



Nordic Roundtable Bulletin

A Summary Report of the Nordic Roundtable on Strengthening the Role of Business in Promoting Sustainable Production and Consumption in a North South Perspective

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SUMMARY OF THE NORDIC ROUNDTABLE ON BUSINESS RELATIONS AND SUSTAINABLE CONSUMPTION AND PRODUCTION IN A NORTH/SOUTH PERSPECTIVE: 9-10 MARCH 2005

The Nordic Roundtable on Business Relations and Sustainable Consumption and Production in a North/South Perspective took place in Oslo, Norway from 9-10 March 2005. The event was organized by the Nordic *Ad Hoc* Group on Sustainable Consumption and Production (SCP), in cooperation with the Norwegian Foundation for Sustainable Consumption and Production (GRIP) and the Nordic Partnership. Fifty invited experts from business and industry, governments, academia and non-governmental organizations (NGOs) from both developed and developing countries attended the meeting.

Key topics taken up during the roundtable included international cooperation on SCP, the role of business, European Union (EU) activities in implementing SCP, the promotion of green suppliers, the role of governments in developing countries in supporting SCP, and the role of investments by Nordic countries – Denmark, Finland, Iceland, Norway and Sweden – in the South in promoting SCP. Delegates also considered global consumption trends, and challenges, opportunities and recommendations for further work.

Based on the discussions at the Roundtable, the Nordic *Ad Hoc* Group on SCP will finalize a report that will be presented during the thirteenth session of the Commission on Sustainable Development (CSD-13) in April 2005 to inform about how business relations in a North-South perspective can promote SCP. The report will also be considered at the second international meeting of the “Marrakech Process” on SCP, scheduled to take place in Costa Rica in September 2005. The Roundtable is therefore expected to contribute to the formulation of UN policies on SCP. It will also contribute to EU and Nordic policy making.

A BRIEF HISTORY OF SUSTAINABLE CONSUMPTION AND PRODUCTION

Sustainable consumption and production (SCP) has been on the international agenda for well over a decade. In June 1992, the UN Conference on Environment and Development (UNCED) – the “Rio Earth Summit” – adopted Agenda 21, which in Chapter 4 highlighted unsustainable patterns of production and consumption and focused on developing national policies and strategies to encourage changes in such patterns. UNCED also established a number of processes and mechanisms to support sustainable development and environmental protection, including the UN Commission on Sustainable Development (CSD). CSD was

charged with ensuring effective follow-up to UNCED, enhancing international cooperation, and examining progress in implementing Agenda 21 at the local, national, regional and international levels. The Commission held its first substantive session in June 1993 and has met annually since. At its third session, in 1995, CSD adopted an International Work Programme on Changing Consumption and Production Patterns, which dealt with issues such as trends in consumption and production patterns, the impacts on developing countries of changes in consumption patterns in developed countries, and revision of the 1985 UN Guidelines for Consumer Protection.

A number of other meetings and workshops in support of SCP were also held during the 1990s. At the same time, some governments and other stakeholders began to take action to promote SCP, with initiatives such as eco-labeling and “green” taxes being introduced. There was also a growing realization of the role of business in supporting sustainable development. Some companies began to respond to the issue, with initiatives such as the establishment of the World Business Council for Sustainable Development, the Global Reporting Initiative, and the UN Environment Programme (UNEP) Finance Initiative.

WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT:

In 2002, delegates at the World Summit on Sustainable Development (WSSD) in Johannesburg agreed on further action to support SCP. In Chapter III of the Johannesburg Plan of Implementation (JPOI), delegates decided to develop a 10-year framework in support of regional and national initiatives to

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accelerate the shift towards SCP. The JPOI also called for, *inter alia*: the promotion of social and economic development that recognizes the capacity of ecosystems and decouples economic growth from environmental degradation; an increase in the efficiency of production processes; and the reduction of resource degradation, pollution and waste generation.

The international effort in support of SCP continued in May 2003, when the eleventh session of the CSD identified unsustainable patterns of consumption and production as a cross-cutting issue to be addressed in its future discussions. The JPOI 10-year framework was also selected for in-depth consideration by CSD in 2010-2011. Progress on the development and implementation of the 10-year framework, and reports on SCP issues as applied to the themes for each period, will be submitted to the Commission at each of its biennial Review Sessions.

MARRAKECH PROCESS: Further follow-up to the WSSD took place in June 2003, when an international expert meeting on SCP was held in Marrakech, Morocco. This meeting launched the "Marrakech Process" on the 10-year framework, with the next international meeting – "Marrakech+2" – planned for September 2005 in Costa Rica.

