

## **Governance for Sustainable Development. Framing “Rio”**

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### Key note

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Mr Chairman, distinguished Ladies and Gentlemen,

I thank you for inviting me to give this Key note on some governance issues concerning sustainable development in the frame of next year’s UN Conference in Rio de Janeiro. I am doing so in my capacity as Secretary General of the German Council on Sustainable Development<sup>1</sup>. Adding to this, it is my pleasure to work hand in hand with Prof Klaus Töpfer, both in his capacity as Executive Director of the Institute for Advanced Sustainability Studies in Potsdam, and as „political architect“ of the German post-Fukushima Consensus on the transition towards a safe and sustainable energy demand and supply<sup>2</sup>.

In the last 20 years, despite some success, many environmental challenges have not been solved and have even become more acute. The reason for this is neither a lack of knowledge, nor of technologies. Take the example of the waste accumulation in the oceans, the climate change, the amount of food being wasted and degenerated, devastation and loss of soil and arable land to name only a few. These issues compose a vicious mix of problems. Some of them we know for a long time and they are well-evidenced. Others are modern „wicked“ problems deeply webbed into society, rendering a simple one-cause-one-regulation approach unworkable. Indeed, the modern-day risks of a nuclear accident occurring and the security implications born of the adverse effects of climate change are impossible to pre-calculate, and their impacts are potentially unlimited and do certainly not stop where mankind has erected state boundaries, and thus triggering international security issues. That is why it is so important for any industrialized country to avoid deadend situations, in particular in terms of energy supply. From a governance point of view, the most problematic notion is expressed by the acronym „TINA“. It means „there-is-no-alternative“. The German debate on whether and how to phase out nuclear energy, in essence, is a debate on the choices the society has in order to come up with alternative, safe energy supply structures (including the demand side, the grid, and most certainly including the informed debate of conflicts of interest regarding costs, climate emissions, dependencies, and so on).

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<sup>1</sup> This is a multi-stakeholder body that the German Government established in accordance with the pledge of the 1992 Earth Summit 20 years ago in Rio de Janeiro. The purpose of the German Council on Sustainable Development is (a) advising the German Government, (b) raising new agenda items and fostering an informed debate, and (c) communicating what is meant by „sustainability“, its purpose and issues. Similar Councils exist in a number of Member Countries of the European Union.

<sup>2</sup> You heard him speaking yesterday about his (co-)chairmanship of the so called Ethics Commission on a Safe Energy Supply for Germany ([www.bundesregierung.de](http://www.bundesregierung.de)).

Next years UNCSD needs to deliberately display and discuss „choices“. Of course, Rio will have to assess progress made and evaluate implementation gaps and challenges. But there is much more at stake in opening choices for our mutually interdependent world to renew ways and means for sustainable development.

Rio 2012 needs to mark a process of transition towards investing in and preserving the natural capital offers. The focus challenge is to make economic growth and job creation compatible with ecosystem services. If succesful this would then help to more fundamentally changing the causes for poverty.

The year 2050 is near. Those are not in this room who, then occupy your positions and assume your functions as leaders in sustainability; but they are sitting in our schools and universities. The forty years or so until 2050 will mark forty years of their lives as active members of society, as their business and family life, and of their life in social and local communities. By 2050, the world will look differently with nine billion people living on it with high consumption standards. This world will be resource-constrained, carbon-constrained, and it will exhibit profoundly changed geopolitics. It is abundantly clear that governance will be key. The more this is the case, the more serious the world will care about how to share the ever-increasing wealth of available scientific knowledge. Knowledge and democracy – along with accountability and transparency – are the building blocks for governance.

The European approaches<sup>3</sup> currently brought into play in preparing the 2012 UNCSD reflect the political dynamics of the European project. For hundreds of years Europe was a byword for permanent war. The European Union, emanating from lessons learned, is a peace project. It is run on a machinery of hard and soft regulation, and it builds administrative institutions in collectively-shared responsibility. Still, it is incomplete, and the project continually struggles with how to free up multilateral action and how to link national and European action. In a sense, the story of Europe can be seen as the story of how to integrate diverse views, habits, drivers and cultures.

Europe has learned that “integration” does not work because good instruments are in place, but on a “must do” basis designed to achieve collective goals and objectives. The enlargement of the European Union and the specific processes of accession are a good case in point. The European carbon reduction objectives and the long-term goals of the European Union are further examples. They work through strong administrative arrangements, be they legal or communicative, be they enforced or implemented voluntarily or on the basis of persuasive instruments.

Having established this, it will likely come as no surprise to learn that the EU and Germany, of course, are strongly supportive of the idea of upgrading UNEP and promoting UNEP to the status of specialised agency. In a wider sense, it seems necessary to realign the performance of the UN system to the agenda of sustainability. An umbrella organisation approach seems to be reasonable. The underlying understanding of this position is one of integration and the role organisation building can play in this respect.

