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Contents

Foreword

With this inaugural issue of the Development Policy Journal, UNDP is launching a new forum for presenting ideas on applied policies. In keeping with UNDP's field-oriented vocation, we intend to keep the contents of the Journal focused on practice and experience, while putting forward options for policy that are original and innovative.

In this first edition, we are addressing the subject of capacity for sustainable development, with the intention of providing a timely input to the World Summit on Sustainable Development (WSSD) in Johannesburg. This issue brings together five papers which derive from UNDP's experience with the Capacity 21 initiative and a sixth paper which looks to the future, anticipating the year 2015, the target date for the achievement of the Millennium Development Goals. Capacity 21 was born out of the previous Earth Summit in Rio in 1992. WSSD is expected to give birth to its successor, Capacity 2015.

The first five Capacity 21 papers, written by UNDP staff and their associates, cover a wide span of experience and geography. The first paper discusses the virtues of national strategies for sustainable development. The second paper, focusing on countries in transition, examines the importance of devising new planning frameworks for environmental management, but without the encumbrance of old planning practices. In the third paper, the authors highlight the critical vulnerabilities of the small island states, that are not just environmental.

The next paper looks at the role of education, in Africa and elsewhere, and suggests that knowledge environments need to be comprehensively revised. The fifth paper – again with respect to the transition countries – highlights the virtues of localised initiatives in addressing sustainable development. The final paper suggests an approach for the future, building on experience, advocating that capacity development needs to be rethought and revitalised.

We welcome reactions to the Journal and the contents of the current issue, which we hope will be widely disseminated. We also look forward to receiving ideas and articles for future issues.

Carlos Lopes
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Capacity 21: the UNDP programme for meeting the goals of the 1992 Earth Summit

At the United Nations Conference on Environment and Development in Rio, UNDP was appointed capacity-building task manager for the conference's ambitious Agenda 21 action plan. Capacity 21 was established by UNDP and for the last 10 years has worked with over 75 developing countries and countries in transition to find the best ways to achieve sustainable development and meet the goals of Agenda 21.

In partnership with governments, civil society and the private sector, Capacity 21 programmes support the design of strategies for sustainable development. Capacity 21 programmes are country-owned, country-driven processes that support and influence national and local decision-making to build long-term capacities at all levels of society based on the principles of participation, integration, and information.

Three principles lie at the heart of any Agenda 21 process and are the main building blocks for Capacity 21:

- **Participation** of all stakeholders in programme development, implementation, monitoring and learning.
- **Integration** of economic, social and environmental priorities within national and local policies, plans and programmes.
- **Information** about sustainable development to help people make better decisions.

A global evaluation recently concluded that Capacity 21 has created a successful formula based on processes that build the capacities of people, institutions and systems – these processes that catalyse systemic change are an essential base for sustainable development efforts.

Capacity 21 actively facilitates analysis and advocacy of experiences and approaches in capacity development to inform decision- and policy-making and to foster the exchange of knowledge among developing countries, their stakeholders and development partners. Sustainable development has proved difficult to achieve. It is the hope of those who have worked with Capacity 21 that its legacy of knowledge and experience gained through applying sustainable development will move us closer to achieving the goals of Agenda 21 and will provide the foundation of UNDP's new capacity development platform – Capacity 2015.

Models for National Strategies: Building Capacity for Sustainable Development

By Philip Dobie [1]

This paper discusses the importance of developing strategic and adaptive approaches to long-term development and describes a generic sustainable model for applying Agenda 21 strategies at the national level. It first asks how development assistance works, and how it fails. The paper then reviews the 27 principles of Agenda 21 not merely as a list of thematic actions, but as a process that presents the building blocks of a national strategy for sustainable development. Subsequently, it discusses achieving a vision for development through national consensus on change. It then looks at the choices required: decentralization and cross-sectoral integration at the national level.

In its penultimate section, the paper focuses on the critical processes of monitoring and learning, the development of a self-monitoring culture in which all stakeholders review progress and modify the national programme in accordance with changing conditions, growing experience, and the increasing worldwide body of practical information on capacity-building for sustainable development. Finally, the paper points out the difference between a plan and a strategy and, in so doing, sketches the roles of multilateral institutions and bilateral donors.

The history of the use of the term "sustainable development" has been well documented elsewhere. Its origins can be traced to the deliberations of the Club of Rome[2] on whether there were limits to growth. The Brundtland Commission[3] further refined the concept that assumed a central role in Agenda 21, published in 1992. In its latest form, sustainable development recognises that current development practices are taking us towards a future in which we will be unable to sustain our growth. A different approach to development should allow us to meet our needs without destroying the base upon which future development depends.

Unfortunately, no agreement has emerged on what new form of development the world should aspire to. Agenda 21 was greeted as a sign that humanity would take radical new steps to meet the challenges of the future, but in practice only slight changes have occurred. It is still "business as usual" throughout the world. We need now to take a long and sober look at the implications of sustainable development, and decide whether we are willing and able to identify and tackle the underlying problems that exist.