NORDIC AD HOC GROUP ON SCP: Nordic ministers of environment also addressed SCP, and agreed in 2003 to establish a Nordic *Ad Hoc* Group on SCP. The group was asked to support the Marrakech Process and other work on SCP by promoting practical action and partnerships, showcasing concrete examples from different actors in the Nordic countries, and raising understanding about SCP.

The Nordic *Ad Hoc* Group decided to provide input to the Marrakech Process and to the CSD. With the increasing realization that business and industry both in the North and South are critical to establishing SCP patterns, the group agreed to focus its input on strengthening the role business can play in promoting SCP, taking a North-South perspective. To develop this input, the group agreed that a roundtable should be held prior to CSD-13.

REPORT OF THE ROUNDTABLE

The Nordic Roundtable on Business Relations and Sustainable Consumption and Production in a North/South Perspective opened on Wednesday morning, 9 March 2005. The meeting was chaired by Sweden's Environmental Ambassador, Viveka Bohn.

OPENING SESSION

The meeting opened with a keynote speech from Norway's Environment Minister Knut Arild Hareide and with words of welcome from Viveka Bohn, who outlined the meeting programme. This was followed by speeches on international cooperation, EU activities, and a southern perspective from China on the role of the Chinese Government in promoting greener products.

KEYNOTE SPEECH: Highlighting the dramatic global population growth in recent decades, Knut Arild Hareide noted that "we are in the middle of a consumer revolution," but that 1.2 billion people still live on less than one dollar a day. With ecosystems under increasing pressure from human activities, he argued that a business-as-usual approach is not sufficient, and drew attention to the need to look carefully at both Northern and Southern consumption and production patterns. He underscored the role of business in promoting sustainable development, and

called for multilateral cooperation and a focus on best practices and approaches to make sustainable development a reality. Emphasizing the role of governments in influencing markets, producers and consumers, he pointed to a new manual on achieving "green public buying" and to the Nordic ministers' strategy on sustainable development.

PRESENTATION OF THE PROGRAMME: Roundtable Chair Viveka Bohn drew attention to the outcomes of the WSSD, including agreement on the need to decouple economic growth from environmental degradation. She explained that the focus of this roundtable was on SCP in a business context, particularly in terms of North-South cooperation. She indicated that presentations and discussions would consider UN viewpoints on international cooperation for SCP, followed by EU and developing country perspectives on SCP. In addition, case studies would be presented to examine:

- how collaboration between Nordic purchasers and suppliers in the South can promote SCP;
- how Nordic investment can promote SCP; and
- how Nordic companies can develop new SCP markets in the South.

Thanking the Roundtable's organizers, including GRIP and the Nordic *Ad Hoc* Group on SCP, she said this meeting will contribute to discussions at CSD-13, where a side event has been scheduled for 18 April. It will also contribute to the ongoing Marrakech Process.

UN PERSPECTIVES ON INTERNATIONAL COOPERATION ON SCP: Bas de Leeuw, Head of the Strategy Unit with the Production and Consumption Branch of UNEP, briefed participants on the Marrakech Process. He identified four steps in the process: regional consultations; regional and national strategies; local, national and regional projects; and monitoring, coordination and information sharing. Observing that the process is still at the consultation stage, he highlighted various regional meetings held since 2003, and drew attention to the upcoming international meeting in Costa Rica in September 2005. He underscored that SCP is an issue for the South as well as the North, and explained that UNEP's priorities for the Marrakech Process include meeting the basic needs of the poor through supporting efficient and effective consumption and production. He stated that the process should also contribute to the Millennium Development Goals (MDGs). He drew attention to the "global consumer class" and its influence on SCP, and highlighted the role business can play in supporting SCP. He suggested that the challenge for the Marrakech Process is to demonstrate the added value of SCP, support capacity building, engage business, generate interest among development agencies and banks, and develop specific task forces or "lead countries" to push the agenda forward.

