

# ICLEI submission for Rio+20

## Contribution to the Zero Draft of the Rio+20 outcome document

31 October 2011

We all know we currently live beyond the carrying capacity of the planet. In 2050, about 9 billion people will live on this planet – how can we ensure at least basic, decent livelihoods for all with more equity and social justice while climatic changes will have taken effect, scarcity will have led to significant price increases in water, food mineral oil, natural gas, and many materials? ICLEI's vision is not to merely look at the status quo and make incremental improvements to it, but rather to consider the **systemic changes we need** to make now in order to ensure sustained human life on earth. That is the crucial context of ICLEI's input towards, at and beyond Rio+20.

In ICLEI's view, the world does not need another declaration. If Rio+20 is to be a worthwhile multilateral conference justifying the enormous financial and human resources invested in it, Heads of States and Governments have to be personally involved in jointly deciding upon and presenting concrete *actions*.

## 1. Context: cities and urbanization

### 1.1 The challenge and potential of urbanization

The increasing speed and scale of **Urbanization** have turned this trend into an emerging global issue. While in 1950 less than one-third of the world's population lived in cities, by 2050 over two-thirds of the world population will be living in urban areas. In the next 40 years we have to build the same urban capacity which we have built in the past 4000 years. Building quality urban fabrics that provide livelihoods and opportunities for people of all economic backgrounds, so rapidly and at such enormous scale, **is the defining challenge humanity faces**. The standards along which these urban structures will be designed will decide whether their future inhabitants will be locked into the current life-styles of resource-intensity and dependency on fossil fuels, or if they will become the models for future urban fabrics based on carbon neutrality, minimal use of natural resources, closed economic cycles and social inclusion.

ICLEI calls for a **UN Decade of Sustainable Urbanization** to raise awareness, create synergies and to share solutions and good practices.

ICLEI helps its 1200 members in 73 countries to work towards eight goals: to implement integrated sustainability policies, to increase resource-efficiency, to become bio-diverse cities, to move towards climate neutrality, to create a resilient community, to green the infrastructure, to transition to a green urban economy and to establish a healthy and happy community. If the cities of the world reached these aims, most global environmental targets would be reached.

## 1.2 Resource productive cities –a vision for green urban economies

Yet in the long term, we have to go even further. Considering the widening gap between the resource demands of growing populations and economies, on the one hand, and declining natural resource base and carrying capacity, on the other hand, there would appear to be only one real solution. Our cities need to themselves be designed and managed to produce more and more of their own resource inputs.

We need to **redesign existing urban areas and systems**, we need to build new ones that generate substantial amounts of their own resources within the urban region, in particular their energy, food, and even water. Put in economic terms, cities need to be even more productive engines of economic growth by ‘growing’ a substantial part of their own resource base.

This investment in the **resource productivity of cities and urban systems**, which until now have been extractive, resource consuming systems, is the central opportunity and challenge of the green urban economy.

## 1.3 Cities: hubs of green growth

**Economic growth** in both developed and developing countries has been and **will be concentrated in their cities**. It is estimated that between 2005 and 2025 some 200 trillion dollars will be spent globally on fixed urban assets. Most of this expenditure will occur in developing countries, but often involving the engineering, infrastructure, architectural, technology, and construction companies of developed nations. McKinsey & Co estimates that 46 trillion dollars will be spent on fixed urban assets in China alone during the 2005 to 2025 period.

ICLEI sees in the channeling of this expenditure towards more sustainable urban designs, systems and materials a **tremendous ‘green growth’ opportunity**. Incentives should direct growth towards resource-productive, resilient, low-carbon and low-risk urban infrastructure. Local Governments need the powers as well as supportive national and global regulatory frameworks to channel this expenditure towards creating sustainable urban systems – to set the standards for all human settlements.

ICLEI’s white paper “Financing the Resilient City” of June 2011 argues that finance for resilience and adaptation need to be demand-driven, rather than having conventional top-down global financing mechanisms determining in a top-down fashion which local actions are eligible for funding. This demand-driven model of urban adaptation financing may be a pilot case of demand-driven finance in other areas.

