program to help residents to retrofit their own homes. While the program supports wider sustainability goals, such as greater energy efficiency in housing construction, the short-term targets focus on improved health and safety as well as better sanitation and comfort, and enhanced civic or community pride.

Residents requested workshops to raise their basic building skills and to mobilise financial credit. These needs are being met with the support of a group of RCS sponsors including Banco Bradesco, Votorantim, Dow Chemical, Philips, and Even Construction. During a 3-month period, 162 residents enrolled in these courses.

In addition, Bradesco Bank made credit lines available for the purchase of building materials, while both Votorantim and Dow offered reduced rates for essential products. This involvement provided useful learning for business about how to tailor products appropriate to community need. However, to qualification criteria, up-take of the loans was poor, suggesting banks need to tailor loans more carefully to community needs and special circumstances.

Finally, all retrofit projects benefited from expert technical advice on Health & Safety from a team of architects and engineers provided by Even Construtora.

While other communities may become victims of the process of ‘gentrification’ or upward social mobility if existing housing stock is totally replaced and wealthier new residents move in, the retrofit project ensures original residents of the Chapéu Mangueira and Babilônia communities will continue living at its heart.

Lessons Learned

- In order to face the challenges of a green economy, collaboration is key. During the last decades, firm executives have been learning they should be competitive, consequently, we now see problems with them working together. Both public and private sectors have their part of responsibility in this lack of collaboration. It’s therefore necessary to think of a governance structure to promote public-private partnerships.

- Furthermore, people need, first of all, to have an attentive listening posture to the specific needs of local communities. The focus should not be on ‘what I have to sell’ but ‘what is really needed and how can I adapt to match’. Being able to understand and align purpose will prove to be a promising business.

- Sustainability of urban areas requires a full understanding of local context. NASA technology is not needed. Simple solutions will be paid off by the scale they are applied. Products which adapt to respond to new consumers needs in a green way will leverage the transition to a more sustainable economy. With this project, we could see that companies are still facing difficulties in responding to this challenge.
There are several key features missing from the current intergovernmental framework for corporate accountability.

These include:

- Accessible methods for resolving human rights and labour-related disputes, between people and companies, that are both fit for purpose and capable of producing legally binding outcomes;
- A wider, organisational need for national institutions that are specifically tasked with responding to social and environmental challenges posed by business, to ensure policy coherence at a domestic level;
- An additional need for such institutions to offer guidance and support to business to enable them to integrate human rights into their management systems across all their global operations; and
- At the international level, the need for these institutions to contribute to greater consensus on addressing corporate harm, and to assist in capacity-building processes.

Professor John Ruggie, Special Representative of the UN Secretary-General on business and human rights, recommends that consistency in legal protection in the area of human rights could best be enhanced through a multilateral approach. Moreover, he says that: “Any such effort should help clarify standards relating to appropriate investigation, punishment and redress where business enterprises cause or contribute to such abuses, as well as what constitutes effective, proportionate and dissuasive sanctions. It could also address when the extension of jurisdiction abroad may be appropriate, and the acceptable bases for the exercise of such jurisdiction. It could also foster international cooperation, including in resolving jurisdictional disputes and providing for technical assistance.” He mentions the possibility of initiating an intergovernmental process of drafting a new international legal instrument to address the specific challenges posed by this protection gap. Finally, he sees the UN Convention against Corruption as an appropriate precedent and model for such an effort.

A convention on corporate accountability is indeed a good way to start addressing the global governance gap in the field and would be consistent with the call for greater corporate transparency in paragraph 24 of the Zero Draft: “We call for a global policy framework requiring all listed and large private companies to consider sustainability issues and to integrate sustainability information within the reporting cycle.” This paragraph should be amended so that it reflects demands for a convention: “We call for the UN General Assembly to establish an Intergovernmental Negotiating Committee for a UN Convention on the creation of a global policy framework which requires all listed and large private companies to implement sustainability into their management and throughout their supply chains, and to integrate sustainability information within the reporting cycle.”

To make sure that companies apply due diligence, and that victims of negative corporate impacts have effective access to remedies, the drafters of a future convention should consider a UN function that:

- Is given investigative and monitoring power. The follow-up mechanism should be in a position to analyse cases, undertake its own investigations, make country visits and monitor performance of states and companies.
- Can receive complaints, both against states and individual companies, from victims of human rights abuses and propose remedies. This grievance mechanism should be able to investigate complaints and allow victims and/or their representatives to sue for remedies. The mechanism should have the power to decide on remedies and to monitor whether they have been implemented.
- Is provided with the power to make recommendations to states and companies, review the fulfilment of these recommendations, and regularly report to the UN General Assembly.