EU ACTIVITIES IN IMPLEMENTING SCP: Robert Goodchild, Directorate General for the Environment, European Commission, reported on the outcomes of the European Stakeholder Meeting on Sustainable Consumption and Production, held in Ostend, Belgium from 25-26 November 2004. He outlined measures already taken by the EU, drawing attention to the sustainable development strategy, plans to develop a resource strategy, and impact assessments of the EU's policy choices. He listed the challenges identified in Ostend, which include decoupling economic growth from environmental degradation; working with

the market; identifying indicators, timetables, benchmarks, and targets; and forming coherent strategies. He observed that it is easier to integrate sustainable development into environmental policy than other policies. He also listed various concrete initiatives from the Ostend meeting, including partnerships and pilot projects, task forces with specific actions, sustainable public procurement targets, comprehensive policies for specific products, and the monitoring of WSSD commitments. He concluded that SCP must be integrated within the overall EU policy framework, including the Sustainable Development and Lisbon strategies, and that gaps, in whatever area they occur, must be filled where the policies needed to achieve SCP are lacking. Participants discussed the impact of the EU's policies on developing countries, and how the work of the Nordic Council of Ministers can benefit the development of the EU's policies on SCP.

A PERSPECTIVE FROM THE SOUTH: PROMOTING GREENER PRODUCTS FROM CHINA: Hu Tao, Chief Economist, Policy Research Center of the State Environmental Protection Administration (SEPA), China, stressed the political importance his country attaches to sustainable development, explaining that China's understanding of the concept is of a "xiaokang" – or "harmonized" – society. He reported that China promotes sustainable development in the dimensions of production, consumption and sustainable trade. Regarding production, he said the objective is the full internalization of environmental costs, and noted that corporate social responsibility is being introduced. He mentioned a new renewable energy law and outlined the concept of ecological migration to relocate people from ecologically vulnerable areas. Concerning China's initiatives on sustainable consumption, he listed eco-labeling schemes, greening of government procurement, and measures to address consumption of non-renewable resources. He pointed out that trade has a strong impact on production and consumption in China, highlighted sustainable trade as a new policy area and explained that China is currently assessing the environmental impacts of its trade policy. Identifying barriers to sustainable development in China, he listed poverty levels, difficulties in identifying and internalizing externalities, lack of coordination at different government levels, fast economic growth, reliance on heavy and chemical industries, population growth, and various environmental problems.

SESSION ON COLLABORATION BETWEEN NORDIC PURCHASERS AND SUPPLIERS IN THE SOUTH TO PROMOTE SUSTAINABLE CONSUMPTION AND PRODUCTION

This session examined how collaboration between Nordic purchasers and suppliers in the South can promote SCP.

Søren Hjuler Vogelsang, Vice President of Corporate Sustainable Development, Danisco, explained his company's activities in the food ingredient industry, focusing on its sustainable development work in areas such as product safety, environmental ethics, and social activities. He highlighted the company's systems for quality management, food safety management, traceability, product recall, and bioterrorism and security, and outlined its environmental ethics and corporate social accountability policy. He explained the challenges facing Danisco in ensuring its products are produced sustainably through the entire supply chain, citing examples from experiences in sourcing vanilla beans from Madagascar, lime peels from Mexico, and castor oil from India.

Responding to a question about whether Danisco should stop buying vanilla beans from Madagascar due to serious concerns over sustainability and working conditions, Vogelsang drew attention to commercial considerations. One participant suggested that Danisco should use its significant financial power to pressure suppliers from Madagascar to improve their practices. Viveka Bohn said the example raised many ethical questions. In response to a question about how governments can help companies achieve SCP, Vogelsang highlighted the need for regulations that would facilitate both investment in the South and the transfer of knowledge and know-how. Regarding obstacles to sustainability, one participant observed that those at the start of the supply chain are often more concerned with their day-to-day survival than environmental issues or sustainability.

Camilla Stang, Corporate Social Responsibility Manager, Varner Group, presented on sustainable supply chain management in the Varner Group, a retail clothing company sourcing textiles from 25 countries. She explained that the company has launched a Code of Conduct for suppliers, which deals with matters such as compliance with national laws, discrimination, and environmental protection. She outlined the company's efforts to "map the supply chain," including monitoring compliance with the Code of Conduct. While noting the benefits of such codes, Stang acknowledged difficulties in ensuring environmental standards at every stage of the supply chain. Identifying areas for improvement, she highlighted the need to develop institutions to monitor local compliance, capacity building and training, consumer awareness, an effective regulatory framework, and the involvement of other stakeholders, including NGOs.

Lena Petersson, Communications Manager, Star Tour – Blue Village, informed participants that there are already 700 million tourists in the world each year – a figure expected to double within next 20 years. She highlighted sustainable tourism as a major challenge and said her company implements practical projects in cooperation with organizations such as World Wildlife Fund (WWF), Save the Children, and the UN Educational, Scientific and Cultural Organization (UNESCO). She outlined her company's programme on hotels and environment, which involves an annual survey on waste, water and sanitary issues, and explained that one of the aims of the survey is to raise local awareness. She drew attention to the Blue Village hotels in Scandinavia, where environmental standards have been developed by Star Tour in cooperation with WWF. She stressed the importance of promoting environmental awareness among travelers, noting that tourists' behavior has an important impact on local standards and practices.

