



# Rio+20 Business Day Bulletin

A Summary Report of the Business Action for Sustainable Development 2012 Business Day  
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## SUMMARY OF BUSINESS ACTION FOR SUSTAINABLE DEVELOPMENT (BASD) 2012 BUSINESS DAY 19 JUNE 2012

The Business Action for Sustainable Development (BASD) 2012 Business Day took place in Rio de Janeiro, Brazil, on 19 June 2012, in the Windsor Barra Hotel, on the sidelines of the UN Conference on Sustainable Development (UNCSD or Rio+20).

The one-day event was the official UN Major Group Business & Industry event and provided a high-profile platform for interaction between business leaders, government and NGOs with the theme: “Achieving Scale.” The World Business Council for Sustainable Development (WBCSD), the International Chamber of Commerce (ICC), and the National Business Initiative (NBI) organized the meeting.

The BASD Business Day identified key actions and catalysts to drive scale, as a final input to the Rio+20 Conference and for collaborative action by the participants going forward. The day included sector-oriented dialogue sessions highlighting the: business solutions being delivered; commitments to action; and hurdles to achieving scale in sectors including, agriculture, cement, chemicals, consumer goods, energy/power, forestry, materials, oil and gas, and transport.

A high-level luncheon was held for senior government, business and UN officials, heads of state, CEOs, and senior leaders from key stakeholder groups, which focused on achieving scale and the role of trade and investment in sustainable development.

The closing plenary session was followed by the World Business and Development Awards ceremony and a reception.



Closing plenary speakers reflected on the day’s discussions.

**UN CONFERENCE ON ENVIRONMENT AND DEVELOPMENT:** UNCED, also known as the Earth Summit, was held in 1992, in Rio de Janeiro, Brazil, involving over 100 Heads of State and Government, representatives from 178 countries, and some 17,000 participants. The principal outputs of UNCED were the Rio Declaration on Environment and Development, Agenda 21 (a 40-chapter programme of action) and the Statement of Forest Principles. The UN Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD) were also opened for signature during the Earth Summit. Agenda 21 called for the creation of a Commission on Sustainable Development as a functional commission of the UN Economic and Social Council to ensure effective follow-up of UNCED, enhance international cooperation, and examine progress in implementing Agenda 21 at the local, national, regional and international levels.

**BUSINESS ACTION FOR SUSTAINABLE DEVELOPMENT:** At the 2002 World Summit on Sustainable Development in Johannesburg, South Africa, the business community re-affirmed the global commitment to Agenda 21 and validated the importance of public-private partnerships. This led to the creation of concrete international frameworks and processes which have a direct impact on the way business operates in a variety of UN fora, including the UNFCCC, the CBD and the Marrakesh Process.

## A BRIEF HISTORY OF BASD 2012

The UNCSD marks the 40th anniversary of the first major international political conference that specifically had the word “environment” in its title. The objective of the Conference is to secure renewed political commitment for sustainable development, assess the progress to date, as well as the remaining gaps in the implementation of the outcomes of the major summits on sustainable development, and address new and emerging challenges.

Since 1992, business has been deeply involved in the many UN and other international conferences that have identified the crucial components of a global partnership for sustainable development. Together, the outcomes of these conferences reflect a global consensus on the challenges facing humanity and set out a roadmap for cooperative action required by all actors in society – governments, business, civil society and consumers.

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**FIRST ZERO DRAFT REVIEW MEETING:** The first official review meeting was held in New York, on 26 January 2012, with the participation of BASD, the Major Group coordinator for Business and Industry at Rio+20. The group used the opportunity to highlight its desire to work with UN Member States and other stakeholders in the lead-up to Rio+20 on a framework that enables business to maximize its potential in providing solutions for sustainable development.

**FORUM ON REALIZING INCLUSIVE AND GREEN GROWTH:** The forum on “Realizing Inclusive and Green Growth,” which convened in The Hague, the Netherlands, on 11-12 April 2012, discussed ways for business to facilitate the transition to a green economy. It was organized by the Government of the Netherlands, the UN Department of Economic and Social Affairs (DESA) and BASD 2012.

