



# Earth Negotiations Bulletin

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*A Reporting Service for Environment and Development Negotiations*

Vol. 5 No. 97

Published by the International Institute for Sustainable Development

Thursday, 5 March 1998

## HIGHLIGHTS FROM THE CSD INTERSESSIONAL WORKING GROUP ON INDUSTRY AND SUSTAINABLE DEVELOPMENT WEDNESDAY, 4 MARCH 1998

The CSD's Intersessional *Ad Hoc* Working Group (ISWG) on Industry and Sustainable Development exchanged views on the UN Guidelines for Consumer Protection during the morning. They received the Co-Chairs' draft report on industry and sustainable development during the afternoon and adjourned to prepare comments, which they will present Thursday.

### UN GUIDELINES FOR CONSUMER PROTECTION

The Secretariat introduced the Report of the Secretary-General on "Consumer protection: guidelines for sustainable development" (E/CN.17/1998/5), which contains information on the background and implementation of the guidelines and an Annex with the report of the Interregional Expert Group Meeting on Consumer Protection and Sustainable Consumption, held in São Paulo, Brazil from 28 – 30 January 1998. The report of the Expert Group Meeting includes general conclusions and proposed textual revisions to the existing guidelines. The Secretariat recalled that the General Assembly adopted the guidelines for consumer protection in 1985, and developed and developing countries have since used them to elaborate national consumer protection policy. In 1995, the CSD recommended that the guidelines be expanded to address sustainable production and consumption patterns. ECOSOC subsequently requested the Secretary-General to elaborate such guidelines (resolution 1995/53) and requested that an interregional workshop be convened to further the work (resolution 1997/53).

INDONESIA stated that the G-77/CHINA had not had sufficient time to discuss the issue. For Indonesia, he noted the increased attention during the last five years to changing production and consumption patterns and said the ISWG should provide a good overview of the key elements.

The EU welcomed the opportunity to review the guidelines, given that the links between consumption and production patterns and the global environment have become much clearer. She recalled Paragraph 28 (consumption and production) of the Programme for the Further Implementation of Agenda 21 and highlighted: voluntary publication regarding environmental and social assessments of activities by business; improved eco-efficiency; encouraging governments to lead on environmental performance; encouraging the media, advertising and marketing sectors to promote sustainable consumption;

improving information on environmental impacts; and education programmes. The EU proposed amendments to the guidelines in the areas of: awareness and information services; minimizing misleading information; using economic instruments; government and IO procurement policies; publication of environmental and social assessments by governments and business; core indicator development; energy and materials efficiency; and ecolabelling. She suggested regional workshops to assist developing countries' achievement of sustainable consumption patterns in their development process. The US said the complex and multifaceted issue deserved attention by all interested parties. The CSD has not yet addressed sustainable consumption in a comprehensive way and the issue is slated for CSD-7 in 1999. He said it would be difficult and premature at the current session to make recommendations. He invited CSD-6 to invite CSD-7 to explore the guidelines fully, describing the overall objective as the development of a sustainable marketplace that drives economic growth, social development and environmental improvement without compromising the legitimate rights of all the actors and free trade. He cited examples of new tools to encourage sustainable consumption, including the work of the World Resources Institute on energy and materials throughputs. He also noted that some of the proposed extensions of the guidelines reach beyond the normal cluster of issues.

JAPAN emphasized the need for close collaboration among governments, private corporations and civil society in the process of incorporating new elements of sustainable consumption into the framework of consumer protection. He said consideration of the proposed elements should take place during CSD-7. He also noted that the CSD should submit the recommendations of the interregional expert group meeting to ECOSOC in July 1998 and suggested considering the nature of that report, particularly whether the CSD should leave the decision on further activities to ECOSOC or whether it should recommend that CSD be authorized to continue addressing the issue. BRAZIL noted the importance of the guidelines and said his country's legislation on consumer protection was based on the 1985 UN Consumer Guidelines. He noted that the draft revisions from the expert meeting reflect the participants' personal insights and now require an intergovernmental discussion. He stressed the principle of common but differentiated responsibilities and the need to reflect it in the guidelines.

The CSD NGO STEERING COMMITTEE noted that while the report articulates many essential elements for the definition of sustainable consumption, it neglects the importance of ensuring that consumer goods are socially and ethically sound. Governments should

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develop an agreed set of criteria and introduce mechanisms for "Ethical Labeling." She said the CSD should encourage governments to set examples with regard to publishing their environmental and social policies, as well as to exchange information on possible approaches to consumer protection. Regarding educational efforts, she sought priority for women, since they make most household consumer decisions, and youth. CONSUMERS INTERNATIONAL noted that many governments, including Cyprus, Mexico, Ecuador, Italy, Estonia and Lithuania, had used the guidelines as a framework for adopting or reinforcing their national policies on consumer protection. She said the extension to cover sustainable consumption would encourage governments to adopt policies that harness consumer demand for "greening" production processes. She expressed disappointment at the US proposal to postpone discussion and called for the establishment of a negotiating group.