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1 Director, United Nations Office to Combat Desertification and Drought, UNDP, and former Coordinator, Capacity 21. Contributions to this paper were also made by Anita Nirody, Michiyo Kakegawa, Sean Southey, Nizar Mohamed, Howard Stewart and Penny Stock, all of UNDP, as well as Paula Chalinder of the United Kingdom Department for International Development.

2. See materials available on the Club of Rome Web site at http://www.clubofrome.org.

3. World Commission on Environment and Development. Our Common Future. Oxford University Press, 1987.

How development assistance works and how it fails

Development assistance has been marked by major successes and spectacular failures. The successes are all around us. Vaccination programmes have reduced child mortality. New crops feed more people. Water and sanitation reach more and more households. Perhaps the best aspects of development, the steady transfers of skills and knowledge that have accompanied technical assistance, are too seldom noticed.

Unfortunately, most of the countries that depended upon development assistance 20 years ago still need assistance today. We have failed to help countries move from dependence to self-sufficiency. Why should this be, given the massive amount of aid, both financial and human, that has been made available over decades? The answer probably lies in the elusive quality that we now call "capacity".[4] Development assistance has, for one reason or another, failed to give people the capacity needed to successfully manage their own countries, their own businesses and their own lives. To understand how this has happened, we need to look at how development assistance has been put into practice.

Development assistance programmes have been typified by donor control. In the past, a donor country usually made decisions about which countries it wishes to help and in which sectors it wished to operate. A developing country was therefore faced with a donor that had already decided to give assistance in the field of health, agriculture or transport, for instance. The donor then identified the specific problem that it thought should be tackled. Consultants or government officials were sent from the donor country to design a project, and while conscientious attempts were made to involve local people, the project inevitably reflected the opinions, expertise and requirements of the donor. Later, the project was put into operation under the management of a donor advisor, working with local counterparts. The quality of output was often high, the counterparts were well trained through the project, but it was the donor that set the terms of the partnership, and the recipient had to follow the leader. Eventually, the project ended, the international staff left and the local staff found that they still did not have the experience, confidence, or institutional capacity to take over. The projects were often 100% funded by the donor, and no local funding was available to continue the work. This led to the demand for another project, resulting in an inevitable cycle of dependency.[5]

The cycle of dependency was usually carried out within weak institutions that followed an old colonial model. Thus, institutions that are intrinsically unsuitable continue to receive aid, leading to a condition of sustained ineffectiveness. Decisions are made on the basis of inherently flawed criteria as seen by outside partners, whereas the real social needs of a society are ignored for the Holy Grail of economically modelled growth. No wonder so many countries remain poor.

4. Capacity for Development: New Solutions to Old Problems, Earthscan (London) and United Nations Development Programme, New York, 2002.
5. For an excellent analysis of the deficiencies of old-fashioned development assistance, see Elliot J. Berg. Rethinking Technical Assistance: Reforms for Capacity Building in Africa. United Nations Development Programme, 1993. Sakiko Fukuda-Parr, Carlos Lopes and Khalid Malik, editors.

What needs to change?

A real effort has been made to move from the old model of development assistance over the last ten years with a greater emphasis on national ownership and less dependence on foreign consultants. But habits die hard and we find many developing countries suffering the same unsustainability malaise. Governments that do not represent the people operate through institutions that do not work. Social inequities tie people to established impoverished lifestyles. Resources for development are not to be found within the country, but come through development assistance projects. These projects fail to build the capacity of the country, leaving it in its original dependent state (or even creating a new state of dependency). Resources are extracted or degraded. Choices are absent.

There are many indications that this is happening throughout the developing and developed worlds, from the rising gap between the rich and poor, and the continued degradation of resources, to civil conflicts and migration. What is needed is not more of the same kind of development, but a radical shift in values by both North and South and a change in how things are done. It is this type of overall change of direction that can catalyse the emergence of a new strategy for sustainable development.

What is a national Agenda 21?

There is no single blueprint for developing and implementing an Agenda 21 strategy. All countries are different and face different challenges. Capacity 21 has been able to harness this diversity, however, and has gained significant experience in the field of capacity-building for sustainability, enabling us to create a generic sustainable development model.

A structural model of sustainable development

Many writers and practitioners have described sustainable development in terms of the intersections of three intersecting domains: social, environmental and economic. The zone of their intersection represents sustainability. But this scheme presents us with severe conceptual difficulties when it comes to putting this idea into practice.

Generally, we can say that where each domain is managed separately (the conventional scenario), development is unlikely to be sustainable. For example, economic growth affects the environment; but environmental activism fails to work without a solid social and economic rationale; and trickle-down social benefits from economic development are seldom realised. However, by learning how to manage the three domains in an integrated fashion (the sustainable development scenario), we can overcome the inadequacies of the conventional approaches. For example, clean technology brings growth without environmental degradation; valuing the environment encourages investment in its protection; and concentrating on social welfare fights poverty and increases the global supply of social capital. These principles are easily

stated, but to ensure their application requires considerable change within societies and their governments.

