



**GLOBAL DIALOGUE HIGHLIGHTS:
MONDAY, 19 JUNE 2000**

The Global Dialogue, *Natural resources: The Sustainability Challenge*, held from 19-21 June, 2000, is the first of a series of ten Global Dialogues organized by the Stockholm Environment Institute (SEI) in conjunction with the Hanover Expo 2000. Over 60 leading institutions from different countries are involved in the planning and realization of the Global Dialogue series. The Dialogue series bring together academics, political and business decision-makers and representatives from NGOs and international organizations. The objectives of the series are to develop new forms of participation and dialogue, specifically in the areas of health, environment and labour. Following the Dialogue series, a programme for global partnership will be set up to reach the broader public and reunite it with prominent personalities from international public life.

The Global Dialogue on Natural Resources and Sustainability endeavors to address, *inter alia*: future resource use at the global, regional and local levels; distribution; and protection of resources that are either non-renewable or gradually renewable. Linkages will be made between the Global Dialogue and on-going natural resources-related initiatives, including international conventions, regional agreements and local initiatives. Specifically, the Dialogue discusses best practices and options to improve use, distribution and conservation of natural resources in line with sustainability, technological efficiency and innovation to meet increasing demands on renewable natural resources. Furthermore, it will help define the agenda for the Earth Summit 2002 and tackle sustainable production and consumption patterns of governments, business and the public.

PLENARY

SETTING THE SCENE

In an opening statement, Chair Simon Upton, OECD Round Table on Sustainable Development, welcomed participants and called for a multi-way dialogue exchange. Noting the sustainable development debate is bedeviled by statistics of doom and smooth statements, he stressed making use of the Global Dialogue for communicating with people and allowing them to internalize sustainability.

Speaking on environment, conflict and sustainable peace, Alexander Carius, Director, Ecologic Centre for International and European Environmental Research, highlighted a mining conflict where

environment degradation triggered an unstable social system. He noted the institutional context and the relationship between violence, population pressure and environmental impacts and advocated coherent integration of poverty eradication, sustainable resource management, democratization and human security and, *inter alia*, fostering environmental cooperation. He underscored the success of environment policy in developing sophisticated management tools and agreements but the failure of policy integration at both national and international levels.

Tariq Banuri, SEI Senior Research Director, Boston, spoke about sustainability and climate change scenarios. He reflected on the historical context of globalization and its two current trends: increasing global interdependence and fragmentation of equality. He suggested that sustainable development induces intergenerational inequities and stressed criteria for sustainability transition, including justice and fairness, equity, poverty eradication, peace, security and governance. He highlighted the use of scenarios to understand solutions to climate change and suggested the use of efficiency, equity and sustainability.

Claude Fussler, Director of Stakeholder Relations, WBCSD and SEI Board Member, gave an introduction on the challenge of creating eco-efficient markets. He explored the question of market suitability and accessibility while providing long-term environmental security. As one important step in achieving this goal, he pointed out the creation of affordable goods to be offered on markets below poverty levels.

Terri L. Willard, Internet Communications Officer, IISD, drew attention to the issue of knowledge management and its possible impacts on sustainability. She said that while knowledge management relies increasingly on electronic means, direct and personal communications are still valuable technologies. She identified explicit, implicit and tacit knowledge, encouraged diversity of and communication between knowledge systems, and stressed the important role of intermediaries.

The second part of the opening Plenary was dedicated to discussion between panelists and participants. On preventing conflict, Carius stressed the key challenge of linking sustainable development and peace promotion. Regarding capacity building, Banuri stressed the importance of long-term building with a participatory approach.

SUSTAINABLE DEVELOPMENTS

Fussler stressed eco-efficiency to reduce the link between consumption and negative environmental impacts. Carius emphasized ensuring that governments perceive consumption problems as political issues.

On developing countries' difficulty to compete with developed countries, Fussler emphasized intelligent and collaborative solutions to avoid returning to protectionism.

On the role of democracy in sustainable development, panelists emphasized the importance of equity and justice, equal resource access, information access and avoiding technocratic control. Chair Upton noted democracy's strength in addressing large ethical matters requiring broad direction but its uselessness in addressing highly detailed matters.

Responding to comments on the Kyoto Protocol and the pessimism that has emanated from it, Banuri reemphasized the need for a proper dialogue between the three approaches: efficiency, equity and sustainability.

GLOBAL FOCUS

In an afternoon plenary session, His Majesty King Carl XVI Gustaf, of Sweden, thanked the SEI and collaborators for organizing the first Global Dialogue on Natural Resources. He stressed the planet is still heading in the wrong direction despite progress made since Stockholm, 1972. He stated, at the core of sustainable development, there is a need to show willingness for participation, new respect for nature and a common understanding, and emphasized it is time for developing new structures and partnerships, involving industry and civil society. He emphasized dialogue as communication, networks and knowledge and hoped that new ideas would be provoked contributing to the realization of a sustainable future.

