

RIO2012 PREP COM II: SESSION 3

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BUSINESS AND INDUSTRY MAJOR GROUP

INSTITUTIONAL ARRANGEMENTS

General

- For business, this important area can be divided into two parts: 1) Improving the institutional framework for sustainable development from the perspective of business and 2) Enhancing the role of business therein. Moreover, we regard it as inextricably linked with other key matters in Rio+20, notably greening economies and growth in the context of s/d and poverty eradication and emerging issues.
- Sustainability challenges cannot be addressed by governments alone. Challenges of globalization require active collaboration between governments and stakeholders, particularly by business. And it is appropriate that integrated approaches will create a 'mosaic' of solutions and approaches across global, national and local levels – but which pose challenges for coordination, jurisdiction, and efficiency. While companies doing business in globalized markets and across supply and value chains welcome and often prefer globalized approaches and integrated frameworks, they also understand the importance of tailored approaches and institutions reflecting national circumstances and priorities. Finding the right balance is key.

1. What are the most significant challenges facing international institutions charged with promoting sustainable development? What concrete measures could be considered to address these challenges?

Major challenges include the proliferation of meetings and issues, creating competing resource demands, confusing priorities and straining limited time and financial support. Institutions need to identify priorities and concentrate on their specific value-added.

Two concrete steps that can assist in flagging the priorities, and ensuring that resources are well deployed:

- 1) Business supports strengthening the science-policy interface within international institutions, with the full and meaningful participation of developing countries. This must also include channels for credible and robust science from stakeholders, particularly from business and industry
- 2) Another key element relates to strengthening links between policy making and financing, to widen and deepen the funding base. Governments must approach the challenge of the overall framework of intergovernmental institutions with more deliberate and strategically guided resourcing, as well as more vigilant oversight.

2. How can the institutional framework ensure effective synergies between the CSD and other existing intergovernmental instruments and processes, including different multilateral agreements, UN funds and programmes, and regional processes?

From our standpoint, enhancing the engagement of business and business organizations –along with other major groups -- is an indispensable attribute of a substantive outcome of Rio2012 discussions on institutional frameworks for s/d. Major groups are central actors across the various forums, and on the frontlines of implementation. Enhancing the role they play is one way to strengthen synergies across the various bodies involving in the economic, social and environmental pillars of s/d.

3. What concrete actions could be taken to strengthen the Commission on Sustainable Development and ensuring the implementation of its decisions?

Business supports the objective of strengthening institutional frameworks for sustainable development, and considers the U.N. Commission on Sustainable Development as a critical nexus point and foundation for this strengthening.

CSD is unique among UN organizations for its mandate to review implementation from a “full circle” sustainable development perspective. Since its inception, CSD has developed assessments and recommendations for implementation over several work cycles. These form an invaluable basis and resource for Rio+20 consideration of the state of implementation. This applies to specific thematic areas, inter-linkages and means of implementation. Taking the substantive work and good practices of CSD – notably in the area of Type 2 partnerships -- forward into Rio2012 – and strengthening them will certainly strengthen implementation.

4. What actions could lead to mainstreaming the sustainable development in the work programmes of main bodies of international architecture such as the ECOSOC and second committee of the GA. What are the constraints and how can these be addressed?

5. How best to structure and position the current international institutional arrangements for economic, social, and environmental governance within the broader framework of the institutional architecture of sustainable development?

Business supports a system-wide strategy for sustainability in the United Nations system. All agencies must evolve to better accommodate all three pillars of sustainability, and other social and economic international institutions should be brought in for dialogue towards a more integrated approach.

6. How to improve cross-sectoral coordination and coherence in implementation of the sustainable development agenda at national and local levels in order to secure the convergence of the three pillars of sustainable development?

Enabling frameworks and incentives in policies, markets and institutions are critical to effective and successful implementation of sustainability policies. In addition to sound, science- and risk-based national environmental regulations, important elements include rule of law, democratic process, strong local and national institutions, and open trade and markets are needed.

7. How best can a new institutional structure also standardize and simplify reporting mechanisms and compliance protocols so as to reduce the burden on developing countries of servicing MEAs?

As indispensable as reporting and compliance is to shining a light on the state of progress, it is not clear one size will fit all will fully resolve the challenges of a multiplicity of reporting regimes, some of them extremely complex. In this regard, capacity building will go a long way towards assisting developing countries in providing necessary information and ensuring sound enforcement vis a vis MEAs. This capacity building should not be limited to enforcement officials alone, but should be thought of in a longer term context, with necessary training for aspiring engineers, technicians and business-people.

Of course, this challenge is not limited to MEAs, but is a broader one relating to developing countries' capability to fully cooperate with international norms and initiatives relating to economic and social areas as well.

8. What have been the most effective means of strengthening major groups and other relevant stakeholders' participation in national sustainable development efforts?

From a business standpoint, it begins with and builds on compliance with national laws and incorporation in business planning and management systems. From there it can include and be reinforced by a number of additional approaches, including:

- partnerships with governments and inter-governmental organizations,
- voluntary codes like the Global Compact and the ICC Business Charter
- voluntary sectoral approaches such as Responsible Care,
- “Soft law” approaches, like the OECD MNE Guidelines
- Reporting initiatives, such as GRI
- Standards and guidances, such as ISO 14000 and ISO 26000
- Partnerships with NGOs