

Institutional Framework for Sustainable Development

As the challenges to sustainable development have outgrown existing institutional capacities, it is now time to update the institutional framework for sustainable development (IFSD).

IGES's vision on the key principles and directions for IFSD is that it should include: multilevel governance and participation; integration and mainstreaming among the three dimensions of sustainable development; the subsidiarity principle; and strengthening environmental governance, because environment is the foundation for all other human and economic activity. IGES believes that fundamental reform of IFSD and international environmental governance (IEG) should be undertaken with a graduated and phased approach. Each sequence will provide necessary momentum for subsequent steps.



For the short-to-medium term, **IGES encourages governments to support the creation of a Sustainable Development Council** to better coordinate and oversee budgeting of all UN programmes and agencies. IGES also recommends appointing a High Commissioner for SD. Similarly, at the national level, SD concerns should receive greater attention and be harmonised and mainstreamed into sectoral work programmes through enhanced national coordination.

For IEG, **UNEP reform should start with universal membership of its Governing Council** to enhance legitimacy of IEG and eliminate the time-consuming elections of representatives to the GC. Subsequently, **UNEP should be upgraded to a specialised agency**, with a decision-making mandate and legal independence. In the longer term, IGES suggests the strengthening of regional environmental governance through, for example, formation of a regional environmental hub to be developed in the long run into an **Asian Environmental Organisation**, similar to regional cooperation frameworks in other regions.

Conclusion

IGES foresees the emergence of interlinked global governance institutions and **resilient social and economic systems** based on the principles of sustainable development. The **Green Economy** is an important interim milestone in this vision, in particular for poverty eradication and as a step towards sustainable consumption and production. To support this transition, a reinforced **Institutional Framework for Sustainable Development (IFSD)** is a necessary condition, in which multi-level and multi-stakeholder governance, as well as equity and social inclusiveness, are crucial.

* The contents of this publication are the opinions of the IGES researchers and do not reflect the views of any national and international institutions.

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Conference on
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Development

IGES Proposal for Rio+20



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Executive Summary*

Vision Statement

IGES maintains that sustainable development can only be achieved by addressing the three interdependent dimensions of economy, society and environment in an integrated manner. A Green Economy, supported by a strengthened Institutional Framework for Sustainable Development is based on safe, secure and low-carbon energy, with integrated climate change and development priorities taking into account resilience to natural and manmade hazards.

Simultaneously, over the next few decades, international society will need to focus on achieving global goals that address these dimensions:

- 1 Eradicate poverty and meet the basic human needs of all people including safe food, safe drinking water, adequate sanitation, health care and universal primary education;**
- 2 Reorient the world's economic system towards a low-carbon approach, sustainable resource use and sustainable use of ecosystem services; and**
- 3 Secure environmental integrity, particularly through dealing with climate change and biodiversity.**

In the Asia-Pacific region, these challenges have become more significant due to population growth, industrialisation, urbanisation and economic growth based on unsustainable consumption and production patterns. The IGES vision foresees the emergence of interlinked global governance institutions and **resilient**

social and economic systems based on the principles of sustainable development.

IGES believes that one of the key concepts underpinning integration of the three dimensions of sustainable development is **resilience**, and this should be revisited by all countries. The international community has been reminded by the recent disaster in Japan not only of the severe consequences of unchecked vulnerabilities, but also of the value of resilience to minimise the impact of disasters and hasten recovery. Greater emphasis in policy and research should be given to resilience, vulnerability and risk management in sustainable development.

To achieve such a resilient and sustainable society in the long-term, discussions should begin in the Rio+20 process to develop **Sustainable Development Goals (SDGs)** aimed at reducing absolute and relative poverty, changing consumption patterns, securing sustainable energy systems (including renewable energy targets), and increasing resilience.

* This report was submitted to UNDESA (Rio+20 Secretariat) on 1 November as an input to the compilation document of the outcome document of the United Nations Conference on Sustainable Development (UNCSD: Rio+20 hereafter) to be held in June 2012.