In the ensuing discussion, participants considered the need for training in developing countries, noting that local capacity and monitoring are often lacking. One participant highlighted the role of governments and their development agencies, and said companies could help in identifying training needs in developing countries based on their local expertise. Stang said purchasers can play a role in increasing local environmental awareness, and be more flexible in placing orders to help producers plan the production cycle better. Petersson noted that sustainability issues are now being considered in Thailand, where some tourist resorts are being rebuilt following the December 2004 Indian Ocean tsunami.

SESSION ON NORDIC INVESTMENT IN THE SOUTH

On Wednesday afternoon, participants met for a session on how Nordic investment in the South can promote SCP.

Jan-Olaf Willums, Renewable Energy Corporation (REC), outlined his company's involvement in the photovoltaics (PV) industry, noting in particular the ongoing growth in large-scale "upstream" production in countries such as Japan, the US, and Germany. He presented a case study of REC's experiences in southern Africa, where REC signed an agreement with the South African Government for a 20-year PV concessional license. He highlighted various challenges to the project, including the Government's decision to alter the terms of the agreement, and difficulties in southern Africa with local quality control, nepotism and corruption. On lessons learned, he highlighted the need for flexibility in dealing with local conditions, the benefits of a transparent system with strong local partners, and political stability. He recommended:

- further work on the "concession concept," which should be based on solid private-public partnerships and risk guarantees;
- efforts to improve the competence of local administrations by cooperating with the World Bank Institute in its corporate social responsibility and anti-corruption campaign;
- action to attract micro-financing to PV, including through solar energy bonds; and
- the reduction of business risk through the use of sovereign risk guarantees rather than grants.

Gudni Dagbjartsson, Vice President of ABB Group, highlighted the critical role of energy in achieving sustainable development, noting that health, education and other development goals cannot be achieved without electricity. He noted the large number of people without access to electricity, emphasizing that the private and public sectors must cooperate to finance this demand for energy, and listing security concerns and corruption as the biggest obstacles to investment. He said governments and multilateral organizations can play an important role in guiding the process, addressing corruption, and providing guarantees to facilitate financing. He stressed that community electrification can significantly improve children's learning; help attract competent staff; address health problems caused by biomass fuels used in cooking; and promote job creation. He discussed an electrification project in Tanzania implemented by ABB in cooperation with the WWF, and showed a film about the project.

In the subsequent discussion, participants talked about possibilities for replacing diesel-powered generators used in the electrification project with wind power, and discussed using biodiesel in these generators. Dagbjartsson noted the high costs of wind technology, and the cost and limited supply of biodiesel as possible obstacles.

Svein Wilhelmsen, Managing Director of Basecamp Explorer, explained that his company's aim is to demonstrate that eco-based tourist venues can contribute to environmental conservation, social and cultural objectives, while still generating long-term profits. He discussed a basecamp in Masai Mara, Kenya, implemented as a best practice pilot project. The project is a public-private partnership involving, *inter alia*, UNESCO, WWF, IUCN-World Conservation Union and Swedish International Development Cooperation Agency. Highlighting the potential and benefits of eco-tourism for local communities, he noted that the Masai Mara

basecamp has demonstrated a strong local impact, and also made a profit in 2004. He listed culture, biodiversity, energy, education and health as the "Big Five of Eco-tourism," and outlined challenges relating to bureaucracy, local management training, marketing and distribution, and attitudes towards public-private partnerships. Noting that 80% of new eco-tourism companies go bankrupt within two years, he discussed the possible roles that UNEP and NGOs could play in promoting and supporting such companies.

Participants identified the lack of understanding of local needs as an obstacle to doing business with local communities. They also highlighted the role of tourist companies in involving local communities, and noted the challenge of getting consumers to differentiate eco-products from other products. Participants discussed the possibility of using market-based measures to encourage hotel customers to save water, electricity and other resources. One participant drew attention to macro-level problems and highlighted costs arising from risks such as corruption, terrorism and incompetence against which there is no insurance. He called for development agencies to take on these risks, and raised the idea of selling bonds for development, or creating a market for such risks.

SESSION ON NORDIC COMPANIES AND THE DEVELOPMENT OF NEW SCP MARKETS IN THE SOUTH

Late Wednesday afternoon, delegates convened for a session on how Nordic companies can develop new SCP markets in the South.