It would be wise to look back in time for guidance. After an address to the General Assembly in 1972, from the President of Chile, Salvador Allende, the UN created a Commission on Transnational Corporations and the UN Centre on Transnational Corporations (UNCTC). One of the UNCTC’s initial objectives was to formulate a Code of Conduct on Transnational Corporations. In the 1980s, the focus of attention increasingly changed towards the positive impacts of Foreign Direct Investment and large companies, on development. This change in attitude towards corporations contributed to the stalling of the Code negotiations in the Commission on Transnational Corporations. As part of the re-organisation of the UN economic sector, the UNCTC was dissolved in 1993 and the Programme on corporations was transferred to UNCTAD. A convention on corporate accountability should build on the work developed by the UNCTC all those years ago, not simply on the more recent soft-law standards, such as the Guiding Principles and the OECD Guidelines.
On Thursday 26th and Friday 27th April the US State Department hosted the Global Impact Economy Forum, which brought together over 250 business and finance leaders who are working to develop and deploy ‘cutting-edge business and financial models that generate financial returns and positive social and environmental change.’ Welcomed by Secretary of State Hilary Clinton, who spoke eloquently of the extraordinary opportunities that lay open to investors in the twenty first century and the essential role that the business and financial communities have to play in the transition to a sustainable economy, participants were tasked with four overall objectives:

1. To focus on shifting from aid to investment
2. To shift from short-term to long-term horizons
3. To work in synergy not silos
4. To shift from the status quo to develop a new and supportive policy framework

High level speakers included Richard Branson, speaking dynamically on the need to ‘screw business as usual’; Audrey Choi, Head of Environment & Social Finance Group at Morgan Stanley; Zia Khan, Vice President, Strategy & Evaluation at the Rockefeller Foundation; and Ed Martin, Director International Insights and New Methods at Hershey’s. The quality of insights was exceptionally high and the dialogue was rich in successful examples of impact investing.

Impact Investing and Rio+20

In the context of Rio+20 - where it is likely that there will be a paragraph relating to phasing out fossil fuel subsidies; and recognition of the importance of moving away from short-term silo-thinking – the Forum certainly offered a glimpse into how impact investment could play a critical role in the implementation of Rio+20 outcomes and goals.

The basic premise of impact investing is that, instead of simply investing to only achieve the bottom line of financial returns, there is a responsibility on investors to seek out opportunities whereby governments and philanthropic resources can catalyse business and investment opportunities that will yield social and environmental benefits as well. In this regard, such investments will play a critical role post-Rio, in supporting those on-the-ground practices and projects that will help achieve and meet any targets or goals that are agreed to.

Potentially, impact investing can bridge the divide between global policy frameworks (that may not trickle down into national, sub-national, and local actions) and grass roots activities that are making positive changes on the ground (but which need to be significantly up-scaled and replicated). The top down versus bottom up approach continues to be debated; however, we know that in practice such a binary distinction does not exist. It may just be, therefore, that impact investing can fill in the ‘shades of grey’ to support the transition towards the new and responsible economic paradigm we are seeking.

A word of caution

That being said, if the solutions to the challenges we face are predicated upon the assumption that the pursuit of financial growth remains the primary goal of the business and investment community, social and environmental benefits notwithstanding, it will be important to fully consider the long-term consequences of impact investing itself. If financial returns are pursued, we need to ask if there will still be a point in time when the net social and environmental benefits are compromised; when the profit motivation will ultimately win out over the potential negative impacts that might arise as a consequence of the investment? Is it not also the case that investing in social and environmentally favourable projects will ultimately result in the mission of the projects themselves being achieved, and the need for further intervention being rendered obsolete as a result?

These are but a few of the questions I still have. This is not to throw a spanner in the works of such initiatives, because – at least in the short term – significant investments are needed to kick start the transition to the sustainable world we aspire to. But before fully embracing this approach perhaps guiding principles need to be laid down as a first step towards mitigating against impact investing having an overall negative impact. After all, as we know from Einstein we can’t save the problems with the same thinking that created it in the first place.

MORE INFO
Carbon-based monetary governance: Linchpin for an integrated sustainable development framework?