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<sup>3</sup> EU COM (2011) 363 final, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Council and the Committee of the Regions: Rio+20: towards the green economy and better governance; Brussels, 20.6.2011,

In the UN system an upgraded UNEP would have to serve as a core element in order to re-integrate environment. International environmental governance, after Rio 1992, seems to have been running in disintegration mode. Additional tasks have been implemented by adding new organisations to the existing ones. The re-unification of the environmental case resembles a piece of homework that is needed to reach out and improve the integration of the environment in the wider task of sustainability and into the Bretton Woods instruments.

- In this respect, the Green Economy poses particular challenges and opportunities. Environmental policies must and can deliver benchmarks and guidelines for roadmapping the green economy. Roadmaps are needed and have to be moulded into new governance instruments. They are needed in order to tackle upcoming agenda items such as the launch of a recycling exercise for those materials that today are not recycled at all (e.g. rare earth, industrial metals). Roadmaps provide an opportunity to design solutions beyond one-point-regulations.
- Best practice examples may incentivise new thinking and reach agreed objectives. Peer Review processes may help to benchmark best practice approaches, and to prevent the green economy develop into exclusive partiality (frequently addressed as Green Race by Björn Stigson, President of the World Business Council for Sustainable Development, as a warning against reducing the notion of green economy to the mode of just doing good).
- Enforcing capacity building (sustainability skills) and the involvement of the private sector. Business and civil society already play important roles in the transition process towards sustainable development. There are good examples for changing gear, developing new business models, re-arranging the supply chains by taking sustainability criteria on board. It is for the civil society and politics to draw the line and to make progress and success towards the green transition more tangible. Councils for Sustainable Development can make a difference, as demonstrated by the German example of awarding sustainability performance, ranking efforts, and the dialogue-style elaboration of a German Sustainability Code.

A more visioning governance debate should also cover the aspect of fiscal sustainability, an aspect which all-too-often is completely neglected. However, without any (near-stable) fiscal sustainability, virtually none of the remaining approaches to sustainability will ever come to fruition. By the same token, implementation of a green economy must prove that it will deliver innovation and decent jobs as well as qualitatively justifiable growth, and that it can alleviate poverty.

Change rarely comes from within organisations. This, at least, is true of the concept of organisations as we have come to know them. And it is undoubtedly true of the UN system that has, so far, not been able to manage to mainstream the sustainability task.

For this reason, the governance debate should highlight the nexus between national and multilateral action. With regard to making the nexus between national and sub-national levels viable, and working towards promoting sustainable development action, National SD Councils in European Member states have proven very meaningful and have enabled a broad set of different procedures in governance, and between the public and private sector. For this, multistakeholder bodies are a good proxy. „International Environmental Governance“ and „Institutional Framework on Sustainable Development“ should encompass also the private sector. If the notion of Green Economy is to be taken for real (!) the governance debate should

reflect on this. Judging from the German experience the corporate community (the most advanced part of it, that is) already displays quite some approaches and governance features designed to mainstream „Sustainable Development“ into corporate performance and to distinguish those efforts from mere window-dressing.

The governance debate may gain momentum and greater relevance when it starts to combine administrative governance and corporate governance plus the governance of social responsibility within organisations of the civil society. With the concept of the green economy, this step seems compulsory. In this respect, governance must allow for transformative momentum. Thus, we need an idea for a certain transgovernance. The involvement of actors from civil society and the business sector is a “must”, and progress is expected from the national level.

What do we expect the outcome of the 2012 conference in Rio to be? This conference is currently referred to as Rio-plus-20, a formulation designed to emphasise continuity and the 20-year anniversary. However, an anniversary alone will hardly attract visionary thinking and, if anything, is likely to raise greater awareness mainly of those who gathered twenty years before. That is why I suggest that we approach the Rio 2012 summit as Rio-20-plus. That would signal future-bound orientation that underpins an openness to considering the broader agenda of sustainable development. Therefore, my pledge is to see next Rio-plus-20 not hailing the ashes, but igniting the fire.