Einar Flydal, Senior Adviser, Telenor, outlined the company's mobile telecommunications activities in both the North and South, and its work on sustainability, environmental standards and corporate social responsibility. Speaking in a personal capacity, he considered the question: can SCP be achieved in the information and communications technologies (ICT) sector? While arguing that the sector probably can be sustainable in terms of production, distribution, consumption and organization of networks and applications, he expressed concern about the amount of new applications and equipment, and about the indirect impact of ICT on cultures, the environment, and transport systems. In order to achieve SCP in this sector, he highlighted sound regulation and legal procedures, and strong partnerships between business, government and civil society. He also reported on a case study from Bangladesh – the Grameen Phone initiative – that involved Telenor and Grameen Bank in developing a mobile telephone network. He explained that the initiative had helped to develop the country's communications infrastructure, creating 80,000 "village phone ladies" who had bought handsets and sold telephone time to other villagers.

Responding to a comment from one participant that a "saturation point" for village phone ladies had been reached and that increased competition was causing some of these small businesses to fail, Flydal agreed that the business was changing and developing. In response to a question concerning Grameen Phone's other activities beyond mobile telephony and its village phone programme, Flydal said Grameen Phone is "just a normal mobile phone operation," although he added that it is actively promoting sustainable development through various initiatives.

Ingrid Brauer, Manager, Management Systems, ITT Flygt, presented her company's experiences with SCP. Informing participants that ITT Flygt has a long history in the water industry

and is active in both the North and South, she outlined its efforts to improve energy efficiency and reduce carbon dioxide emissions and waste. In particular, she highlighted work to reduce the environmental impact of the company's products, and support for the lifecycle approach. She also described a new design concept for ITT Flygt's water pump systems that reduces energy consumption. Noting the difficulties in communicating the benefits of a lifecycle cost approach, she recommended reaching out to end-users to increase their awareness, continuing training about the benefits of such an approach, and working with governments and NGOs. In promoting SCP in the South, she highlighted the need for long-term partnerships and a focus on quality and reliability rather than on environmental issues when communicating with customers.

In the ensuing discussion, one participant raised the issue of involving small and medium-sized companies in the South, noting that credit for these companies is either not available, or that interest rates often exceed 20 percent – significantly more than in the North. He noted that this creates an unequal playing field and makes it difficult for the South to buy environmentally-friendly equipment. Another participant noted that, in addition to the poorest and wealthiest countries from the South and North that were the focus of discussions, there are also countries “in the middle.” She noted plans for a Roundtable for Mercosur countries – Argentina, Brazil, Paraguay and Uruguay – and supported plans for greater dialogue and cooperation.

SESSION ON GLOBAL CONSUMPTION TRENDS: A CHINESE PERSPECTIVE

On Thursday morning, 10 March, delegates convened for a session on global consumption trends, hearing a presentation offering a perspective from China and discussing major trends.

Sheri Liao, President, Global Village of Beijing, China, discussed changes in Chinese consumption patterns since the 1970s, stressing the importance of public education on sustainable consumption and promotion of environmental values. She outlined the activities of her NGO in China, including its work on green community development; an environmental programme on national television; dialogue with journalists; a mountain resort for training and eco-tourism; environmental education for children; a recycling project with a packaging company; and an energy saving programme involving hotels. Highlighting the importance of partnerships, she explained that her NGO cooperates with SEPA, companies and other NGOs. She said the first environmental NGO in China was established in 1994, and noted that about 60 Chinese environmental NGOs cooperate through an annual forum and newsletter. She emphasized the importance of international support for Chinese NGOs that promote environmental awareness, as China's choices are crucial for the world's environmental resource management.

Participants then discussed China's long term development and consumption patterns. Focusing on energy needs, Hu Tao, SEPA, indicated that China's per capita emissions are still low but increasing, and said the Chinese demand for cars, air conditioners and other products is similar to that in the West. He predicted that in 20 years China's consumption of energy and natural resources will be high, but stressed China's efforts to change the business-as-usual scenario, improve energy efficiency and achieve sustainable

development. He discussed the potential of technological innovation, mentioning electric bicycles and fuel cells.

Sheri Liao said China should aim for a development pattern that is different from Western countries and mentioned public transport and bicycles as concrete measures. Highlighting the importance of public awareness, she said SCP cannot happen if the public wants to abandon the traditional Chinese lifestyle and adopt Western consumption patterns. Emphasizing the role of the media, she suggested a television channel run by UNEP to promote green consumption and environmental awareness.