Peter C. Goldmark, Chairman and CEO, International Herald Tribunal, introduced the session using the metaphor of planet earth being on a ship journey. Participants questioned panelists on the role and use of education, the role of NGOs, integrating long term perspectives in decision making, the lack of or slow pace of action, how to improve systems of governance and the role of mass media.

Luciano Respini, President of Dow Europe, visualized a pyramid with sustainable development at the top and constituencies below drafting a manifesto focusing on dialogue and linkages. He said the key issue is identifying appropriate incentives in a market-driven society, beyond just shareholder value.

Ola Ullsten, Co-Chair of the World Commission on Forests and Sustainable Development (WCFSD) said the ship is off course due to short-term interests and called for government pressure on industry to enforce technological solutions.

Alicia Bárcena, Head of Environment and Human Settlements (ECLAC), said that the market could not provide sufficient solutions to environmental and development problems. She said certain values, which the market does not recognize, need to be taken into account and conserved by other institutions. She cautioned against simplifying the perception of the various sectors and pointed out the variety of representatives and actors within the private sector, governments and the NGO community. She stressed connecting initiatives at the local level, closing the digital divide and influencing economic decision makers.

Hanns Michael Hölz, Global Head of Environmental Coordination, Deutsche Bank AG, highlighted the need for sustainable cooperation between governments, NGOs and the business world and called for partnership-oriented organizations.

Sunita Narain, Centre for Science and Environment, pointed out the need for education and development and strengthening of science for environment and development. She said the current model of economic development is inherently toxic and that it takes investment and discipline to reverse the trend of resource degradation. She also called for quicker solutions and stressed the lack of rights and entitlements at the global level.

Claude Martin, Director General, WWF International, stressed the need for extracurricular education activities. He emphasized transparency between governments, the private sector and NGOs.

Maritta R. von Bieberstein Koch-Weser, Director General, IUCN Switzerland, indicated the role of partnerships within IUCN and its challenge in establishing long-term strategies in the dialogue for joint action.

WORKSHOPS

ECOSYSTEMS 21

The workshop, convened by the GEF and WWF and chaired by Claude Martin, addressed global priorities and partnerships for integrated ecosystems management.

James Martin Jones, WWF-UK, gave an introduction of the Global 200 Initiative, which aims toward a methodology for determining global conservation priorities. Drawing attention to various examples of ecosystem diversity, he said that the challenge resides in securing a broad range of ecosystems and as the basis of the world's economy. He called for conservation of specific eco-regions, which carry unique biodiversity, and unusual ecological phenomena.

Colin Rees, Team Leader, GEF Biodiversity, discussed the GEF's role in the field of ecosystem management and biodiversity protection. He highlighted stakeholders involvement, contextual challenge and integrated ecosystem management as the three main challenges in the process of pursuing an integrated approach. He said that long-term and adaptive management approaches are needed and that, in order to optimize benefits, synergies must be created between the three GEF focal areas (climate, water, biodiversity).

Speaking on behalf of Prof. Michael Succow, University of Greifswald, Germany, Thomas Trhaenhardt tackled partnerships with Eastern European States and the Russian Federation to achieve an eco-regional approach for Eurasia. Presenting the focal areas of the conservation activities and highlighting the special characteristics of the partnership projects, he said existing institutions should not be replaced by a framework organization.

In his presentation, Georg Schwede, CEO, WWF Germany, highlighted the practical implications of an eco-region-based conservation approach (ERBC). He pointed out that the ERBC is a strategic approach for conducting conservation with a long-term vision, enabling a broad assessment of the best places to invest in conservation and providing a framework for identifying and addressing root causes for biodiversity loss. He said ameliorating root causes are central to effective implemen-

SUSTAINABLE DEVELOPMENTS

tation of ERBC, as well as establishing long term commitment, rejuvenation, reinforcement and creation of partnerships and alliances between the various stakeholders.

Anneke Trux, Observatoire du Sahara et du Sahel (OSS), pointed out the change in terminology from development aid to development cooperation to the current partnership model, and stressed the need to identify areas where partnerships are needed for sustainable development. She said partnerships would need to balance interests and benefits, build upon reciprocal obligations, mutually agreed objectives, shared responsibilities, and establish North/South and South/South cooperation. As tools for establishing partnerships within the OSS, she highlighted legally binding instruments, especially the Convention to Combat Desertification (CCD), monitoring and evaluation, information management and circulation and technology transfer.