## REPORT OF BASD 2012 BUSINESS DAY

### *INTRODUCTORY SESSION*

Opening BASD 2012, Marcos Bicudo, Chairman, Brazil Business Council for Sustainable Development (CEBDS), defined the current crisis as a lack of growth – not just that growth is not quickening. Noting that such a crisis creates uncertainty and therefore conservatism, he said the private sector should take opportunities to drive sustainable innovation and solutions to improve people’s lives. Regarding the “word of the day” – scale and the need to build it – he said speed is important.

Andrea Alvares, President, Brazil Beverages, PepsiCo, noted her company’s reliance on partnerships with: farmers who grow commodities; providers of transportation; wholesalers and retailers; and those employed by these partners. She said sustainable development requires behaviors to change at every level, and called for global policies to stimulate such transformations in business. She encouraged participants to “do right for business by doing right for people and the planet.”

Chris Coulter, President of Globescan, and Mark Lee, Executive Director of SustainAbility, introduced the Regeneration Project, which explores how best to bring new energy and focus to the sustainable development agenda, and includes a focus on the role that the private sector can play. Coulter suggested that business’ role seemed especially important given Rio+20’s uncertain outcome. He underscored the results of an expert survey, which shows that the main obstacle to moving the sustainable development agenda forward is lack of political will, while inadequate technology was ranked lowest, highlighting the political nature of the issue. Lee noted that a global public opinion survey found that most people are “somewhat optimistic” about progress and that such confidence is important for building momentum.

### *OPENING PLENARY*

Fabio Barbosa, CEO of Abril Group, noted that since 1992, consumers have changed their behavior and the private sector has incorporated sustainability into business. Barbosa underscored that sustainability is a driving force for business’ innovation and emphasized the need for business to continue incorporating the principles of sustainability in its daily activities. He highlighted the need for business to do their share and not wait or delegate it to other parties.

Peter Bakker, WBCSD President, highlighted that despite progress since 1992, poverty is still pervasive, environmental damage is severe and carbon emissions are increasing. He noted that business is providing innovative solutions to lead the future. Bakker underscored that nowadays all companies are integrating sustainability into their strategies and said there is a need to scale this up quickly. He invited participants to address the challenge of scaling up sustainability strategies during the sector break out sessions to transform best practices to standards and find new solutions.

Georg Kell, Executive Director of the UN Global Compact, underscored the need to build a multilateral framework to support the progress and scaling up of business. He said there is currently greater political volatility than we have seen in decades, and that governments are turning inwards and becoming more self-focused. He emphasized the need to build a sustainable global market. Kell explained that the UN Global Compact is proud of working with the partners ICC and WBCSD to make a difference.

Carlos Fadigas, Braskem CEO, said the use of chemicals has increased, and highlighted that the chemicals industry is subscribing to global carbon strategies, especially the UN objectives on chemicals. He said future innovation will rely heavily on chemicals.

Jose Luciano Penido, Chairman of Fibria, underscored that industry will reshape its contribution to society through innovation, creating new business opportunities. He said this is a significant time of transition for industry, and noted the importance of contributing to greening the economy.

Marcial Portela, Santander CEO, underscored the role of the business community, together with other stakeholders, in finding solutions for promoting sustainability. He also noted the role banks play in making sure sustainable goals are reached by their clients and the bank itself. Portela highlighted Santander’s partnership with a number of Brazilian universities.

Murilo Ferreira, Vale CEO, highlighted the need to address the future of the mining industry, noted its opportunity to offer jobs and promote responsibility in the sector. He said the mining industry has a crucial part to play in combating poverty, and noted that the challenges of bringing value to shareholders, and ensuring water, forest and job preservation, are enormous.

Marcos Bicudo, Phillips CEO, noted that lighting represents 20% of world energy consumption, especially regarding commercial buildings and street lighting, and that LEDs can provide more than 85% energy savings.

The morning plenary broke up into 10 sessions to address the following topics: oil and gas; power utilities; cement; chemicals; forests; materials; agriculture; consumer goods; transport; and small and medium enterprises.

IISD RS summarized the sessions on agriculture and materials.

