



Press Release

**Asia-Europe Environment Forum (ENVForum) :
Asia-Europe Strategies for Earth Summit 2012**

Yogyakarta, Indonesia | 17-18 July, 2011

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**Cost of inaction 'too high'
Asia-Europe Environment Forum address delegates
at UN Sustainable Development Meeting**

Solo, Indonesia – "To achieve our shared goal, we need to renew our political commitment for sustainable development," said Indonesian Environment Minister Gusti Muhammad Hatta. He made his remark during the concluding session of the three-day High Level Dialogue on Institutional Framework for Sustainable Development (19-21 July 2011).

The Dialogue, which ended with the "Solo Message", saw over 200 delegates representing 90 countries, 56 UN bodies, and environmental groups. Attendees discussed how global institutions can better achieve sustainable development. It was convened by the Indonesian government in the lead-up to next year's "Rio+20" UN Conference on Sustainable Development in Brazil.

Keynote speaker Prof. Emil Salim, Chairman of the Advisory Council to the President of Indonesia on Economic and Environmental Affairs, underlined the importance of development based on "economic costs plus internalising social and environmental costs."

"The cost of inaction is adding up," said Sol Iglesias, Director for Intellectual Exchange at the Asia-Europe Foundation (ASEF). She added: "Over the decades, we have assessment after assessment documenting the decline of various environmental systems. Knowledge has increased, but action has not."

The high cost of inaction was the key message from the Asia-Europe Environment Forum (ENVForum). The ENVForum, organised by ASEF, convened 32 experts in a scenario-building workshop prior to the Dialogue from 17-18 July in Yogyakarta. The Workshop assessed the options for the UN in managing complex international environmental challenges.

The Asia-Europe Environment Forum (ENVforum) is a partnership consisting of ASEF, the Hanns Seidel Foundation, the Swedish Environmental Secretariat for Asia, the Institute for Global Environmental Strategies and the United Nations Environment Programme, with financial contribution from the European Commission.

The Yogyakarta workshop was the first of three workshops that will continue to support the dialogue between Asia and Europe towards "Rio+20". It aims to contribute to the global debate on reforming UN agencies to ensure international coordination in meeting sustainable development goals.

Attachment: **Asia-Europe Environment Forum Interim Report**

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About the organisers



The **Asia-Europe Foundation (ASEF)** promotes greater mutual understanding between Asia and Europe through intellectual, cultural and people-to-people exchanges. Through ASEF, civil society concerns are included as a vital component of deliberations of the Asia-Europe Meeting (ASEM*). ASEF was established in February 1997 by the participating governments of ASEM and has since implemented over 500 projects, engaging over 15,000 direct participants as well as reaching out to a much wider audience in Asia and Europe. www.asef.org

* ASEM now brings together 46 member states (Australia, Austria, Belgium, Brunei Darussalam, Bulgaria, Cambodia, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Indonesia, India, Ireland, Italy, Japan, Korea, Laos, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mongolia, Myanmar, the Netherlands, New Zealand, Pakistan, the Philippines, Poland, Portugal, Romania, Russia, Singapore, Slovakia, Slovenia, Spain, Sweden, Thailand, United Kingdom, Vietnam) plus the European Commission and the ASEAN Secretariat. www.aseminfoboard.org

Institutional Framework for Sustainable Development

Solo, Indonesia, July 19-21, 2011

Session 3: Promoting Sustainable Development Governance at the National & Local Levels

INTERIM REPORT

Asia-Europe Strategies for Earth Summit 2012

Yogyakarta, Indonesia | 16th-18th July 2011

The 1st Workshop: Asia-Europe Strategies for Earth Summit 2012 was held in Yogyakarta, Indonesia, from 16th to 18th July 2011. The meeting is the first out of a series of three informal consultations that have been planned ahead of the upcoming United Nations Conference on Sustainable Development (UNCSD), to capture the input of key stakeholders in Asia-Europe Meeting (ASEM) countries.

Focusing specifically on possible reform scenarios for the Institutional Framework for Sustainable Development (IFSD), the meeting benefited from the knowledge and participation of 34 international participants representing governments, regional and international organisations, civil society organisations, academe, think tanks, the media, the private sector and the youth, in Asia and Europe. The workshop is an initiative of the Asia-Europe Environment Forum (ENVforum), a partnership between the Asia-Europe Foundation, the Hanns Seidel Foundation, the Institute of Global Environmental Strategies, the Swedish Environmental Secretariat for Asia and the United Nations Environment Programme.