Christophe Crepin, Global Environment Africa, World Bank, discussed emerging partnerships for integrated ecosystems management in Africa. He pointed out many new actors and stakeholders and the need for coordination. He highlighted the need to address and integrate constituencies at all levels, and to develop a clear understanding of the costs and benefits and the comparative advantages of partnerships.

WATER 21

The workshop, convened by SEI and chaired by Arno Rosemarin, SEI Communications Director, addressed conflicts and challenges in the global agenda.

On hydropolitics, Leif Ohlsson, Professor, University of Örebro, highlighted linkages between water scarcity and social resource and presented a water management scheme. He noted the risk of "water wars" might be less than that of internal conflicts between groups, sectors, or water-privileged segments and the governments. He said research should identify hidden factors responsible for scarcity and make them available to people dependent on water for agricultural activities and food security.

Malcolm Mercer, Director, IUCN Canada, presented a World Water Vision project which proposes, *inter alia*, involvement of stakeholders in integrated management, full cost pricing of water, public funding for research, and massive increase in investments. He said payment of the full value of water supply would include the value of goods and services for provision of fresh water, including water cleaning, flood control, pollution attenuation, and the recreational and educational value of water.

Alan Hall, Coordinator, Global Water Partnership (GWP), highlighted themes from the GWP framework for action, including: mobilizing political will; making water governance effective; generating "water wisdom"; tackling urgent water priorities; and investing for a secure water future. He stressed the importance of putting IWRM into practice with governments taking responsibility for allocation. He also stressed the need for greater involvement of the private sector to overcome obstacles linked to service delivery and investment.

On water and food, Franck Rijsberman, Director, International Water Management Institute (IWMI), noted that 70% of water supplies go to agricultural use. He compared data on population increase, irrigated area expansion, agricultural water needs, and total growth in primary water source and noted that although some areas of the world have sufficient levels of water supplies, a lack of infrastructure prevents channeling and efficient agricultural use, giving an illusion of dearth.

He identified solutions to create sustainable food levels, among which increasing crop productivity and irrigated areas, or growing in more suitable environments and trading food products.

Juergen Resch, Board Member, Global Nature Fund (GNF), presented a project entitled "Living lakes" on goals for lakes conservation. He highlighted local initiatives in, *inter alia*, the St Lucia Lake in South Africa and the Mono Lake in California to underscore work achieved by partnerships between NGOs and corporations. He said recent projects focus on developing countries and called for continued financial assistance.

ENERGY 21

The workshop, convened by the GEF and the Wuppertal Institute, discussed ways of integrating cleaner solutions in energy market reform.

Referring to conclusions of the EXPO Compendium on Sustainable Energy, Chair Peter Hennicke, Wuppertal Institute, noted efforts to examine energy from the perspective of the consumer and to place emphasis on energy efficiency and resource productivity. Responding to questions, he noted, *inter alia*, the importance of changing incentive structures and the promising prospects for fuel cells after 2010.

Roberto Vigotti, Chair, International Energy Agency (IEA), highlighted world energy demand growth projections and the importance of a supportive, consistent policy framework for market integration of renewables. He emphasized market positioning and strategy in accelerating renewable energy and noted factors that will reduce price and bring greater value for renewables. He stressed cost scenarios for learning investments in different markets, relevant markets for renewables and impacts of learning investments on competitiveness. Regarding a query on centralized political barriers to change, he emphasized interagency collaboration and IEA's role in convincing governments to consider renewables.

Highlighting the proposed China-GEF Renewable Energy Partnership, Jinlin Yang, GEF Focal Point, stressed the obstacles in China to developing renewable energy. Emphasizing political constraints, stakeholder ownership and private sector involvement, he said the Partnership's thrust is to give decision makers the opportunity to identify the best way to develop renewable energy. He noted a stick and carrot strategy approach combining a mandatory percentage for renewables with among others, bilateral and multilateral support. Co-Chair Mohamed T. El-Ashry, GEF CEO, underscored including poverty alleviation in the strategy.

Nadiyah Moh'd Khalil Jouhari, GEF Focal Point, highlighted energy use in Jordan and renewable energy possibilities. She noted: a renewable target of 4-5% of total energy consumption by 2010. On options for cleaner energy, she noted gradual switching to natural gas; energy efficiency programmes; and means to expand conservation programmes and private sector involvement.

Frank Rittner, Programme Manager, GEF Washington, highlighted patterns of power sector reform and the influence on the environment and potential effects of competitive markets. He also highlighted instruments for clean energy reform, including enacting a stable and level playing field for independent power producers, eliminating hidden subsidies, reducing markets barriers to energy efficiency and renewable energy and enforcing comparable environment standards on all generators.