The concentration of economic growth in cities and the relevance of the performance of urban systems to global sustainability may be regarded as common ground between developing and developed countries.

## 2. Green economy in the context of sustainable development and poverty eradication

### 2.1 Beyond the ‘3 pillars’: economy must serve the people and the planet

The common conceptualization of sustainable development as having three pillars – social, economic and environmental – is misleading. While there is an interconnection between the three spheres, ICLEI doubts that they can be seen as equal and the concept of “harmony” between them is solid. Why should humans and their societies, and why should the environment be brought in harmony with the economy?

ICLEI sees the **economy as a servicing system**, not as an end in itself. The economy is dependent upon productive and functioning natural resources and ecosystem services, which it processes into products and services for people. It is thus the mechanism between nature and humans. It must ideally use as little natural resources as possible to enable as many people as possible to live well. With an increasing global population and finite natural resources, this is essential in order to secure decent livelihoods for all human beings now and in future. The way the economy works – whether wasteful or efficient, whether polluting or clean, whether exploitative or just – determines the extent of sustainability of our civilization.

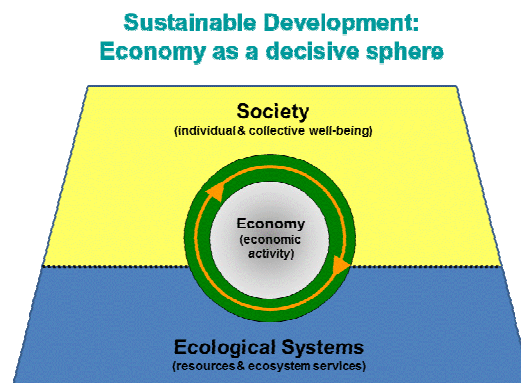


Figure 1: ICLEI's way of conceptualizing sustainable development beyond the 'three pillars'

## 2.2 The need for Sustainable Development Goals

ICLEI supports that one central outcome of Rio+20 should be Sustainable Development Goals (SDGs), the **framework and goal set for action until 2050**:

- SDGs must ensure that in 2050 all 9 billion people will be able to **live within the planetary boundaries** with decent living conditions. Continuing with a business-as-usual approach will lead to a dearth of natural resources and the possibility of conflict over scarce remaining natural resources. This threat must be addressed decisively and immediately.
- SDGs should be **based on scientific evidence and expertise**, particularly regarding current assessments and projections for 2050 under business-as-usual and other models, as well as analyzing which actions now would lead to which revision of trends.
- SDGs should be **quantifiable, measurable, reportable and verifiable**.
- SDGs must **address urbanization** and its impacts on sustainable development of all societies on this planet. Urbanization trends are interlinked with most of current key challenges such as poverty and resource scarcity exacerbated by climate change, biodiversity loss and globalization.
- SDGs must include clear targets for global sustainable development standards to be met jointly by **all actors**. It should also set up a centralized registry of commitments that keeps track of which country or institution has agreed to do what, and the extent to which that commitment has been fulfilled.
- Local Governments and Local Government Organizations (LGOs) such as ICLEI will be **crucial for successful implementation** of SDGs and should be included in relevant global decisions on the definition of SDGs. Discussions on SDGs and governance should be

interlinked, since good sustainable development governance at global, national and local level will be crucial for the successful implementation of the SDGs.

- SDGs should be clearly linked to and seen in conjunction with the **Millennium Development Goals** (MDGs).

### 2.3 Towards a green and sustainable economy: beyond GDP

When considering the green economy in the context of sustainable development and poverty eradication, it is not a question of environmental protection *or* economic growth, but rather a **structurally and qualitatively different type of economic growth** which values the finite natural resources the economy relies upon. This is the idea behind green economy in the context of sustainable development and poverty eradication. After the financial and economic crises the world has undergone in the past years, we must once more realize that the current global economic model is unsustainable.