1. Background

The UNCSD, also dubbed as Rio+20, is a defining point in international dialogue on environmental and sustainable development issues. Coming 20 years after the 1992 Earth Summit, the conference aims to produce a “focused political document” to tackle a global transition to a “green economy” and reform the international governance structure of IFSD. It is certainly an opportunity to renew and strengthen global political commitment for sustainable development, assess progress and gaps in already agreed commitments and address new emerging challenges.

An Asia-Europe contribution for Rio+20 will focus on developing possible reform scenarios for the IFSD for the next 20 years, taking account drivers, trends and challenges of the past 20. This exercise will also consider the outcomes of prior consultations that call for the UN to provide stronger leadership and more coherent frameworks to support policy formulation and the implementation of sustainable development objectives; the need to streamline co-ordination among the many UN agencies responsible for sustainable development; and the need to articulate and strengthen International Environment Government (IEG) within the framework of IFSD. An assessment of all scenarios is intended to result in a consolidated position on the best possible outcome to be presented at Rio+20. It will be a collective Asia-Europe effort “to address 21st century challenges and shape 21st century institutions”.

2. Methodology

A select group of approximately 30 international experts representing governments, regional and international organisations, civil society organisations, academe, think tanks, the media, the private sector and the youth, in the ASEM countries will be invited to take part in a series of three workshops leading up to the UNCSD, to develop several possible reform scenarios for the IFSD for the next 20 years. The use of foresight methodology will be instrumental in harnessing the diverse knowledge and experience of the participants, accommodating different opinions and interests and providing the tools and the space for productive brainstorming of future options for IFSD.

3. IFSD Scenarios

The Yogyakarta workshop was the first of the three planned workshops. The purpose of the meeting was to begin to explore and develop various possible IFSD scenarios 20 years after Rio+20. The state of play of IEG in the context of IFSD was established drawing from prior consultations that have been undertaken at the global, regional and national levels worldwide, including in Asia and Europe. Drivers, trends and challenges were identified and options discussed. With the year 2032 in mind, four possible scenarios were

developed, namely, (1) Status Quo; (2) Incremental Progress; (3) Fundamental Change; and (4) Beyond Institutional Change.

These scenarios describe the possibility of what *could* happen, not necessarily what will happen.

Table 1: Overview of Possible IFSD Scenarios

	Scenario 1 Status Quo	Scenario 2 Incremental Progress	Scenario 3 Fundamental Change	Scenario 4 Beyond Institutional Change
Approach	Business as usual.	Enhanced priority for the environment.	Sustainable development as an overarching goal.	Institutional reform achieved.
Global	No significant reforms. Dominance of the few.	Additional funding and universal membership.	The creation of a WEO or UNEO. There is a focus on green economy	A reformed global environmental agency.
Regional	More regional co-operation.	Greater role for regional organisations and mechanisms.	Sustainable development coordination body established.	Transfer of sovereignty to regional bodies, with principle of subsidiarity nationally and locally.
National	Sustainable development a weak priority however CSOs get activated	Mainstreaming of sustainable development in national development plans.	Sustainable development coordination body established.	A focus on green economy.

a. Status Quo Scenario

In this scenario, Rio+20 will not yield a meaningful global agreement for sustainable development and hence, there has been no meaningful institutional change at the global level in the past 20 years.

An increasing number of initiatives at the national, sub-regional and regional levels may instead emerge to bridge the gap. This could be indicated by the emergence and strengthening of various interest blocs and regional powers, leading to greater inter-regional co-operation. In an increasingly multipolar world, various stakeholders may use the opportunity to forward various sustainable development causes. Civil society organisations potentially thrive at all levels and may be increasingly mobilised and organised with the help of the Internet, social networking sites and other technological advancements. However, due to a lack of momentum at the global level, this initial gain is projected to be followed by a subsequent decline.

Economic rather than environmental considerations will be the main drivers for action. Without any global regulation and oversight on environmental issues, however, green dumping and protectionism will be prevalent. It is an aggressive world where richer and more powerful blocs and groups have more influence over others. Multinationals, in particular, will have gained considerable influence steering public opinion and interests; some civil society organisations advance certain causes and not others.

This can lead to an increasing trust deficit and the marginalisation of certain groups, interests and resources. Environment pillar will become weaker and it will lead to the serious security problems with regard to food, water and energy. As a result it will affect human security due to global imbalance and therefore weaken other pillars.

There are real concerns regarding tipping points and the irreversibility of certain issues, leading to such potential outcomes as failed states and intense biodiversity degradation. The cost of inaction will be enormous as there will be no global initiative to prevent environmental damage.

b. Incremental Progress Scenario

Twenty years after Rio+20, the UN system continues to strive to improve its efficiency and effectiveness in this scenario. UNEP remains with its current institutional status but perhaps with an enhanced portfolio and funding to support sustainable development activities and partnerships at the regional levels.