The principles of Agenda 21

Agenda 21 set out to specify the issues and topics that need to be dealt with in any attempt to achieve sustainability. Agenda 21 does not tell us how to bring about change, but provides us with the principles that should be borne in mind when doing so. The preface of Agenda 21 contains the Rio Declaration on Environment and Development, which comprises 27 principles:

Principle 1

Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature.

Principle 2

States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction.

Principle 3

The right to development must be fulfilled so as to equitably meet the developmental and environmental needs of present and future generations.

Principle 4

In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.

Principle 5

All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world.

Principle 6

The special situation and needs of developing countries, particularly the least

developed and those most environmentally vulnerable, shall be given special priority. International actions in the field of environment and development should also address the interests and needs of all countries.

Principle 7

States shall cooperate in a spirit of global partnership to conserve, protect and restore the health and integrity of the Earth's ecosystem. In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.

Principle 8

To achieve sustainable development and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies.

Principle 9

States should cooperate to strengthen endogenous capacity-building for sustainable development by improving scientific understanding through exchanges of scientific and technological knowledge, and by enhancing the development, adaptation, diffusion and transfer of technologies, including new and innovative technologies.

Principle 10

Environmental issues are best handled with the participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes. States shall facilitate and encourage public awareness and participation by making information widely available. Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided.

Principle 11

States shall enact effective environmental legislation. Environmental standards, management objectives and priorities should reflect the environmental and developmental context to which they apply. Standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular developing countries.

Principle 12

States should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, to better address the problems of environmental degradation. Trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided. Environmental measures addressing transboundary or global environmental problems should, as far as possible, be based on an international consensus.

Principle 13

States shall develop national law regarding liability and compensation for the victims of pollution and other environmental damage. States shall also cooperate in an expeditious and more determined manner to develop further international law regarding liability and compensation for adverse effects of environmental damage caused by activities within their jurisdiction or control to areas beyond their jurisdiction.

Principle 14

States should effectively cooperate to discourage or prevent the relocation and transfer to other States of any activities and substances that cause severe environmental degradation or are found to be harmful to human health.

Principle 15

In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

Principle 16

National authorities should endeavour to promote the internalization of environmental costs and the use of economic instruments, taking into account the approach that the polluter should, in principle, bear the cost of pollution, with due regard to the public interest and without distorting international trade and investment.

Principle 17

Environmental impact assessment, as a national instrument, shall be undertaken for proposed activities that are likely to have a significant adverse impact on the

environment and are subject to a decision of a competent national authority.

Principle 18

States shall immediately notify other States of any natural disasters or other emergencies that are likely to produce sudden harmful effects on the environment of those States. Every effort shall be made by the international community to help States so afflicted.

Principle 19

States shall provide prior and timely notification and relevant information to potentially affected States on activities that may have a significant adverse transboundary environmental effect and shall consult with those States at an early stage and in good faith.

Principle 20

Women have a vital role in environmental management and development. Their full participation is therefore essential to achieve sustainable development.

Principle 21

The creativity, ideals and courage of the youth of the world should be mobilized to forge a global partnership in order to achieve sustainable development and ensure a better future for all.

Principle 22

Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development.

Principle 23

The environment and natural resources of people under oppression, domination and occupation shall be protected.

Principle 24

Warfare is inherently destructive of sustainable development. States shall therefore respect international law providing protection for the environment in times of armed conflict and cooperate in its further development, as necessary.

Principle 25

Peace, development and environmental protection are interdependent and indivisible.

Principle 26

States shall resolve all their environmental disputes peacefully and by appropriate means in accordance with the Charter of the United Nations.

Principle 27

States and people shall cooperate in good faith and in a spirit of partnership in the fulfillment of the principles embodied in this Declaration and in the further development of international law in the field of sustainable development.

Agenda 21 deals with the implementation of these principles in 40 detailed chapters that deal with themes of central importance. The preamble, however, makes clear that Agenda 21 is much more than a list of thematic actions. It is designed to prepare the world for the challenges of the new century. It addresses poverty, hunger, disease, illiteracy and environmental degradationas a set of inter-related issues. It represents the beginning of a global partnership for economically viable, socially just and environmentally sound development, not only for the present, but also for the future.

It is clear that an understanding of the structure and contents of Agenda 21 can serve as a catalyst to inspire change. The challenge that we now face is how to take its principles and guidance, and turn them into a means by which a country can change its current conventional path of development to a new, radical and sustainable model of development.

Agenda 21 as a process — the building blocks of a national strategy for sustainable development

For all intents and purposes, a national Agenda 21 process and a national sustainable development strategy are the same thing. An Agenda 21 process is a process of change in which the citizens of a country make decisions about the future development of their nation.

In carrying out various forward-looking and participatory exercises, by concentrating on full consultation with stakeholders and the complete exchange of information, a strategy grows from the compound intellect of the people who participate. It is accepted and "owned" by the participants. A strategy emerges from the very process by which it is prepared. Capacity-building is a product of the process. If a strategy is written by experts, no new capacities are built. If people are trusted with the task of managing the process, they become knowledgeable, skilled and empowered. New skills need to be taught, but these are best identified through the implementation of a process, rather than being established in advance as the tools to drive the process.