Gross Domestic Product (GDP) is the most widely used metric of the economic performance of a country. However, it is now widely recognized that GDP is an inadequate measure of social progress: measuring efforts and not results, focusing only on quantity of expenditure and not quality, masking inequalities, and disregarding the value of natural capital.

**Developing a more comprehensive indicator** would allow for more nuanced performance measurement. The Human Development Index (HDI) and other alternatives have existed for a long time. More recently Bhutan's Gross National Happiness Index and the OECD's Better Life Index among others have also gained some recognition. ICLEI welcomes and supports the recent efforts made to seek more nuanced measurement of performance and considers it possible to move to a better indicator of national well-being than GDP.

ICLEI expects the Rio+20 Conference to take a decision to generally introduce a new performance measurement framework for countries and their economies.

ICLEI demands that such improved indicator(s) should allow for being translated into locally used indicators as part of a coherent global monitoring and evaluation framework for globally and nationally agreed targets.

As part of the transition to a green economy, ICLEI requests that existing ideas such as the internalization of costs and the 'polluter pays' principle must finally be fully implemented. In addition, ICLEI proposes the introduction of a new principle, the **'beneficiary pays' principle**, for the sake of inter-generational justice: those actors of the current generation who use and benefit from the use of resources or natural capital have to bear the full costs. In the energy sector, for example, energy prices from diverse sources would be extremely different under the 'beneficiary pays' principle. Since the current use of fossil fuel both depletes finite resources and pollutes the planet for future generations, a fairer price for the long-term effects of that which benefits us today should be levied.

### 2.4 Green urban economies for a global green economy

The largest 100 urban areas alone are estimated to have contributed about 30% to the global GDP in 2005. Due to the geographical concentration of people, infrastructure, knowledge, economic activity and resources, cities are able to achieve 'more with less' - or, in other words, to turn density and urban systems into eco-efficiency. Local governments are already working in multiple areas which form part of the green urban economy, such as sustainable procurement, green buildings and infrastructure, improving waste management, access to sanitation et cetera.

ICLEI sees **greening the “urban” economies as an essential part of the global transition to a green economy.**

LGOs such as ICLEI can draw upon the **vast implementation capacity of cities** around the world, thus tapping into a large potential for green economy transitions. A green *urban* economy realizes opportunities to enhance human well-being and local natural resources, while reducing future costs, ecological scarcities and environmental risks. Developing green urban economies will have direct positive local effects such as an enhanced well-being of the local population, keeping more resources in a local economic cycle, a prevention of future scarcities in natural resources and energy, and reduced future costs for maintaining urban infrastructure and social services, and reduced consequential costs to future generations for dealing with impacts of today’s economy. ICLEI as the largest global network of local governments working towards sustainability commits to a focus in its work with its local government members around the world to green their *urban* economies, piloting best practices that may be followed by others.

## 2.5 A Green Economy Roadmap is one option

A **Green Economy Roadmap** has been proposed by the European Commission. It seeks to map out the "what, how and who" of a transition to a green economy, proposing specific actions that could be implemented at the international, national and regional levels. More precisely, it envisions (1) investing in key resources and natural capital ("what"), (2) combining market and regulatory instruments ("how") and (3) improving governance and encouraging private sector involvement ("who").

Such a Roadmap is one of the options that may support a global transition to a green economy. It should explicitly include and support greening *urban* economies. It would have to be supported by countries of different economic development and take account of their different circumstances. ICLEI fully agrees with the need to invest in key resources and natural capital as a basis for future economic activity and human well-being. ICLEI realizes that economic and financial mechanisms must be used to address these challenges.

ICLEI demands the full inclusion of relevant actors such as local and regional government, business and civil society in such a roadmap.

## 3. Institutional Framework for Sustainable Development

Over the past decades the world has realized that social, environmental and economic issues transcend political borders. Since the UN Conference on the Human Environment in Stockholm in 1972, a huge number of global bodies have been created dealing with issues that form part of sustainable development. Despite these efforts, the world recently experienced major financial crises and is witnessing a continuing loss of biodiversity, escalating climate change, widespread resource depletion, and other **challenges, which the current institutional framework seems unable to adequately address.**

Numerous trends and indicators show that the planet and its human beings are facing severe threats to their livelihoods and survival in the present or near future.