### *AGRICULTURE*

This session took up the theme “Leading for Sustainability in Agriculture: What Role for Business?” Lucy Michoki, CEO, PanAfrican AgroBusiness Consortium, moderated the session.

Dawn Rittenhouse, DuPont, outlined DuPont’s vision for “market-driven science.” She highlighted three “mega-trends,” including: feeding the world; reducing dependence on fossil fuels; and keeping people and the environment safe. The bulk of DuPont’s research and development work focuses on

scientific solutions for these trends. Rittenhouse noted the benefit of considering sustainability early in the research and development process, rather than modifying the design later.

Joe Bradley, World Intellectual Property Organization (WIPO), spoke on creating an enabling environment to support innovation and technology transfer. He said intellectual property rights provide clarity for collaborations aiming to disseminate new technologies. He also highlighted WIPO's 45 recommendations on the relationship between intellectual property and development, and discussed specific WIPO projects, such as PATENTSCOPE, which involves partnerships with the private sector on issues such as climate change, food security, and neglected tropical diseases.

Ian Hope-Johnstone, PepsiCo, said unless something works for business, it will not be taken up adequately, and that PepsiCo is demonstrating how it can be done. He noted that applying new technologies and practices in farming communities can create market drive to "pull sustainability into the next 30 years." He noted that farming must be made more productive through increased yields, while also preserving natural resources.

Lucy Michoki described the Comprehensive Africa Agriculture Development Programme (CAADP) in relation to the topic of investment in the food value chain. She said CAADP currently has 24 members and appealed to potential investors in Africa to work through CAADP.

The ensuing discussion addressed, *inter alia*: sustainable intensification of agriculture, requiring both traditional techniques and new technologies; landscape approaches at the forefront of measuring sustainability in agriculture; importance of engaging farmers; the perception of farming as "uncool" among younger generations; and the need for multi-stakeholder partnerships to address underlying issues such as gender and land tenure.

Puvan Selvanathan, UN Global Compact, raised concern about the need for more information sharing amongst stakeholders, particularly on farming methods and practices, avoiding ideological battles.

## **MATERIALS**

Moderator Rodolfo Camacho, BHP Billiton, introduced the session and invited participants to provide ideas on how to quickly scale up sustainability in the materials sector.

Vania Somavilla, Vale, noted the importance of sustainability in companies' strategic plan and said there is a lot to be accomplished. She underscored that Rio+20 participants recognize the importance of business in its discussions. She highlighted the difficulty for governments to reach agreement and noted the role of business to provide solutions via technology and partnerships. She said the mining sector can contribute to issues regarding forest, land use and communities.

Samantha Hoe-Richardson, Anglo America, described her company's involvement in addressing climate change to protect people, communities and assets, highlighting three focus areas: operational excellence, technology and partnerships. She noted the importance of platinum and fuel cells as vital elements in promoting a low carbon economy by enabling the provision of clean, reliable and cost effective power.

Ajit Advani, International Copper Association, underscored the positive correlation between increasing the use of copper and augmenting energy efficiency. He said that motor efficiency can save 200 million tons of carbon per year. He underscored that his organization works with policymakers worldwide to change energy efficiency standards to follow best practices levels, which scales up energy savings.

Johnny Undeli, Hydro, said the building sector represents 40% of world energy consumption. He underscored an innovative building technology that uses aluminum to promote energy efficiency. He noted the possibility of having a "positive energy building" that produces more energy than it consumes.

Edwin Basson, World Steel Association, underscored the role materials can play in a sustainable society. He said steel is a cornerstone and key driver of world's economy, underscoring that global growth in steel is linked to human development. He noted that innovative use of steel saves six times as much carbon as is caused by steel's production, and emphasized his belief that steel is the basis for a modern society.

## **HIGH-LEVEL MEETING ON SUSTAINABLE DEVELOPMENT: THE ROLE OF TRADE AND INVESTMENT**

Kris Gopalakrishnan, Chairman, BASD 2012 and Executive Co-chairman, Infosys, opened the High-Level Meeting on Sustainable Development: Green Economy and the Role of Trade and Investment. He noted that while the morning breakout sessions dealt with sectors, the afternoon sessions would be cross-sectoral.