The overall national approach to Agenda 21

Making changes that lead to sustainable development requires the people of a country to know what they want to achieve. They must work out what is good and what is bad about their current situation, agree on what changes are needed and then make the changes.

Vision ⟷ Analysis ⟷ Action

Inevitably, this proves to be impossible to achieve all at once and does not lend itself to the approach conventionally used by planners. Much will be new or poorly understood. Some changes will work, some will not. The process must therefore be flexible and adapt to changing circumstances and needs. The capacity to learn from experience is important, as is the capacity to change plans in the light of experience.

Vision for development

The application of Agenda 21 principles often requires a fundamental adjustment in how a country is managed. This is facilitated if a country is able to articulate a clear vision of how it wants to proceed. In the absence of vision, government departments find that policy direction is unclear and implementation of policies difficult. The morale of officials suffers. The people of the country are unable to identify with and support a government whose aims are obscure.

Capacity 21 has worked with numerous countries that have developed clear visions for the future (although it remains to be seen how well these national exercises will fare over the longer term). Examples include Costa Rica, Bolivia and China. Costa Rica and Bolivia were both led by presidents who made firm and clear statements on Agenda 21. Both countries launched a process of reform that introduced the idea of sustainable development in a comprehensive fashion, tackling all areas of government, all sectors and all parts of society. Both processes were characterised by enthusiasm, idealism and courage.

In Costa Rica, the government embarked on a rapid process of government review and reform, much of which was supported by the country, national institutions and international donors. The governing party recently changed in Costa Rica, but this change was characterised by a remarkably smooth transition from one government to another, and most important reforms were retained.

Bolivia started by creating a Ministry of Sustainable Development and Planning. With a strong national vision for sustainable and equitable development, the country committed to a decentralisation programme to enable the provinces and municipalities to take responsibility for planning and managing their development On the basis of

this visionary process, Bolivia was able to make significant changes and established leadership in sustainable development that led to its hosting the Hemispheric Summit on Sustainable Development in 1997. The summit was attended by almost every country in the Americas and the Caribbean, most of which were represented by heads of state or deputies.

China embarked on a process of formulating a national Agenda 21 immediately following the 1992 Rio summit with high-level political support. The process was led by the State Planning Commission. China had the distinction of being the first country to prepare a comprehensive national Agenda 21. It adapted its model of central planning to facilitate considerable consultation with national and local institutions and catalysed a wealth of international support. China's Agenda 21 is an integral part of its Ninth Five-Year Plan and is backed by Legislation. The country is now in the process of decentralising the national Agenda 21 to numerous provinces and cities that are currently developing Local Agendas 21.

Mongolia prepared its Mongolian Action Plan for the Twenty-first Century (MAP-21), setting out the principles by which this emerging country plans to develop. Many African countries elaborated Vision 2020s[6] set out socioeconomic statements of national development targets for the next 20 to 25 years. Capacity 21 worked with several countries, notably Ghana and Tanzania, to help make their visions truly sustainable.

Analysing a national situation

Once the people of a country know their long- and short-term goals, it is possible to analyse the current situation to find out what needs to be encouraged and what needs to be changed. Many different approaches to this kind of analysis have been successfully applied. Mongolia underwent a two-year period of strategic review and planning. A central coordinating unit supported the work of sustainable development advisors in each region of the country. The process was characterised by broad popular participation throughout the country, and a strategy emerged that clearly described the nation's values and aspirations, and the means by which they would be achieved. Numerous examples of existing unsustainable activities were identified.

Costa Rica carried out a careful comparison of its national development plan and Agenda 21 as a prelude to making a comprehensive sustainable development programme operational. Swaziland used Agenda 21 as a means of integrating principles of sustainability into a revised plan for national development following a careful, participatory review of its situation. Both Ecuador and El Salvador made efforts to separate the process of analysis from any political agenda, so that important principles identified by the process could be adopted by the winner of a subsequent election.

6 For further information about the 2020 Vision for Food, Agriculture and the Environment initiative, launched by the International Food Policy Research Institute (IFPRI) in collaboration with partners around the world in 1993, please refer to http://www.iimi.org/ifpri/2020.

Open-mindedness should be applied in any analysis of a current country situation. Considerable self-discipline is needed to evaluate circumstances in a new light. Agenda 21, despite its general nature, can be a useful framework for analysis. (Note that this does not mean that it is an effective planning tool). The situation analysis that is employed by UNDP for the preparation of country advisory notes can be adopted as an analytical tool. The UNDP Management Development and Governance Division's Guidelines for Capacity Assessment[7] also provide a useful framework.