At the beginning of the 21<sup>st</sup> century, we must realize that our current global institutional set-up has failed to set the world and global society on a sustainable path. **The time has come for significant revision** of the global institutional framework for sustainable development.

### 3.1 Involving all relevant actors in decision-shaping and implementation

Based on Agenda 21, relevant UN bodies such as the UN Department of Economic and Social Affairs (DESA), the UN Framework Convention on Climate Change (UNFCCC), the UN Convention on Biological Diversity (UN CBD), the UN Convention to Combat Desertification (UNCCD) and the UN Environment Programme (UNEP) recognize the so-called “Nine Major Groups”: Business and Industry, Children and Youth, Farmers, Indigenous Peoples, Local Authorities, NGOs, Scientific and Technological Community, Women as well as Workers and Trade Unions. Since Agenda 21 was adopted in 1992, the involvement of Major Groups has enriched the debates at the UN and brought relevant voices to the table. Yet the current structure has clear limitations. **The current nine groups are very different** in their identity, roles and powers, yet they are equal in the UN system.

ICLEI believes that Rio+20 provides an exceptional opportunity to enhance the current Major Group structure. Criteria such as the stakeholders’ mandate and capacity to contribute to the implementation of multilateral agreements, to organize commitments to action by their constituencies, to establish performance monitoring systems and to provide regular global reports, i.e. their ability to submit themselves to a accountability framework, need to be taken into consideration.

Possible new **Stakeholder Groups could be “Governmental Stakeholders”, “Business and Trade Unions”, and “Civil Society”** including indigenous people, women, science, farmers, youth and NGOs.

ICLEI as a Local Government Organization and as such part of the proposed Governmental Stakeholder Group focuses on that group.

ICLEI proposes that local and regional governments as recognized “**governmental stakeholders**” in the UNFCCC process **should be given responsibility and be involved in decision-shaping** that concerns in particular sustainable development and greening our economies. Local governments and LGOs play a crucial role in the implementation of multilateral environmental agreements (MEAs).

ICLEI is currently developing precise suggestions for models of enhanced governmental stakeholders’ participation in policy-shaping and implementation, to be publicly proposed ahead of Rio+20.

At a time when there appears to be general consensus that the ability of the United Nations as an international organization of the sovereign states of the world to bring about binding frameworks to safeguard global environmental assets such as climate stability within the necessary timeframe, an institutional framework should be created that involves “relevant actors” besides nation states and integrates them into a system of commitments, actions, performance monitoring and reporting.

ICLEI believes that if the UN wants to fully live up to the spirit of its Charter, not only to “maintain international peace and security” (Article 1.1), but also to “achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character” (Article 1.3), it needs to move – in its functionality – beyond the definition of “United Nations” and to **becoming the “United Actors”**.

### **3.2 A need for integration and coherence – Sustainable Development Council?**

As outlined above, we need to move beyond thinking in terms of three pillars of sustainable development. This has clear implications for the institutional framework for sustainable development (IFSD). The economic, social and environmental spheres cannot be separated into pillars which stand on their own. There is a clear need for a **coherent, integrated IFSD** which recognizes the economy’s absolute dependency on ecosystem services, and society’s primary role in using, crafting and shaping the global economy to create meaningful and low-impact quality of life for all.

ICLEI believes that the **creation of a UN Council on Sustainable Development** is a worthwhile option to be considered. Such a Council could serve to increase coherence and coordination among the different global organizations working on sustainable development and it could be the forum for dialogue among countries, governmental stakeholders, business and civil society regarding sustainable development. ICLEI will remain engaged in the process of designing such Council.

### 3.3 The need for a UN or World Environment Organization

ICLEI supports the need for a single organization which works on all environmental issues in a comprehensive and coherent manner, which could be a **UN Environment Organization (UNEO) or a World Environment Organization (WEO)**.