ECUADOR highlighted conclusions from the Expert Group Meeting that, *inter alia*: recognize unsustainable patterns of production and consumption, particularly in industrialized countries, as the major cause of global environmental deterioration; call on developed countries to support developing countries in promoting sustainable development; and urge governments to fulfill their obligations under international environmental agreements. He said revisions to the guidelines should take into account Agenda 21 and the Rio Declaration and address priority needs of developing countries. SWITZERLAND said the guidelines should be flexible and realistic, taking into consideration differences in development in various countries. She advocated a basic policy for optimal information provision and said the promotion of modes of sustainable production is not solely the responsibility of governments. On ecolabelling, she said social considerations should be included. She supported an in-depth discussion at CSD-7. CANADA supported the view that the ISWG does not have adequate time for a full analysis of the issues raised by the guidelines document. He invited the Secretariat to provide further analysis to help preparations for that discussion in 1999. He said difficulties in the document include its lack of clarity on how proposed courses of action will achieve stated goals and a failure to reflect the appropriate roles of government, industry and individual actors. He endorsed a government role in creating an enabling environment.

NORWAY supported the EU and hoped the refining process could start now and lead to the adoption of guidelines as soon as possible. The REPUBLIC OF KOREA noted that, based on his country's experience with globalization and economic growth, the negative impact of consumption patterns is not limited to developed countries. He called for text related to cultural aspects of consumerism, observing that sustainable consumption is in harmony with Buddhist and Confucian values. The PHILIPPINES supported reflecting environmental protection and sustainable development issues in the guidelines, but said there was not enough time at the ISWG or CSD-6 to engage in negotiations.

RUSSIA said the proposals require serious and detailed work and additional negotiations. The INTERNATIONAL CHAMBER OF COMMERCE said the guidelines should help consumers make their own informed choices without making those decisions for them. He welcomed the opportunity to enter constructive dialogue to comprehensively frame this critical issue. He said any extension should be based on a full understanding of what is implied by sustainable consumption, policies to implement it and the impacts of those policies.

### **DRAFT CO-CHAIRS' REPORT OF THE ISWG**

The draft Co-Chairs' report distributed Wednesday afternoon contains 59 paragraphs and is divided into six sections: Introduction, General Recommendations, Recommendations for Governments, Recommendations for Industry, Recommendations for the International Community, and Future Work.

The general recommendations include calls for: establishing a policy framework that fosters sustainability; governmental reforms to provide more consistent economic incentives and disincentives; and use of the media, advertising, marketing and other means to promote greater producer and consumer awareness. Specific recommendations for governments include: addressing the integration of environmental and industrial policies, with emphasis on the preventive approach; supplementing command and control methods with a judicious mix of economic instruments; and increased efforts to ensure universal compliance with core labor standards. Recommendations for industry include: providing consumers with reliable and accurate information on the impacts and qualities of products and services; sustainable use of natural resources; and development of voluntary codes of conduct, charters and codes of practice. The international community is called on to: disseminate information about ESTs to developing countries on a broader scale; take into account the objectives of sustainable development in future agreements on investments; and implement the commitments expressed in the Copenhagen Declaration and the outcome of the Beijing Conference. Regarding future work, the CSD could: call on international organizations to study existing voluntary schemes, establish a review process on the effectiveness of voluntary initiatives, and encourage industry to improve its reporting.

### **IN THE CORRIDORS**

Supporters of the elaboration of consumer guidelines that take account of sustainable development criteria are keen to discover the next step in the process of taking proposals forward at the CSD. A number of possible approaches are available to the CSD Bureau when it convenes 18 March. Given the time and facilities, the Bureau may decide on a further round of discussions at a parallel working group at CSD-6. Alternatively, ECOSOC may undertake the next stage and set up an *ad hoc* working group or regional groups may convene for a further round of discussions that can be tied subsequently into the CSD process. Whatever direction the debate takes at the international level, NGOs have been advised that an important focus must be lobbying at the national level within a number of key States, north and south. Some suggested that heavy lobbying by businesses, who said that the drafting process for the new proposals was not transparent, influenced several delegations in their preference for a deferral of deliberations until CSD-7. One participant explained that governments' desire to engage in a detailed review might stem from the fact that the UN Consumer Guidelines represent a stand-alone product that assumes a type of "soft law" status in some countries, as opposed to CSD decisions that are regularly reviewed and updated.

### **THINGS TO LOOK FOR TODAY**

**ISWG:** Delegates are scheduled to meet at 11:30 am in the Trusteeship Council Chamber to discuss the Co-Chairs' draft report on industry and sustainable development.