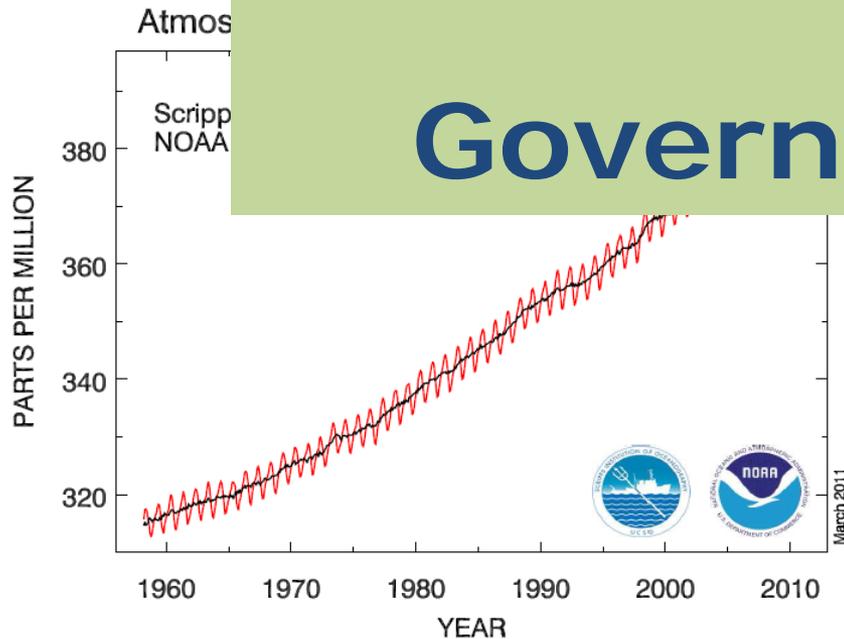
# Governance for Sustainable Development

Dr. Guenther Bachmann  
General Secretary German Council on Sustainable Development,  
presentation  
to International Forum for Sustainable Asia and the Pacific 2011, ISAP 2011



# Important issues in a changing world

## Governance is key



# European approaches

Framework of Aquis Communautaire

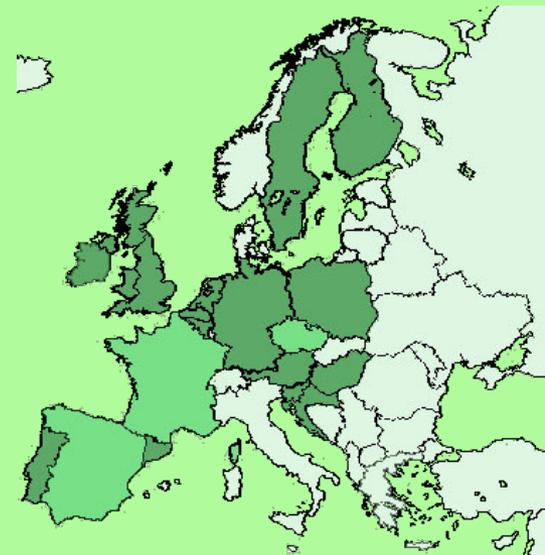
Hard and soft regulation  
SD and Environment as driver

Processes and Means  
Targets and Timetables



Upgrading UNEP and  
the UN environmental performance

National level:  
SDS and Nat'l Councils for SD



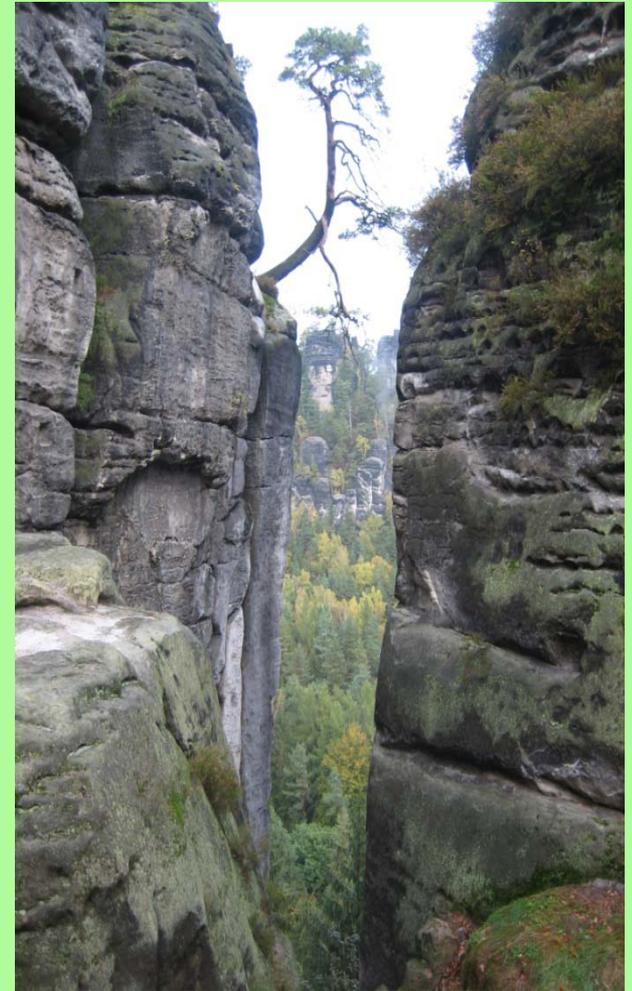
# More visioning

## Green Economy

- Roadmapping
- 100% recycling, LCE
- Webbing vision\_2050 into society

## Transgovernance

- German Sustainability Code





**RIO+20**  
United Nations Conference  
on Sustainable Development

Search

Rio+20  
Rio de Janeiro, Brazil June 4 - 6, 2012  
451 days left

# Outcomes of Rio+20 ?



## Expected: Rio 20+