SUSTAINABLE DEVELOPMENTS

Klaus Knecht, Programme Manager, Carl Duisberg Gesellschaft (CDG), highlighted developments in the energy market as a result of liberalization and re-regulation. Noting the consequences and CDG's initiatives, he traced the developmental steps of dissolving state monopolies in generating, transmitting and distributing power, new state regulations to control the market indirectly, activation of private sector enterprises, increased authorized independent energy producers and accelerated technical progress in the areas of renewable energy and highly efficient technologies.

FORESTS 21

The workshop was convened by the World Commission on Forests and Sustainable Development (WCFSD) and SEI.

Chair Ola Ullsten stated the greatest risk of forest loss is in areas of low forest cover, already suffering from timber shortages. He emphasized impacts on food production, flooding and increasing poverty. He spoke of the WCFSD's report on forests, which stresses services other than production, such as preventing soil erosion, water systems, and carbon cycle.

David Kaimovitz, Center for International Forestry Research, stressed the underlying causes of deforestation and provided an overview of continuing global deforestation trends despite \$2 billion spent per year on technical assistance. He suggested policy makers, *inter alia*: avoid placing roads and ports in forested areas; restrict certain large scale investments; exercise caution with agricultural and forest product trade liberalisation; recognize local ethnic groups rights and strengthen their capacity to govern; and build a stronger and democratic systems of property rights and law enforcement.

Salleh M. Nor, President, Tropbio Research, addressed water, biodiversity and ecosystems. He maintained that: destruction of Malaysia's hill forests affects local water supplies; biodiversity is at risk from loss of the gene pool and the lack of interest by young people in taxonomy; and research into ecosystem dynamics is needed.

On climate and forests, Wolfgang Cramer, Professor, Potsdam Institute for Climate Impact Research, highlighted the influences of forest ecosystems on water and carbon cycle and effects on climate change. He offered solutions to global warming, including focusing on cutting fossil fuel emissions and removing existing amounts of carbon from the biosphere.

Claes Hall, Senior Advisor, Aracruz Cellulose, on timber and fibre in a changing environment, opposed the idea of a forest crisis and stated that from a commercial perspective, society is not at risk of running out of timber and fibre. He recognised the need to bring together forest stakeholders, and suggested forest issues be solved locally, regionally or nationally.

Ashok Khosla, President, Development Alternatives, highlighted the importance of secondary order consequences of deforestation, such as the burden of fuel wood collection faced by women. He suggested that the marginal costs of deforestation to livelihoods have not been adequately captured and require additional research. He highlighted technology and the appropriate institutions of governance as solutions to deforestation.

Discussion revolved around the issues of governance, devolution of power to communities for forest management and environmental services of forests such as carbon sequestration.

MARKETS 21

The workshop, facilitated by Edward Frieman, Chairman, Board on Sustainable Development, USA National Research Council, tackled markets, knowledge and sustainable development.

Kevin Dunion, Director, Friends of the Earth-Scotland, discussed fair shares in environmental space and introduced the concept of sufficiency as a means of limiting demand for goods utilizing natural resources. He called for large-scale changes toward sustainable practices in both developing and developed countries. He highlighted the importance of shared responsibility and environmental justice to the progress of sustainable development.

Ana Lorena Quirós Lara, Ecoglobal S.A. Costa Rica, discussed the role of the commons in public markets. She suggested that, as a non-market, the commons exist to overcome market failures and stressed that property rights were critical in bringing about this transition. She highlighted mitigation measures for non-market failures, including independent projects evaluation, linking of costs and outputs, evaluation of rights, and market mechanisms. She called for mechanisms to measure non-markets effectiveness.

On poverty and sustainability in the non-market, Al Binger, Professor, University of Jamaica, highlighted the need for mechanisms allowing countries' involvement in the global market. He further addressed: environmental problems facing SIDS; methods of sustainable agriculture; developing national (specifically SIDS) participation in international organizations; and education as a vector of sustainable development.

On competitiveness and environmental quality, Franz Lehner, President, Institut für Arbeitstechnik, discussed ways to trigger growth in markets and simultaneously assist developing countries. He said dematerialized production systems would make goods available at a low price and low environmental cost. He noted creation of better organized markets would facilitate access to new technologies.

Doug Miller, President, Environics, presented a survey of consumers' trends from 27 countries. Although views on the role of technology in solving environmental problems varied, he noted consumers acknowledge the risk posed by current environmental problems for future generations. He identified a latent environmental activism among consumers and said corporations could trigger suggested sustainable consumerism if they catered to this new awareness.

THINGS TO LOOK FOR TODAY

PLENARY: Participants will meet in Room 2 from 16:00 to 18:00 for a plenary session entitled "A talk around the world" featuring regional documentaries in collaboration with the Global Dialogue partners in Thailand, Costa Rica and Zimbabwe.

WORKSHOPS: Participants will reconvene in the five workshops from 10:00 to 12:00 and from 13:00 to 15:00. Forests 21 will start at 9:30.