The experience of countries that have tried to analyse their current situations has demonstrated the grave shortage of tools available, and the serious weakness of Agenda 21 as a planning or predictive instrument. Ideally, it should be possible to build on the rigor applied to economic analysis and extend similar approaches to the inter-related domains of sustainable development. In practice, our ability to understand all the social and physical interactions involved is limited. We do not have accepted analytical techniques that bring together all of the interactions of development. Analyses that are based on good data and that use understandable predictive models are most likely to be accepted. Numerous Agenda 21 analyses around the world have either originated on the basis of clear numerical analysis or have included analytical components.

Costa Rica's Agenda 21 process, for instance, was initiated on the basis of a clear understanding of existing trends in the economy — an economy that was dependent upon degrading natural resources, while leading to ever-increasing demands for imported petroleum products — that would have led the country in a downward spiral. Mongolia included a careful analysis of the expected effects on the economy of global warming in its MAP-21. (Mongolian scientists predicted that warming would expand the area of the Gobi, shift range-land and shorten the livestock grazing season. The economic output of animal grazing would decline, and increased demands for jobs in the urban centres of the country would result.)

Most Agenda 21 analyses have been much more subjective, and have involved people coming together to identify what is currently impeding the long-term progress of the country. In Kenya, the problem was seen to lie in a centralised planning system that did not cater to the development needs of communities. In El Salvador, the problem lay in the continuing lack of trust among factions that had fought a civil war. In Morocco, the underlying concern was population growth and employment. In Niger, the principal problem was desertification and land degradation.

Consensus on change

Achieving a nationwide consensus on change must be a highly participatory exercise. There are numerous generic tools that can be used for the exercise. Achieving real participation often requires shifts in habits and attitudes. Councils or commissions for sustainable development are valuable institutional approaches that seek to increase consensus by bringing government and civil society together in a decision-making forum.[8]

7 For further information about the work of UNDP's Management Development and Governance Division, refer to its web site: http://magnet.undp.org/.

8 See National Councils for Sustainable Development on the Earth Council's Web site at http://www.ecouncil.ac.cr/.

The implementation plan

Moving from consensus to action has proved to be a major challenge in many Capacity 21 programmes. It must be decided what the Agenda 21 programme will actually do out of the thousands of possibilities that are established during the preparatory phase.

National Agenda 21 policy documents

It is common to find countries struggling to implement numerous strategies, each of which has been prepared separately and all of which compete for support and resources. A successful Agenda 21 will harmonise strategy rather than complicate it.

The greatest challenge in preparing a central policy document is to ensure that it does not become one of several policies competing for government support. The harsh demands on governments for short-term economic action may divert attention from the need for a long-term strategic approach. The Philippines, China and Costa Rica are among the countries that have prepared national Agenda 21 strategies. These have all had high-level government support, and all were prepared with varying degrees of active popular participation to ensure implementation.

Decentralised governance

A common theme running through many Capacity 21 programmes is the decentralisation of decision-making. Even where specific problems have been identified, the solution has often been found in the shift from a central to a decentralised system. The underlying principle is subsidiarity. Subsidiarity is the principle by which optimum efficiency is achieved by transferring authority to the most appropriate level. It recognises that different levels of government and society have different yet valid interests. The best way to get systems to work is to identify the most appropriate level of decision-making and shift authority there. Malawi based its Agenda 21 programme on the strengthening of environmental management capacity, but recognised that the best way to achieve this was to build capacities at the local level and strengthen a decentralisation process that was already under way. Turkey launched a series of Local Agenda 21 initiatives designed to bring civil society into decision-making at the local level.

The challenge of decentralisation is to ensure that authority is transferred along with the means to exercise it. The unwillingness or inability of central authority to provide the necessary means to the decentralised agencies has stopped many a decentralisation initiative. A good Agenda 21 process will help to strengthen decentralised capacities while also helping to make and implement central policy that supports decentralisation. Bolivia and El Salvador are countries that reformed local financing through their Agenda 21 processes, shifting resources from the centre to municipalities, and strengthening local autonomy.

Participation

Popular participation is closely related to the principle of subsidiarity. Participation has become a dogma of development assistance programmes, and considerable amounts have been written on the subject. Experience tells us that programmes that support participation have been unsuccessful where government policy and civil attitudes have not changed. In particular, worthy donor projects that strengthen capacities at the community level can lead to frustration if government policy continues to starve communities of resources and prevents them from making decisions. Efforts by donors to impose participation from the outside in the belief that this requirement will catalyse national ownership can also be counterproductive. Agenda 21 processes must therefore tackle not only people's involvement, but also the policies that need to be changed to liberate their capacities.

There are numerous examples in Capacity 21 programmes. For example, the programme in Nepal is based on community participation in the management of resources. Local management is provided by a non-governmental organisation, while the National Planning Commission provides overall direction. The intention of the National Planning Commission is to ensure that Nepal's next Five-Year Plan responds to the experience of the local initiative and sets policy that will encourage expansion of the local approach.

A serious weakness of much development assistance is that it fails to have any impact on the private productive sector. This becomes a source of increasing frustration and failure as economies liberalise and the private sector becomes more able to make decisions alone. Involving private enterprises in Agenda 21 processes has proved vital, especially where they are central to decisions that affect the environment. UNDP takes partnership between the public and private sectors very seriously, and its Public Private Partnerships Programme for the Urban Environment is a source of advice on this subject.