In general, there could be increased regional and bi-lateral co-operation and co-ordination in specific environmental policy areas. National governments may consider the environment and sustainable development as policy priorities and create conducive environments for multistakeholder engagement and support bottom-up approaches. Thus, there might be space for civil society organisations, the private sector and financial institutions to participate and even take leading roles in sustainable development efforts. Many good practices could be developed and awareness-raising and capacity building efforts are continued, leading to the emergence of various Track II activities.

However, there continues to be poor co-ordination and mistrust of the UN system and a gap between environmental, economic and trade priorities. Continued population growth makes it difficult to maintain progress and creates imbalances between regions. At the same time, there is resistance for making fundamental changes and risks. Sustainable development may be achieved in some areas and not others; imbalanced 'green growth' would see a 'green divide' among developed, emerging and least developed countries.

In this scenario, the possibility is strong that a fundamental change might be both necessary and possible, with stronger support from the international community, in later years.

c. Fundamental Change Scenario

Here, the scenario's starting point is that meaningful reform will be agreed upon at Rio+20, integrating the social, economic and environment pillars. The creation of a World Environment Organisation (or UN Environment Organisation) will be a key outcome, based on UNEP being upgraded.

Even with such a decision made in the global sustainable development architecture, several challenges are likely to confront governments and society. There could be greater income gaps, increased corruption within each country and continued degradation of the environment and natural resources overall. While urbanisation and migration will free up rural areas for conservation, there will continue to be a scarcity of fresh water, food and energy sources.

In an increasingly multipolar world, the role of regional organisations will become increasingly important. The relationship between Asia and Europe will focus on high technology transfer, innovations and education; and food security and low technology transfer. There will also be a relocation of high carbon footprint activities from Europe to Asia.

The institutional framework for sustainable development must be responsive. A WEO or UNEO could have such functions as coordination, implementation and facilitation of international cooperation, under a Sustainable Development Council. On top of its over-arching role, the Council could ideally play an arbitration role among the three sustainable development pillars. The Bretton-Woods institutions should have official and legal integration in the process.

Furthermore, the UN's work may be re-oriented along regional organisations (e.g. EU, ASEAN) and deliver results through them. Civil society would participate through multi-stakeholder processes such as joint agenda setting. This would also necessitate greater self-regulation and accountability among civil society organisations. Greater horizontal integration among national government line agencies is possible, with national legislation and programmes to address sustainable development issues including ecosystem services, green accounting and better natural resource management/conservation.

d. Beyond Institutional Change

Twenty years after Rio+20, institutional reform for sustainable development would have been achieved and there will be a push to go beyond and rethink the global governance structure to accelerate the development of a "green economy". This involves the transfer of sovereignty through different mechanisms and structures (regional, national, local) to allow for subsidiarity and greater consensus, collaboration, facilitation and knowledge technology transfer between different stakeholders. It strengthens the role of civil

society organisations and the private sector at the implementation level while letting international organisations take a back step. Transparency and accountability mechanisms are key.

A global regulatory framework for environmental goods could emerge. Regional and national mechanisms for implementation, accountability and sovereignty may be enabled, given such factors as: changes in economic processes, valuing of natural resources, improved financial markets, elimination of distorting subsidies, technology transfer, among others. There could be development and renewal of shared responsibility that includes NGOs, artists, media, cultural organisations, and the business sector.

The UN could play a meaningful role in steering, facilitation, and coordination—moreover it could forge international consensus, offer good practices, mobilise regional cooperation and monitor implementation of Rio agreements. IFIs and bilateral financing institutions may provide innovation funding, technology transfer, capacity building, among other resources. Civil society would continue to implement programs while acting as watchdog and providing input to policy formulation and planning. The business sector would continue to do what they do best: products and services; but they would be better integrated into the policy process as well as into research & development and technology transfer. National governments will be the primary locus of policy-making and sustainable development planning; with in tandem with local governments and civil society.

Certainly, constraints may include a limited understanding of the concept of “Green Economy” and counter-progressive lobby by vested interests in the business sector. Still, a transformative impulse could be pushed by the failure of prevailing economic models, reinforced by acquiring and disseminating evidences. Scarcity of resources will necessitate change, possibly with a strong impulse from the grassroots upwards.

While Asia-Europe relations may be primarily focused on trade, increased cooperation on environmental issues is likely.

4. Comments

During the workshop there were four different possibilities discussed, taking into account not only what is desirable but also the possibility of a failure to come to a decisive outcome in Rio. For example, in the case of the 'status quo' scenario, participating experts explicitly expressed that they do not want to see this future unfold. Nevertheless, the potential implications of this outcome should be weighed as part of the contributory discussions toward final decisions.

5. Contact details

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