Frans C. Verhagen
Sustainability Sociologist

The world over, millions of people are demonstrating against the gross inequality that characterises the global economy, and are demanding an overhaul of the financial and commercial systems. It is vital that government, business and civil society leaders in the Rio+20 process respond to this demand for fundamental and transformational change in the world’s global systems which, unlike physical systems, are human made and, consequently, can be changed. It is possible to achieve this global transformation if the world’s most basic global system – the monetary system – is rethought.

By introducing a carbon standard, this transformed international monetary system would not only be more functional, it would also provide a realistic pathway to stabilise the climate and bolster a sustainable model of development. Though challenging, this is a practical way to integrate the three dimensions of sustainable development.

A carbon-based international monetary system is possible if government, business and civil society, and particularly their leaders, are able to think outside the box. As articulated by Maurice Strong, an international monetary system based on a carbon standard would be ‘innovative’ and ‘very promising, particularly in light of the stalemate in post-Kyoto prospects’. Bill McKibben, leader of the global 350.org, believes that a carbon-based system is ‘one of the only remaining possibilities’ given that physics and politics increasingly narrow our possible paths of action. Similar thinking is also demonstrated by those who signed an international petition addressed to leaders of G20 and Rio Summiteers, entitled Make monetary justice the basis of your Rio negotiations.

However, a roadmap is needed for the emergence of this transformed international monetary system, one which is credit- rather than debt-based and governed democratically by a Global Central Bank. This need was recognised in the 19th century by John Stuart Mill, and more recently by US Federal Chairman Paul Volcker and Cardinal Turkson of the Pontifical Commission for Justice and Peace. The Chicago Plan of the 1930’s was proposed by many outstanding economists to deal with the Great Depression. It withdrew the privilege of fractional reserve banking by privately-owned banks, making them utilities without the privilege of creating money and owning over 90% of the capital supply.

A linchpin for a sustainable development framework

For the international financial system to smoothly and fairly integrate the commercial activities of nation states, it must be based upon the universal value of justice; monetary justice to be precise. Monetary justice is the ethical principle that underlies the Tierra Fee & Dividend (TFD) system, the International Institute of Monetary Transformation’s carbon-based international monetary proposal. The TFD is presented as an integrated solution to a malfunctioning financial system, an increasing threat of catastrophic climate change and an unsustainable model of development. The main premise of the TFD system is that stability in the economic system is not possible without the principles of equity and sustainability. Along with its social, ecological, procedural and intergenerational meanings, monetary justice also alludes to a strong transformational element, and can be seen as the ethical foundation of a carbon-based international monetary...
Date with history

Kelly Rigg
Executive Director, Global Campaign for Climate Action

Throughout history, young people have driven change, often standing up for what’s right in direct opposition to established norms. From organised struggles for democracy and civil liberties, to peaceful protests calling for new economic ideals, youth voices have transformed the socio-political landscape of the 21st century. Now, with the future of life on Earth at stake, the ‘Date with History’ contest calls on young people across the world to record and submit short speeches that will urge, inspire, and ultimately move global leaders attending Rio+20 to take decisive action.

Inspired by Severn Suzuki’s famous speech as a 12 year old at the 1992 Earth Summit, contestants from all over the world – including countries like China, Uganda, Oman, Canada, Nigeria, USA, UK, and more – are asked to reflect on ‘The Future I Want’.

The contest has been promoted heavily online, in social media and directly to youth networks, by the organisers, Global Campaign for Climate Action, Natural Resources Defence Council (NRDC), Climate Nexus and their many partners and supporters including the UN Foundation, Music For Relief, Rio+twenties, and more.

News of the contest has received over five million ‘impressions’, resulting in dozens of entries and thousands of views and votes for entries online. Entries close on 6th May 2012.

Following a public vote, the final winner will be selected by a diverse jury including Dr Kandeh Yumkella, Christiana Figueres, Leonardo DiCaprio, Jose Maria Figueres, rock band Linkin Park, over a dozen youth leaders (including members of the Major Group for Children and Youth), Severn Suzuki, Timothy Wirth and Frances Beinecke.

The winner will deliver their speech in person at Rio+20 at two or three high profile occasions, hopefully including one at an appropriate moment during the official process. The winner will also have opportunities to participate in the activities of youth groups – including a web documentary and a youth blogging network.
The Natural Capital Declaration - a statement by financial institutions for Rio+20

Being at the top of the corporate food chain, financial institutions (banks, investors, insurers and reinsurers) can have significant indirect impacts on biodiversity and ecosystem services through their customers, and direct impacts through their purchasing decisions.