On the role of trade and the World Trade Organization (WTO), Hu Tao indicated that China is currently assessing the environmental impacts of its trade policy with the aim of adjusting it. He said China's position in the WTO negotiations on trade and environment is different from the majority of developing countries, and that China is, for instance, not opposing the inclusion of environmental goods and services. A participant noted the positive impact of China's economic growth on Norway's economy, predicted that oil prices would remain high and mentioned the potential of renewable energy. Tao highlighted China's new renewable energy law and said China's objective is to improve energy efficiency and to restructure its energy sector, increasing the use of hydro, solar, wind and possibly also nuclear energy. Discussing electricity losses in energy transmission within China's grid system, he pointed to the potential for technology transfer. Sheri Liao drew attention to environmental and social impacts of large dam projects and said environmental NGOs in China oppose such projects but are criticized by the government. One participant noted that the proportion of hydro energy in Venezuela is high, but that the dams were constructed without assessing their impacts. Participants noted that Norway had ranked 600 potential hydro projects based on their economic, environmental and social impacts, and is no longer building dams. However, they also noted that it is both an economic and political question as to when to stop constructing dams.

One participant drew attention to the SCP of food and water. Noting that the production of food is highly water intensive and inefficient, he explained that it takes 15 cubic meters of water to produce 1 kilogram of corn-fed beef, but only one cubic meter of water to produce 1 kilogram of grains. He talked about the “virtual water trade,” which he said relates to the huge amounts of water involved in producing foodstuffs that are then exported elsewhere (for instance, beef from Latin America exported to Europe). Another participant noted that some countries may not be perceived to have water problems, but that they are ultimately exporting water, through trade, to other countries. Viveka Bohn stressed that SCP also clearly relates to human food consumption.

CLOSING SESSION: CHALLENGES, OPPORTUNITIES AND RECOMMENDATIONS FOR FURTHER WORK

Late Thursday morning, Viveka Bohn introduced a two-page Chair's draft summary of the discussions and recommendations from the Roundtable. She clarified that the text is not intended as a negotiated outcome, but seeks to reflect the discussions and will provide input for the Nordic *Ad Hoc* Group on SCP when it develops its contribution to CSD-13 and the Marrakech Process.

CHAIR'S DRAFT SUMMARY: The Chair's draft summary provides a brief background to the Roundtable. It contains

a “common message from the Roundtable,” which supports properly managed supply chains, investment strategies, market development, and decoupling economic and social development from environmental degradation.

Lessons Learned: The Chair’s draft text also contains a section on lessons learned from the Roundtable discussions. On general lessons, the summary refers to the links between SCP and trade, cooperation within governments, and “subsidiarity,” which means ensuring that environmental impacts are addressed by regulations at the appropriate level. In terms of business activities, lessons learned include the importance of good governance, the need to tackle corruption, and the value of effective regulatory frameworks and monitoring institutions, external reporting, transparency, good local partners, and the internalization of environmental and social costs.

This section of the Chair’s draft summary also contains subsections on challenges relating to the supply chain, development in the South, and marketing sustainable products. Challenges to making the supply chain more sustainable include: difficulties communicating and implementing procurement requirements; the need for mechanisms to monitor and ensure continual improvement on SCP; and better collaboration between purchaser and producer. Challenges in the South include bureaucratic processes that may be “slow, unfair and unpredictable,” risk-related concerns for business, and a negative perception in some places with regards to products labeled “Made in Africa/China.” Marketing challenges include the need for increased consumer awareness, difficulties in communicating the concept of lifecycle costs, and the need for more investment in demand-side management.

Recommendations: The Chair’s draft text concludes with some recommendations for future action. For businesses, it includes recommendations for strong anti-corruption rules and monitoring and the establishment by purchasers of minimum training standards for suppliers. It also recommends that the development community engage in SCP-related capacity building and technology transfer, identify ways to establish a risk coverage fund through development aid, and reevaluate the balance between development aid, risk guarantees and loans.

Other recommendations include: developing and distributing handbooks and organizing training on public procurement; supporting collaboration on marketing; establishing task forces led by specific countries to work with specific sector; engaging in more training and awareness raising; and developing indicators, benchmarks, timetables and targets.

COMMENTS ON THE DRAFT SUMMARY: Noting that the text was based on Wednesday’s discussions, Chair Bohn then added a number of other issues to the list, including those raised during Thursday morning’s discussions. These additional issues include: the emphasis placed on the clear linkages between SCP, poverty eradication and the MDGs; corporate accountability; energy efficiency; and a clearer link to the challenges and opportunities for SCP in the ICT sector. She also suggested adding a recommendation for a task force on energy production and consumption under the Marrakech Process.