Prince Albert II, Head of State, Principality of Monaco, reflected on his 20-year involvement in seeking an appropriate framework to address this century's challenges. He urged innovation to imagine a new development model, combining aspirations for progress with the legitimate right of future generations to a viable environment. He said civil society's contribution is essential for progress, and that many of Monaco's initiatives including on climate change are based on partnerships. He noted the need to rely on all forms of energy such as those provided by the companies represented in this event. He said the Prince Albert II of Monaco Foundation relies on close, trusting relations with economic partners, associations, and science.

Paul Polman, Unilever CEO, said that real leaders care about this planet and future generations. He welcomed commitments to sustainability and solutions to world challenges. Polman underlined the need to move to a society based on ethics and purpose. He said that the 2008 financial crisis resulted for breaking common values. Polman said that the world is not delivering basic needs for many around the world. He underscored that Rio+20 could recalibrate capitalism to make it sustainable and equitable.

Achim Steiner, UNEP Executive Director, said that the state of our planet does not reflect the one we envisaged 20 years ago in Rio, noting that the world is at a loss on how to collectively move forward. He underscored the legacy of unfulfilled promises and the reality of the world's economic status. Steiner described the possibility of a world energized by a business sector that leads the way through cooperation and

commitments to sustainable development. He also highlighted another possibility in which a whole mass of people lose faith in the existing economy and the transition to a green one.

Over lunch, participants were asked to formulate recommendations on two topics: achieving scale and transitioning to a green economy; and enabling frameworks and the role of trade and investment. The reporters from each table were: Ida Auken, Minister for Environment, Denmark; Ambassador Andre Correa do Lago, Director of Energy Department, External Relations Ministry, Brazil; Peter Brabeck-Letmathe, Chairman, Nestle; Brian Dames, CEO, Eskom; Sam Di Piazza, Vice-chairman, Citi and Board Member, UN Global Compact; Chad Holliday, Chairman, Bank of America; Malcolm Preston, Global Head of Sustainability Services, PwC; Martha Tilaar, Founder and Chairperson, Martha Tilaar Group; Suhas Apte, Kimberly-Clark; and Stanley Hirsch, CEO, FuturaGene.

The afternoon sessions were broken up into 10 groups to discuss cross sectoral issues as follows: integration and reporting; technology; inclusive business; urbanization; policy frameworks; governance; green economy; access to energy; water; and sustainable consumption.

IISD RS summarized the sessions on green economy and policy frameworks.

### GREEN ECONOMY

Maria Cristina Frias, Folha Group, moderated this session, and introduced it by asking panelists to enlighten participants on the role of business in a green economy.

Neil C. Hawkins, The Dow Chemical Company, noted that the green economy concept varies from sector to sector and country to country, with many uncertainties about its meaning. He highlighted the importance of the public policy arena to set up frameworks for a marketplace that addresses sustainability needs. He highlighted the ICC Green Economy Roadmap Report that enables environments for collaboration to take place.

Bernd Eisenblaetter, GIZ, noted that his institution supports governments and the private sector in achieving its sustainable development commitments in numerous countries. He noted the importance of public-private partnership, especially in emerging markets to promote sustainability policies in a cost-effective manner. He highlighted the interlinkages between economic and social issues.

Jeanne Chi Yun Ng, CLP Holdings Limited, noted the value framework developed by her company regarding sustainability. She highlighted her company's carbon reduction targets. She noted the importance of leadership combined with setting rules for achieving sustainability and supporting social issues.

James Bacchus, Chair of Global Practice, addressed the issues of trading and investment and their relations with green economy. He noted the importance of finding practical solutions in the marketplace, such as a legal framework that would work politically. He noted that to move to a green economy there is a need, for instance, to reduce negative subsidies and increase subsidies for renewable energy.

Thomas Nagy, Novozymes, said his company has sustainability targets and monitors supply chains. He said innovation can help to enhance performance and business

models to reach market opportunities. He highlighted the role of governments to promote sustainability and the importance of partnerships and collaboration.