Environmental approaches

The general public usually thinks of Agenda 21 as a purely environmental agenda. This has led to misunderstanding and the loss of many opportunities to bring about real change. Nevertheless, many countries have seen environmental degradation as a major source of unsustainability, and have designed their Capacity 21 programmes around this theme. In no case has the programme been a classic "green" initiative. In each one, the aim has been to integrate environmental issues into overall decision-making processes. The Gambia, for example, had already pioneered major programmes of national economic and social reform before its Capacity 21 programme sought to bring environmental management into the overall equation. Most of the environmental Capacity 21 programmes have been based on sound processes of consultation, consensus building and decentralisation. In El Salvador, the Capacity 21 process (established to help build consensus among warring factions of

the community) was instrumental in generating public consensus on the need for environmental legislation. Links with Capacity 21 in other countries led local industrialists to seek advice on the long-term benefits of accepting environmental legislation.

The experience of Capacity 21 has shown that even where environmental management is the most important national and local development concern, environmental Agendas 21 generally do not catalyse central policy change or lead to the successful harmonisation of diverse national strategies into a national sustainable development strategy. They tend to exist as marginalized initiatives that fail to affect the mainstream. This is a reflection of the continuing weakness of environmental institutions in developing countries, and the lack of awareness at policy-making levels of the importance of environmental management. Thus, the comparative weakness of environmental Agendas 21 is not a reason to avoid them, but an indication of the need to tackle environmental issues as an integrated component of overall development.

Economics — the lost domain

One of the major weaknesses of Agenda 21 processes so far has been their overall inability to influence investment patterns. This is a continuing challenge. Until investment is removed from activities that are unsustainable and focused on activities that are sustainable, real change will be limited. There have been spectacular successes. The Agenda 21 process in Costa Rica contributed significantly to the arrest of the predicted rapid increase of imported petroleum products, as well as to the establishment of incentives for the use of renewable energy and the transfer of national funding to forest conservation. In Bolivia and El Salvador, the Agenda 21 processes were based on decentralisation programmes that led to a significant shift of public investment decisions from departmental capitals to municipalities. Papua New Guinea used decentralised planning as a means to move spending control away from the centre and into the hands of communities. India's Capacity 21 programme has studied the costs and benefits of tackling environmental problems and is working to help form government policy on this issue.

Every Capacity 21 programme identifies priorities and tries to find ways to divert funds to support them. However, most governments and economies are structured in such a way that economic and financial control is strictly and conservatively controlled. Getting national budgets to respond to Agenda 21 issues is a continuing challenge. The issue of harmonisation, or who should take the lead in pulling policy together to create a genuine national sustainable development strategy, is an important question.

Information-based programmes

One of the most promising tools in liberating people's human potential is the efficient

supply of information. Fortunately, this is a task that is being made much easier by technology. Telephones, fax machines, computers, television and radio have all transformed the ability of ordinary people to become informed. Each technology has contributed to breaking down barriers to information exchange. Some, like radio and television, are friendlier and more accessible to the general public. However, even the Internet, until recently restricted to the elite in developed countries, is spreading to all corners of the earth. UNDP's Sustainable Development Networking Programme uses modern computer technology to give developing countries access to information. This is a growing area and one with huge potential to stimulate lasting change.

Integrating approaches

The fundamental principle of Agenda 21 involves the co-management of the economic, social and environmental domains. Agenda 21 programmes therefore must tackle the integration of activities across these domains. Cross-sectoral integration is a process of breaking down existing institutional barriers and creating a culture of interaction. Most institutions around the world are built in such a manner that exchange of information between sectors is restricted and even discouraged. Most professionals are trained in their individual disciplines and have few incentives to pay attention to what is happening outside their disciplines. Morocco has developed a sophisticated process for inter-sectoral consultation. Numerous countries are using planning processes at the local level to bring various parties together around issues that have been identified by the stakeholders themselves.

Many countries have gone so far as to establish new institutions to promote the implementation of Agenda 21. Bolivia and Costa Rica were among the first countries to restructure their governments to reflect Agenda 21 principles. Many others as diverse as Mongolia, the Philippines, Bulgaria and El Salvador have established sustainable development commissions that are designed to facilitate and promote cross-sectoral integration and the integration of all parts of society into national and local development planning.

National versus local action

Much of the language of this paper reflects the language of Agenda 21. Agenda 21, while emphasising the importance of local action, calls for countries to develop their strategies for sustainable development. Most Capacity 21 programmes have an important national focus, but over time there has been a significant shift to programmes that are based upon Local Agendas 21. This reflects a real change in global politics in which decisions are increasingly being made at the local level by combinations of local government, community representation and the private sector. China and Turkey are different but illuminating examples of this shift. The principle of subsidiarity discussed above is taking hold, and authorities recognise the value of letting appropriate decision-making authority move to new levels.