Now, in the build-up to Rio+20, a growing group of leading financial institutions are preparing to launch the Natural Capital Declaration, as a firm step towards a financial system that is more accountable in terms of the protection and sustainable use of nature. Signed by the CEOs of banks, investors and insurance firms, it demonstrates a far-reaching commitment from the sector to work towards embedding natural capital criteria into financial products and services, and supply chains.

Its launch also reflects broad and growing recognition that natural capital underpins the long-term health of the global economy, and by extension, the growth of businesses serviced by the financial industry. As one endorsing CEO puts it, “all companies are dependent on ecosystem services, either through their supply chains, around their operating sites or via their customers.”

Convened by the United Nations Environment Programme Finance Initiative (UNEP FI), the Global Canopy Programme (GCP), and the Fundação Getulio Vargas (FGV), the Declaration will be launched at Rio+20.

Starting late last year with endorsement by Rabobank (The Netherlands) and National Australia Bank, the Declaration already has the endorsement of 20 financial institutions in Australia, Ecuador, Guernsey, Italy, Mexico, the Netherlands, New Zealand, Paraguay, the British Isles and the US.

And although it is led by, and focused on, the finance sector, it has been welcomed by other stakeholders, including a number of leading international NGOs.

It was also recently hailed by the UK Sustainable Investment and Finance Association (UKSIF) as a ‘key investor initiative’ in the run-up to Rio+20.

Signatory institutions specifically commit to collaborate on a global scale with other stakeholders to:

1. Build an understanding of the impacts and dependencies of natural capital relevant to their operations, risk profiles, customer portfolios, supply chains and business opportunities;

2. Support the development of methodologies that can integrate natural capital considerations into the decision making process of financial products and services;

3. Collaborate with the International Integrated Reporting Committee (IIRC) and other stakeholders to build a global consensus around the development of integrated reporting, which includes natural capital as part of the wider definition of resources and relationships key to an organisation’s success; and

4. Work towards building a global consensus for the integration of natural capital into private sector accounting and decision-making supporting, when appropriate, the related work of the TEEB for Business Coalition, and other stakeholders.

This week, at the April informal negotiations on the zero draft of outcome document in New York, Mr Bas Rüter, Director of Sustainability of NCD signatory Rabobank, will be presenting the private sector view during the side event ‘Natural Capital Accounting: Better Decisions for Sustainable Development’ from 13:15- 14:45pm on 3 May in Room 3, North Lawn Building. The event is co-sponsored by Botswana, France, World Bank and UN-DESA.

The Natural Capital Declaration is the cumulative result of over 18 months of engagement with the finance community, and complements existing initiatives, such as the Principles for Responsible Investment, the Equator Principles, and the Principles for Sustainable Insurance.

MORE INFO
For the full text of the Declaration, latest news, and updates on NCD events at Rio+20, please visit the website www.naturalcapitaldeclaration.com, join the LinkedIn group ‘Natural Capital Declaration’, or follow the NCD on twitter @NCDeclaration.
Moving towards meaningful private sector contribution to sustainable development

Tuesday 1st May 2012
13:15-14:45
Conference Room 7, North Lawn Building

The event will discuss paragraph 24 of the Rio+20 Outcome Document, which focuses on a Global Framework for Corporate Sustainability Reporting. The panellists will introduce different views on the proposal, and inform discussions on how a global framework for corporate sustainability can be put into practice and strengthen the transparency and accountability of the private sector.

CHAIR: Derek Osborn, President, Stakeholder Forum

PANEL:

• Teresa Fogelberg, Global Reporting Initiative
• David Pitt-Watson, UNEP-FI
• Narinder Kakar, IUCN, UN Permanent Observer in New York
• Adam Kanzer, Managing Director and General Counsel at Domini Social Investments/Corporate Sustainability Reporting Coalition
• Aron Belinky, Vitae Civilis (Brazil)
• Harris Gleckman, former Head of Environment, UN Center on Transnational Corporations
The Rights of Mother Earth gain momentum in the run up to Rio+20

Sandy Abrahams
Wild Law UK

The Rio+20 dialogues and Mother Earth Day

To mark International Mother Earth Day, the UN General Assembly held an interactive dialogue on ‘Harmony with Nature’ on Wednesday 18th April at the UN Headquarters in New York, to examine how human activity has affected the regenerative capacity of the planet.

“As we get closer to Rio+20, we must keep the Earth in full view when making decisions and taking actions, shifting from a self-centred to an Earth-centred approach.”