### POLICY FRAMEWORKS

This session was moderated by Feike Sijbesma, CEO, DSM, and focused on fast solutions for public policies to boost sustainable business. Noting business' increased global impact over the past 100 years, Sijbesma said business also bore a greater responsibility to address the distribution of wealth and consumption. Governments could contribute by: stimulating innovation to enable doing more with less, or else people will have to "do less with less"; standardizing labeling, helping to define what is "green;" pricing externalities; and involving the financial sector regarding share prices.

Sam Di Piazza, Citi and Board Member, UN Global Compact, said that business responses need to be cross-border, have a predictable framework and level the playing field, all of which requires the engagement of policy makers and governments.

Adriana Machado, CEO GE Brazil, discussed the establishment of wind farms in Brazil, which led to a drop in energy prices, thanks to a push forward from the government.

Chad Holliday, Chairman of Bank of America, said "governments make the rules, business brings the tools," and the better each plays their part, the better the other can play their part. The Montreal Protocol was an example, he said, calling it a first small "win" that should be added to.

Maresa Oosterman, Permanent Mission of Netherlands to the UN, reported that the text for the UNCSD outcome document had been agreed earlier in the day, and that it did not contain concrete targets or commitments. Now it is time for implementation, she said, and production, value chains, and consumers must all be geared toward sustainability. She spoke of the "arranged marriage" between business and government, and said the relationship was moving too fast.

Responding to Oosterman's comment, Simon Upton, Organization for Economic Co-operation and Development, said such cozy language could be "quite bad" for the relationship between business and government, as the two could become complicit in avoiding issues. He then highlighted the WBCSD report, "Changing Pace," saying it was more radical than anything he had previously seen from the business community. Unlike business, he said, diplomats strive for ambiguity with language, ultimately covering up important differences and economic realities. An example was environmentally harmful subsidies. Governments should be pushed to fund transformative policies, as well as to value assets properly and price pollution.

In the ensuing discussion, participants addressed, *inter alia*: the feasibility of pricing externalities in national and business accounts by 2020; the role of rule of law in the relationship between business and government; and how policy makers can engage business effectively.

Participants then divided into groups to formulate recommendations for Heads of State and Government. Recommendations included: shifting taxation from labor to resources, setting up mandatory measuring and reporting of environmental externalities; improving consistency and stability in international contracting law; reassessing local

governments' investments; harnessing existing opportunities around standardized reporting; and calling on Heads of State and Government arriving at Rio+20 to "unlock our potential" and allow business to contribute to sustainability.

### **CLOSING PLENARY**

Kris Gopalakrishnan invited speakers to summarize the reflections of the day. Peter Bakker said discussions reflected the need to ensure that growth is inclusive and to empower women. He highlighted that more than 200 commitments were made by companies, and that the sectoral approach is the best way to: speed up best practices; develop methodologies; and include all players. He called for an immediate halt to subsidies for fossil fuels.

Louise Kantrow, ICC Permanent Representative to the UN, noted that business and industry is the second largest delegation in Rio+20. She noted the wide consulting mechanism in the business community to reach a common position, and highlighted the importance of: governments to create enabling environments for sustainable development; and the UN to establish platforms.

Georg Kell observed that businesses increasingly understand UN goals and principles, which helps them be ready to cooperate and aligning strategies. He invited business to scale up since the market system depends on investments. He underscored the importance of anticorruption mechanisms and of creating inclusive marketplaces.

Vania Somavilla said we have failed to deliver a better world, but welcomed the fact that the business sector has joined together to create one now. She said there are many good experiences to share and scale up.

Sha Zukang, Secretary-General of Rio+20, joined BASD 2012 for the closing plenary to announce the outcomes of the negotiations. Here are the outcomes as described: agreement to establish a set of sustainable development goals (SDGs) and a process to do so; agreement on green economy as an important tool for sustainable development; consensus language on green economy, a menu of policy options and toolkits, and a platform for discussion; agreement to establish a high-level political forum to energize the follow-up to Rio+20; agreement to strengthen UNEP with specific mandates, and enhance the engagement of the private sector and partnerships, including by inviting the private sector to conduct corporate sustainability reporting.