Integration and coherence in the environmental sphere will be one step towards integration and coherence in sustainable development governance. ICLEI believes that UNEO/WEO as the one organization dealing with all aspects of environment and taking care of the finite natural resource base at the global level will be better placed to relate to and discuss important issues with those organizations regulating the global economy and aiming to ensure social well-being. This organization should have universal membership to ensure the highest possible legitimacy and authority. Such an organization would also be helpful for Local Governments and global LGOs in order to link global and local environmental policy and implementation. ICLEI supports the idea to upgrade UNEP into a UNEO or WEO.

### 3.4 New Intergovernmental Panel on Sustainable Development

The United Nations, UN Member States and all other relevant actors need to be clear about where key global developments (such as global warming, water availability, soil degradation, desertification, food production, etc.) must stand in the years 2020, 2030, 2040 and 2050 in order for human civilization on the planet to be on a sustainable path. This is the function of the Sustainable Development Goals (section 2.2 above), which need to be quantitative, measurable, reportable and verifiable. The definition of these goals must be based on scientific evidence and expertise as postulated in section 2.2.

The Intergovernmental Panel on Climate Change (IPCC) has been in operation since 1988 and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) was recently created. Each Panel forms the interface between science and policy for their area of focus. Sound political decisions on sustainable development issues require a solid scientific base, making these two Panels highly important and useful. Yet ICLEI believes that one has to be careful to avoid fragmentation in the institutional framework.

To this end, ICLEI proposes to create an **Intergovernmental Panel on Sustainable Development (IPSD)**. This Panel would inform the most important global political decisions for the long-term future.

This Panel would be the overarching body for IPCC, IPBES and any other relevant science/policy bodies. Details of the IPSD would have to be worked out after Rio+20.

### 3.5 Sustainable development governance and the local level

While the above-mentioned changes in the institutional framework for sustainable development have been proposed in order to improve the *horizontal* integration, **vertical integration** within a multi-level governance system needs to be improved as well.

Local governments are considered the closest and most responsive level of government to the needs of their citizens, electorate and local interest groups. How sustainable development governance works at the local level varies widely. An analysis of the progress and variety of sustainable development governance and action at the local level is currently being carried out for the **Local Sustainability 2012 global study**. The study will critically evaluate 20 years of Local Agenda 21 and other sustainable development initiatives. The results of the study will be published in early 2012 and will be fed into the Rio+20 process.

Regardless of how the administrative structure for sustainable development is set up, local governments are crucially important to **steer sustainable urban development**. They provide urban services (water, waste, sanitation, public transport, fire and police, administration, education et cetera), regulate building codes and land-use, respond to public pressures, and leverage, align and allocate large amounts of investments. Their influence is immense: to direct sustainable urban development by utilizing renewable energy, adapting to climate change and building resilience, reducing greenhouse gas emissions and local pollution, reducing consumption and using resources more efficiently, amongst others.

The past two decades have seen a strong decentralization of public tasks from the national level to the local level, mostly without equipping local governments with sufficient power and resources needed to implement these tasks. ICLEI demands that in order for local governments to take on the responsibilities and tasks outlined above, adequate financial resources have to be provided and supportive fiscal and legal national framework conditions have to be established.

Endowed with appropriate capacity, local governments will be the strongest allies of national governments and the United Nations in creating conditions for a sustainable human civilization on Earth.

-----

*This submission was compiled by the ICLEI World Secretariat. The 11 ICLEI regional and country offices and 1200 ICLEI members reviewed the draft between 20 September and 20 October 2011.*

*For questions and comments please contact [rio20@iclei.org](mailto:rio20@iclei.org).*

-----

ICLEI – Local Governments for Sustainability  
Secretary General  
Kaiser-Friedrich-Str. 7  
53113 Bonn, Germany  
Tel. +49-(0)228 / 976.299.00  
Email: [rio20@iclei.org](mailto:rio20@iclei.org)