Mr. Sha Zukang, Secretary-General of Rio+20 told participants:

“Our success and wealth must be measured by the balance we create between ourselves and the world around us; that is, by our ability to live in harmony with nature.”

Making representations at the dialogue, the Venezuelan Ambassador stated that:

“As inhabitants of this planet, we have ethical obligations with nature. Mother Earth has rights as well. The intrinsic value of this and the need to maintain its capacity of regeneration must be key objectives of a new international order.”

Rights of Mother Earth

Taking this a step further, last week the G77 proposed language in the Rio+20 negotiating text itself, referencing Mother Earth and the interdependence between human beings, other living species and the planet we inhabit. This represents a potential shift in the negotiations, which have so far been weighted heavily towards the economy over the environment. Could we see the Rights of Mother Earth formally represented in the Rio +20 negotiations?

Wild Law UK and the call for Rights of Mother Earth

Wild Law UK is one of the organisations which, at a domestic level, has been making recommendations to Government to support the Declaration of the Rights of Mother Earth at the Rio+20 negotiations and to recognise the Rights of Nature within UK domestic laws.

Wild Law UK believes that governance systems, including law, must be rapidly reoriented so that they support, rather than undermine, the long term health and integrity of the planet. This approach is known as Earth-centred governance, which recognises that humans are one of the many species making up the amazingly diverse Earth community and seeks to rebalance our relationship with the Earth system.

Failing to recognise the intrinsic value and rights of nature puts us in severe danger of irreparably damaging the support system on which our very survival depends. We must recognise the rights of all life on Earth – human and non-human – to exist, to have habitats and to fulfil their role in the evolutionary processes of the Earth. Rio+20 provides us with a crucial opportunity to address these fundamental issues on the global stage. Wild Law UK calls for placement of the Rights of Mother Earth at the heart of the negotiating text, to secure a common future, for humans, for future generations and for all life on Earth.
# Rio+20 Side Event Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Room</th>
<th>Title</th>
<th>Organisers</th>
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<tbody>
<tr>
<td>01 May 2012</td>
<td>1:15-2:45</td>
<td>7</td>
<td>Moving Towards Meaningful Private Sector Contribution to Sustainable Development</td>
<td>Stakeholder Forum for a Sustainable Future</td>
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<td></td>
<td>1:15-2:45</td>
<td>B</td>
<td>Taking Natural Capital into account: how can SDG’s, Green Economy Roadmaps and National Sustainability Plans properly maintain and value the Earth’s Natural Capital as part of a post-Rio+20 framework</td>
<td>BioRegional Development Group</td>
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<td></td>
<td>1:15-2:45</td>
<td>3</td>
<td>People and the Planet: The priorities for Rio+20</td>
<td>The United Nations Population Fund (UNFPA)</td>
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<td>02 May 2012</td>
<td>1:15-2:45</td>
<td>7</td>
<td>The role of renewable and clean energy in promoting green economy in the context of poverty eradication and sustainable development in LDCs, LLDCs, and SIDS</td>
<td>UN-CHIRLLS</td>
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<td></td>
<td>1:15-2:45</td>
<td>3</td>
<td>The Business Case for Sustainable Development - Realizing Inclusive and Green Growth: Recommendations from the UN-Rio+20 Business and Industry Consultation and Government and Civil Society</td>
<td>Permanent Mission of the Kingdom of the Netherlands to the UN</td>
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<td>03 May 2012</td>
<td>1:15-2:45</td>
<td>7</td>
<td>Towards an Inclusive Green Economy - A think exchange at the second round of ‘informal-informal’ negotiations on the zero draft</td>
<td>Federal Ministry for the Environment, Germany</td>
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<td></td>
<td>1:15-2:45</td>
<td>3</td>
<td>Natural Wealth Accounting</td>
<td>World Bank</td>
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<tr>
<td>04 May 2012</td>
<td>1:15-2:45</td>
<td>3</td>
<td>Creating a sustainable economy: top down and bottom up</td>
<td>Institute for Plenary Synthesis and Commons Action for the UN</td>
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## What is your role at the Global Reporting Initiative (GRI)?

After a long career in the Dutch government, in 2004 I moved to the GRI where I currently work as Deputy Chief Executive, in charge of governmental relations, international organisations, development and advocacy. It’s an exciting time to be working with policy makers on sustainability reporting, it really feels as if we’re experiencing a dramatic shift to a more sustainable economy. Transparency has an important role to play in that.