Chair Bohn then invited comments on the text. Participants made many observations and suggestions, highlighting issues such as:

- food and water production and consumption;
- trade and the WTO;

- the problem of corruption;
- public-private sector cooperation on capacity building and training;
- difficulties with monitoring, implementing and enforcing regulations;
- consumption patterns and the need for more input from consumer organizations;
- the value of consumer awareness campaigns, especially those targeted at young people;
- the role of NGOs;
- the importance of engaging with a wider group of businesses, including small and medium-sized enterprises, and of providing incentives for them to engage in SCP;
- the need to include specific recommendations for governments; and
- the need to build on existing systems and initiatives (for instance, by referring specifically to the Global Reporting Initiative in the Chair’s summary text on reporting).

Several participants also discussed reference in the summary text to perceptions about the quality of goods with a “Made in Africa/China” label. One participant said this concern might relate less to China than to Africa. Another pointed out that the perception applies more to manufactured goods than some other products, and that this issue should be addressed not just by technical quality-control mechanisms, but also by a branding and communication exercise.

CLOSE OF THE MEETING: Chair Bohn thanked participants for their feedback. She indicated that the conclusions from this meeting would be revised and presented at the side event during CSD-13. She expressed her gratitude to the speakers for their interesting and constructive presentations and to participants for their active input. She also thanked the Nordic *Ad Hoc* Group on SCP for organizing the meeting, noting that it was clear that there was much work to be done on this issue. She declared the meeting closed shortly before 12:30 pm.

UPCOMING MEETINGS

SECOND INTERNATIONAL FORUM ON PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT – ADVANCING IMPLEMENTATION ON WATER AND ENERGY:

This meeting will take place from 21-23 March 2005 in Marrakech, Morocco. It will build on the outcomes of other international discussions on partnerships, including the First International Forum on Partnerships for Sustainable Development held in March 2004, in Rome, Italy. The Second Forum will focus on the issue of “Advancing Implementation on Water and Energy.” It is being organized by the Moroccan Ministry of Territory Planning, Water and Environment in cooperation with the UN Department of Economic and Social Affairs (UNDESA). The meeting’s outcomes will be presented during CSD-13. For more information, contact: Moroccan Ministry of Territory Planning, Water and Environment; tel: +212-3777-2662; fax: +212-3777-2640; e-mail: forum@minenv.gov.ma; Internet: <http://www.minenv.gov.ma/forum-part.2005/>

EUROPEAN COUNCIL 2005: The European Council is scheduled to meet from 22-23 March, in Brussels, Belgium. The Council is expected to give political guidance for the revision of the

EU–Sustainable Development Strategy with the aim of adopting a revised strategy at a subsequent Council session. For more information, visit: Internet: <http://www.eu2005.lu/en/calendrier/2005/03/22conseur/index.html>

FIFTH MINISTERIAL CONFERENCE ON ENVIRONMENT AND DEVELOPMENT IN ASIA AND THE PACIFIC: This conference, which will take place from 24-29 March 2005, in Seoul, Republic of Korea, is being organized by UNEP, the World Bank, the Asian Development Bank, and the UN Economic and Social Commission for Asia and the Pacific (ESCAP). The theme of the conference is “achieving environmentally sustainable economic growth.” The conference will provide an opportunity for national leaders to create an enabling environment for sustainable development across the region. For more information, contact: ESCAP; tel: +66-2-288-1234; fax: +66-2-288-1000; e-mail: escap-esdd@un.org; Internet: <http://www.unescap.org/mced/>

THIRTEENTH SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT: Scheduled for 11-22 April 2005 at UN headquarters in New York, CSD-13 is taking place during one of the Commission’s biennial “Policy Years.” It is expected to adopt decisions aimed at speeding up implementation and mobilizing action to overcome obstacles and constraints relating to the thematic clusters of water, sanitation and human settlements. For more information, contact: UN Division for Sustainable Development; tel: +1-212-963-2803; fax: +1-212-963-4260; e-mail: dsd@un.org; Internet: <http://www.un.org/esa/sustdev/csd/csd13/csd13.htm>

FOURTH INTERNATIONAL CONFERENCE ON BUSINESS AND SUSTAINABLE PERFORMANCE: This event will take place from 14-15 April 2005, in Aalborg, Denmark. The meeting will focus on progressive corporate governance and partnerships. For more information, contact: Hans Jørgen Brodersen, Organizing Chair; e-mail: che@akkc.dk; Internet: <http://www.euro-environment.dk>