The tools

Many tools are available to help turn vision into action. As a general approach, Donor Assistance to Capacity Development in the Environment, by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD), contains principles that should be applied throughout the development of any sustainable development strategy.[9] Programmes should be clear in focus and designed with specific objectives. To date, most of the expertise in objective-based design has been applied to projects, rather than programmes in the UNDP sense. Capacity 21 is piloting an objective-based approach to programme development in Kenya.

Once a programme's focus has been decided, there are numerous tools that can be used to develop the actual programme. These include sustainable livelihood methodologies and participatory appraisal techniques, among others. The World Conservation Union (IUCN) and the International Institute for Environment and Development have co-published two useful publications: Strategies for National Sustainable Development — A Handbook for Their Planning and Implementation[10] and Spotlight on Solutions — A People's Agenda.[11] OECD has published a series of case studies under the title Planning for Sustainable Development.[12] Comprehensive principles for creating Local Agendas 21 have been developed by the International Council for Local Environmental Initiatives,[13] which has published a useful guide book to Local Agendas 21.[14] There is considerable information on practical approaches to implementing sustainable development strategies in Capacity 21's Approaches to Sustainability Series.

Monitoring and learning

In a process as complex and challenging as the development and implementation of a strategy of sustainable development, constant monitoring is critical. However, the monitoring will be of little value if it is of a conventional nature, where a donor or other outside party periodically judges and criticises progress. It is vital to instigate a self-monitoring culture in which all participants review progress and make appropriate changes to a programme. Lessons learned need to be fed back into the programme for continuous improvement.

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9. Development Assistance Committee, OECD. Donor Assistance to Capacity Development in the Environment. Development Co-operation Guidelines Series, 1995. For additional information, see Caroline Ashley and Diana Carey. Sustainable Livelihoods: Lessons from Early Experience. Department for International Development, United Kingdom, 1999.
10 Jeremy Carew-Reid, Robert Prescott-Allen, Stephen Bass and Barry Dalal-Clayton. Strategies for Sustainable Development — A Handbook for Their Planning and Implementation. Earthscan Publications, 1994.
11 Sue Stolton and Nigel Dudley. Spotlight on Solutions — A People's Agenda. The World Conservation Union and The International Institute for Environment & Development.
12. Planning for Sustainable Development — Country Experiences. Organization for Economic Co-operation and Development, 1995.
13. For further information on the International Council for Local Environmental Initiatives, visit its Web site at www.iclei.org/.
14. ICLEI. Local Agenda 21 Planning Guide: An Introduction to Sustainable Development Planning. International Council for Local Environment Initiatives (ICLEI), 1996.

Guidance can be found in Capacity 21's Monitoring and Reporting Strategy[15] and in the recently published Approaches to Sustainability on participatory monitoring and evaluation. This publication, jointly prepared by Capacity 21 and UNDP's Global Environment Facility (GEF), considers the potential advantages of participatory monitoring and evaluation, reviewing the experiences of the global Capacity 21 initiative, the UNDP/GEF portfolio and others in trying to promote the integration of these approaches into national and local programmes.

The paper has been prepared in parallel with another study on Capacity 21's experience with participatory planning approaches. Participatory planning and participatory monitoring and evaluation are different parts of the same whole – participatory development. To have the best long-term results, both are necessary, but neither is sufficient on its own.

A final warning—the difference between a plan and a strategy and the illusion of supremacy

The term "strategy for sustainable development" has been used frequently since the Rio Summit and has been employed uncritically in this publication. During 1997, OECD's Development Assistance Committee encouraged its members to help developing countries draw up sustainable development strategies by 2002. This timetable calls for the strategies to be under implementation by 2005, with a view to reversing adverse trends by 2015.

The 1997 review of the implementation of Agenda 21 carried out by the United Nations General Assembly similarly encouraged UNDP (and specifically Capacity 21) to continue helping countries develop their strategies for sustainable development. The Commission on Sustainable Development has further reinforced the decision of the UN General Assembly. It urged financial institutions and development agencies to enhance their assistance in this regard, again identifying Capacity 21 as an important agent.

Institutions tend to produce plans, and plans are often the menace of sustainable development. Most developing countries suffer from an excess of plans. Most have been imposed by donors, are impractical and remain unimplemented. Agenda 21 provides an opportunity to consign redundant plans to oblivion and pull together a country's numerous initiatives into a real strategy for national development.

A strategy must reflect the complex systems that underlie the development of a country and its people. The strategy must enable people to identify their long-term needs, to clarify what they intend to do, and to learn from experience as they do it. We must learn what works and what fails. A strategy for sustainable development is a cyclical process in which experience is fed back into the strategy, and the strategy must adapt in response. A strategy for sustainable development involves people who understand what is needed, have the necessary information at their fingertips, are part of an

15. Howard Macdonald Stewart. Monitoring and Reporting Strategy. Capacity 21/UNDP, 1995.

integrated national drive towards a sustainable future, and have participated in the vital decisions that affect them.