## How is reporting advancing sustainable development in the private sector?

Thousands of organisations worldwide now produce sustainability reports. Research shows that, in 2011, 95% of the largest 250 companies worldwide issued sustainability reports – up from around 80% in 2008 and 50% in 2005. In producing such reports, companies assess the sustainability dimensions of their activities and report their policies and performance. For multinationals and western companies, this means they can be held accountable for the actions that affect development. For companies based in developing countries, transparency can bolster their position in the market, strengthening the local economy. It also helps them make savings and increase profits, contributing to development.

## What do you expect from Rio+20 regarding the private sector?

Sustainable development can only be achieved with the inclusion of the business sector. Governments can create the enabling conditions for business to operate and for the market to function properly. Rio+20 provides a unique opportunity to do this, to adopt a global policy framework on sustainability reporting based on a report or explain approach.

Information on companies’ economic, social and environmental performance – the three dimensions of sustainable development – and governance should be widely available to decision makers, including governments and private sector organisations. If businesses and all other organisations monitor and report sustainability performance data, they will have the vital information needed by executives to manage risk and identify sustainability opportunities. This would help them engage with stakeholders, and help financial markets work efficiently, in a shared effort to pave the way to sustainable development worldwide.

## What is your ideal outcome from Rio+20?

Some have dreams of Rio that reach far into the future. I have a very concrete dream. It is just around the corner: ready to happen – just waiting for some bold Rio negotiators to make it happen. What is that dream? That one year after Rio, all large companies of the world – almost a hundred thousand – will be measuring their impact on sustainable development; and share that knowledge through sustainability reporting. This will be a very concrete result: a global requirement for all large companies – public and private – to report or explain why not.
Reflections on the negotiations - Monday, 30th April

Alice Vincent
World Future Council

Negotiations of Working Group II (Sections I, II, IV) discussed Section 1 (Preamble/Stage Setting), in both the morning and afternoon. The afternoon meeting was adjourned 25 minutes early as the G77 were not prepared to engage in Section IV (IFSD) and needed time to prepare for the 7pm evening session.

Leading the session, UNCSD PrepCom Co-Chair Kim Sook strongly reaffirmed his position as Chair. There seemed to be considerable tension, or lack of patience between the Chair and G77.

The republic of Korea spoke out positively on Paragraph 4, on the protection, survival and development of children, which was supported by a multitude of other countries.

It was interesting that the Chair raised the morning’s Bureau meeting with Major Groups and delegations, highlighting that the Major Groups had voiced their concerns about the strength of language on Human Rights in the Outcome Document. He focused this statement directly to the G77, and put them on the spot by asking whether they were in attendance at the Bureau meeting, rather poignantly announcing the absence of the Summit’s largest negotiating block to everyone else in plenary.

There appeared to be a lot of checking whether Member States or negotiating blocks were willing to remove deletions, indicating the Co-Chair’s intention to make today something of a clean-up job. Unfortunately most positions were retained and the text moved relatively slowly.

The aim to reduce the size of the document was being undermined somewhat, with countries deleting two words under the auspices of ‘streamlining’ …something the Co-Chair did not fail to point out.

Michael Kalmus Eliasz
International Federation of Medical Students Associations

The morning session of Working Group I (Section III and V) saw the Chair spend time outlining why he was providing a new Co-Chairs suggested text – primarily to try and move things forward quicker and make some real progress.

The majority of the morning was spent discussing Paragraph 25, which sets out the vision for a green economy and what it is envisioned it will achieve. Whilst all groups claimed to broadly support the Chair’s text, there were some obvious points of contention, which then continued to be debated in all subsequent paragraphs.

The key points of disagreement were along ideological lines. On technology transfer, the US, Canada and EU all insisted on the inclusion of ‘mutually agreed terms’, whilst the G77 wished to remove such language.

Other debates included the G77 stressing previous arguments – such as common but differentiated responsibilities – that developed states should take a leadership role in, and the ability of Member States to take different approaches towards achieving a green economy. Nonetheless, the US, Canada, EU, New Zealand and Switzerland all called for these points to be deleted on many occasions, partly due to the fact that they are repeated in multiple other places in the Document.

All in all, the negotiations felt rather slow paced and did not appear to be moving towards consensus. This appeared to be due to the different ideological lenses through which countries view the ‘challenges and opportunities’ of the green economy. Hopefully some progress can be made on the more specific topics within the green economy section of the text.

On a positive note, there were specific references to youth and training when discussing employment, with there appearing to be consensus on these specific points in paragraph 28.