Resilient and Sustainable Society

A resilient society has the adaptive capacity and robustness to handle shocks while maintaining functionality, and over time, grow stronger.

Sudden extreme events can damage past achievements and delay progress on sustainable development. The world's poor are disproportionately exposed to risk, but vulnerability is not necessarily mitigated simply through economic development or increased income. Globalisation, climate change and unsustainable development paths will contribute to increasingly frequent extreme events with global implications, such as natural disasters and economic crises. The key components for a sustainable and resilient society recommended by IGES include:



- 1 Multi-stakeholder/multi-level governance** with better participation and a pro-poor and vulnerable approach for agile, flexible and effective social/political support through better coordination and utilisation of local social ties and knowledge;
- 2 Financial schemes for immediate and medium-term recovery** which supports households and small-medium business; and
- 3 Decentralised and diversified infrastructure** for energy, water, transportation etc. with balanced management of supply/demand sides.

The extent to which these components are adopted and integrated in each country is determined by the local context and through the development of enabling conditions.

IGES presentation at the Asian and Pacific Regional Preparatory Meeting (October 2011, Seoul)



Active Discussion at the International Forum in Yokohama

IGES organised the third International Forum for Sustainable Asia and the Pacific (ISAP2011) on 26-27 July 2011 in Yokohama, Japan with the United Nations University Institute of Advanced Studies (UNU-IAS). A total of 850 people from government, industries, research and academic institutes, NGOs and media participated for this event. In line with the main themes of Rio+20, ISAP2011 focused on the issues of a green economy and the governance for sustainable development. In addition, the forum paid special attention to critical issues which came about as a result of the triple disasters in Eastern Japan, an event which obliges us to re-examine our perspective on resilience. Reviewing our current social systems and governance structure, and bearing in mind the diversity of the region, the discussion showed the path for sustainable development promoting a green economy. The chair's summary of ISAP was presented at the Asian and Pacific Regional Preparatory Meeting for UNCSD, held in Seoul, Republic of Korea, on 19-20 October 2011 aiming to input into the Rio+20 processes.



Participation of global stakeholders at ISAP2011

Green Economy in the Context of Sustainable Development and Poverty Eradication

A green economy should be pursued by achieving a low-carbon economy, sustainable consumption and production, and sustainable use of ecosystem services.

IGES recognises that a key challenge in pursuit of sustainable development is the social, economic and environmental vulnerability caused by a one-sided pursuit of economic growth and efficiency. An emerging paradigm shift to overcome these key challenges is the concept of a green economy supported by investment, job creation, international policy coordination, and the precautionary approach. Towards this goal, IGES proposes the following:



1 A low-carbon economy with a resilient, secure energy system

- Investing in renewable energy, storage and a smart grid is vital to reducing vulnerability, by enhancing a decentralised electricity supply which would secure a backup system during a disaster, and by enhancing demand-side management. Governments should promote this trend by introducing incentives such as feed-in-tariffs and then phasing out of fossil fuel subsidies.



2 Sustainable consumption and production

- Policy for requiring producers to internalise the costs of recycling and other actions for reducing resource consumption, e.g. **extended producer responsibility (EPR) and green tax**, as well as for making environmental impacts visible to consumers, e.g. **green labelling**, must be introduced and supported by increased efforts on education, training and skills enhancement. The effectiveness of these interventions depends on the environmental awareness of consumers as well as the ability of producers to improve product design and production processes.
- A phased approach to introduce these policies taking into account the developmental stages of implementing countries along with international policy cooperation will be most effective.
- An international fund for sustainable resource management should be established.



3 Sustainable use of ecosystem services

- Wide application of payment for ecosystem services (PES) will contribute to appropriate pricing and sustainable use of ecosystem services in the context of poverty eradication. To promote this, accounting systems should incorporate the economic benefits of ecosystem services from project level to national accounts.
- Current practice of pricing ecosystem services based on our willingness-to-pay does not necessarily promise sustainable use of ecosystems. To overcome this limitation, the price of ecosystem services can be determined such that policies or actions to ensure sustainable use of ecosystem services would improve social welfare.