OECD FORUM 2005 – FUELING THE FUTURE: SECURITY, STABILITY, DEVELOPMENT AND OECD MINISTERIAL SUMMIT: The OECD Forum 2005 will convene from 2-3 May 2005 in Paris, France to consider policy issues in the areas of international trade and investment, economic development, the Millennium Declaration, and energy. This multi-stakeholder summit will feed into the OECD Ministerial Summit, which will take place after the Forum from 3-4 May. For more information, contact: John West, Forum Director; tel: +33-1-45-24-80-25; fax: +33-1-44-30-63-46; e-mail: john.west@oecd.org; Internet: http://www.oecd.org/site/0,2865,en_21571361_34225293_1_1_1_1_1,00.html

UN SYMPOSIUM ON INTEGRATED IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS: Scheduled for 10-12 May 2005 in Nanchang, China, this international symposium will consider integrated implementation of sustainable development goals and targets. Participants will explore practical ways and means of advancing integrated implementation by exchanging lessons learned and best practices, and by identifying gaps and weaknesses in current implementation policies. The meeting is being organized by the UN Department of Economic and Social Affairs, in collaboration with the Provincial Government of Jiangxi, China. For more information, contact: Zhu

Juwang, Senior Economic Affairs Officer, DESA; tel: +1-212-963-0380; fax: +1-212-963-4260; e-mail: zhu@un.org; Internet: http://www.un.org/esa/sustdev/calendar/symposium_announcement.pdf

SIXTH FORUM ON REINVENTING GOVERNANCE – “TOWARD PARTICIPATORY AND TRANSPARENT GOVERNANCE”: Taking place from 24-27 May 2005, in Seoul, Republic of Korea, this forum will consider the theme, “Toward Participatory and Transparent Governance.” The event will address issues relating to government innovation and governance, democratic governance and social integration, market economy and corporate governance, local governance and participatory democracy, and civil society and participatory governance. For more information, contact: Secretariat; tel: +82-2-3703-2963; fax: +82-2-3703-2960; e-mail: forum6@mogaha.go.kr; Internet: <http://6thglobalforum.org/eng/main.asp>

SECOND MEETING OF PARTIES TO THE AARHUS CONVENTION: This meeting of Parties to the UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention) will be held from 25-27 May 2005, in Almaty, Kazakhstan. The meeting will review the progress achieved in the Aarhus Convention’s implementation and will reflect on and plan for future challenges. The meeting will also discuss the main developments that are taking place at both global and regional levels in relation to Principle 10 of the Rio Declaration on Environment and Development, and how the experience with the Aarhus Convention may contribute to efforts to make further progress in other regions. For more information, contact: Ella Behlyarova, Environmental Affairs Officer, ECE; tel: +41-22-917-2376; fax: +41-22-917-0107; e-mail: Ella.Behlyarova@unece.org; Internet: <http://www.unece.org/env/pp/mop2.htm>

HIGH-LEVEL PLENARY MEETING OF THE 60TH SESSION OF THE UN GENERAL ASSEMBLY ON THE FOLLOW-UP TO THE OUTCOME OF THE MILLENNIUM SUMMIT: The UN General Assembly will meet for this high-level plenary session from 14-16 September 2005 at UN headquarters in New York. In preparation for the high-level plenary, the UN Secretary-General released a report on the event’s modalities, format and organization (see internet link, below). The report includes a recommendation for a three-day event taking place at the commencement of the 60th session of the General Assembly in September 2005. The Millennium+5 Summit is expected to undertake a comprehensive review of progress made towards achieving the commitments articulated in the UN Millennium Declaration. The event will also review progress made in the integrated and coordinated implementation of the outcomes and commitments of major UN conferences and summits in the economic, social and related fields. For more information, visit: Internet: <http://ods-dds-ny.un.org/doc/UNDOC/GEN/N04/583/08/PDF/N0458308.pdf?OpenElement>

SECOND INTERNATIONAL MEETING ON SUSTAINABLE CONSUMPTION AND PRODUCTION UNDER THE MARRAKECH PROCESS: This second international meeting under the Marrakech Process on the 10-Year Framework of Programmes on SCP is scheduled to be held in Costa Rica in September 2005 (although the exact dates have yet to be set). For more information, contact: Alejandro Carpio, UN-DESA; tel: +49-531-2343; Internet: <http://www.un.org/events/index.html>