The outcomes also included: agreement to start a process to go beyond GDP as a measure of prosperity and well being; agreement to establish a mechanism to ensure focus on means of implementation, especially finance and technology, and a timeline; reaffirmation of all past principles, including common but differentiated responsibilities and human rights; reaffirmation of political commitment to sustainable development; adoption of the 10-year framework programme on sustainable consumption and production; and unprecedented emphasis on the role of civil society and Major Groups. Sha added that all political groups had agreed that Heads of State and government should adopt the draft text without change and avoid reopening the document.

**Business' contribution to Rio+20:** This side event is hosted by BASD 2012. Following on various business-led preparatory events, it aims to provide a final, unified output from the business community to Rio+20. **date:** 20 June 2012 **location:** Rio de Janeiro, Brazil **contact:** BASD 2012 [www: http://www.sustainableenergyforall.org/images/content/UNGA\\_Resolution\\_on\\_Access\\_Jan\\_2011.pdf](http://www.sustainableenergyforall.org/images/content/UNGA_Resolution_on_Access_Jan_2011.pdf)

**Report of the UN Secretary-General to the UN General Assembly (UNGA) on Year of Sustainable Energy for All:** The UN Secretary-General will report to the UN General Assembly on the International Year of Sustainable Energy for All (SE4ALL), which is taking place throughout 2012. **dates:** 18-21 September 2012 **www:** <http://www.sustainableenergyforall.org/events-outreach/single/report-of-the-secretary-general-to-the-general-assembly-on-year-of-sustainable-energy-for-all>

**18th Conference of the Parties to the UNFCCC:** The 18th Conference of Parties to the UNFCCC (COP18), plus the 8th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, will take place in Qatar. **dates:** 26 November -7 December 2012 **location:** Doha, Qatar **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **e-mail:** [secretariat@unfccc.int](mailto:secretariat@unfccc.int) **www:** <http://www.unfccc.int>

**Third International Renewable Energy Agency (IRENA) Assembly:** The third assembly of the International Renewable Energy Agency will take place in the UEA. **dates:** 13-14 January 2013 **location:** Abu Dhabi (Abu Dhabi), United Arab Emirates **contact:** IRENA Headquarters **phone:** +971-2-4179000 **www:** <http://www.irena.org/menu/index.aspx?nu=cat&PriMenuID=44&CatID=61>

**Fifth International Renewable Energy Conference (IREC) and Sixth World Future Energy Summit (WFES):** The IREC brings together representatives from government, the private sector and civil society to discuss the advancement of renewable energy. The conference will be jointly organized with the sixth edition of the United Arab Emirates' World Future Energy Summit (WFES). Objectives of the conference are to analyze and highlight the achievements of the UN Secretary General's Sustainable Energy for All (SE4All) initiative, and discuss the contribution of renewable energy to economic development, energy security and mitigation of climate change. **dates:** 15-17 January 2013 **location:** Abu Dhabi (Abu Dhabi), United Arab Emirates **contact:** Jonathan Skeen REN 21 Consultant **phone:** +33 1 44 37 50 98 **email:** [jonathan.skeen@ren21.net](mailto:jonathan.skeen@ren21.net) **www:** <http://ren21.net/REN21Activities/IRECs/ADIREC2013/tabid/104175/Default.aspx> and <http://www.worldfutureenergysummit.com/>

**Global Energy Basel 2013: The Sustainable Infrastructure Financing Summit:** **dates:** 22-23 January 2013 **location:** Basel, Switzerland **contact:** Global Energy Basel **phone:** +41-61-205-1080 **email:** [info@globalenergybasel.com](mailto:info@globalenergybasel.com) **www:** <http://globalenergybasel.com/>

**GLOBE 2014:** The annual meeting is one of North America's largest environmental technology trade shows and sustainable business conferences. **dates:** 26-28 March 2014 **location:** Vancouver, Canada **email:** [info@globeseries.com](mailto:info@globeseries.com) **www:** <http://www.globe.ca/events/globe-series.aspx>