We continue to learn that development fashions change. The idea of sustainable development has been a victim of this. The proponents of various development ideas always promote theirs as the overall umbrella under which others should fit. In 1992, it appeared that sustainable development would be the future supreme strategy. By 2002, the language of development had become poverty elimination and debt relief. Poverty reduction strategies have become the main focus of business, especially Poverty Reduction Strategy Papers (PRSP) that are linked to debt relief. The dangers in thesse changes of fashion is that what is learned in one process will be ignored by another. If the principles outlined in this paper were to be applied in the preparation of the PRSP, then the PRSP could become an excellent medium for sustainability. Unfortunately, to date none has. For the next decade, the challenge will be to continue to pursue the **principles** and **processes** of sustainable development through whatever instruments command the greatest support and respect at any time.

The role of the multilateral institutions and bilateral donors

Development assistance has been delivered in a fragmented fashion for many years. Donors and agencies have effectively competed to bring their visions, their projects and their staffs to bear on the problems of developing countries. The result has been a proliferation of projects and inadequate attention to the overall results of the total sum of assistance delivered. Fortunately, this is changing. The United Nations Development Assistance Framework is a process by which the agencies of the United Nations will co-ordinate their efforts around national priorities. The World Bank has conceived a broader process known as the Comprehensive Development Framework, which sets out to co-ordinate the activities of the Bretton Woods Institutions, the United Nations family and bilateral donors according to nationally defined priorities.

As indicated above, PRSP, developed by the International Monetary Fund (IMF) and World Bank, are currently proving to be important tools that should ensure the integration of economic and social concerns into national plans to reduce poverty. The challenge will be to avoid past mistakes of preparing parallel policies and strategies. Poverty is now frequently cited as being the over-arching goal of development agencies and of countries, and there are great possibilities for the principles of sustainability to be built into poverty strategies, making the poverty strategy a full form of sustainable development strategy. This requires institutions that work together to coordinate the strategic approach, rather than institutions that compete for dominance and funding.

There is now a great opportunity to use development assistance as an effective strategic tool to support comprehensive approaches to sustainable development.

The unabridged version of this article appears on the Capacity 21 website: www.undp.org/capacity21

Sustainability and Transition: Synergies, Opportunities and Threats (SOT) Analysis

By Dr. Aleg Cherp, Central European University, and Dr. Ratislav Vrbensky, UNDP[1]

This paper addresses the dilemma faced by countries emerging from many decades of authoritarian central control: how to reinstate the principles of environmental planning without the practices of centralised bureaucratic prescription. Capacity 21 programmes have promoted sustainable development during the sweeping socio-economic changes throughout European and Central Asian countries in transition (CITs) since the demise of communism and the formal dissolution of the Soviet Union. These programmes have taken advantage of the opportunities and potential synergies provided by the transition process, while helping to manage its threats to sustainability. The paper's first section presents the regional context, while delineating its sub-regional and national variations. It also outlines a number of approaches to transition and their differing implications for economic, social and environmental sustainability. The second section analyses national Capacity 21 programmes launched by twelve CITs, covering twin themes: supporting long-term strategic planning with an emphasis on integration, decentralisation and participation; and developing institutional and individual capacities for sustainable development. The final section summarises the successes of national Capacity 21 programmes and outlines potential options and challenges for sustainable development in CITs.

The process of transition and transitional countries

What is "Transition"?

The term "transition" is used to describe the transition from centrally planned to market economies and/or authoritarian regimes to democracies and/or nations economically and otherwise dominated by large multinational states to societies integrated into diverse international associations. This definition does not imply, however, that the starting points or the outcomes of "transition" are the same in all countries. Diverse geographies, cultures and political and economic histories resulted in different starting positions for the CITs, while the diversity of market economies and pluralistic democracies also means there is no common end-point in the transition process.

An important lesson of the experience of the past decade has been that there is no typical process or "time-line" of transition from central planning under communism

1 Additional contributions by Sadun Emrealp, Calin Georgescu, Kamelia Georgieva, Pawael Grzesik, Elena Ivannikova, Michiyo Kakegawa, Altynai Karasaeva, Frantisek Kolocany, Bedrich Moldan, Ahto Oja, Marina Olshanskaya, Margeta Petrusevschi, Tanya Shoumkova, and Ruxandra Stan.

to a typical, easily identifiable, familiar form of market capitalism under democratic political institutions.

Broadly, the transition process takes place in three key dimensions: international (or geopolitical), constitutional, and economic. However, several broad generalisations can be made:

- **International (geopolitical):**
  The end of the Cold War, and with it the dissolution of multi-national states and military and political blocs once dominated by the Soviet Union; the emergence and consolidation of new states; increased oppeness to foreign economic and other inflences; and integration into diverse international alliances, including the European Union.

- **Constitutional (political):**
  End of one-party regimes; consolidation of democratic institutions at all levels; decentralisation; and, in some countries, a continuing struggle over future political institutions.

- **Economic:**
  Abolition of centrally planned economies; economic liberalisation and privatisation; building institutions of free-market economies.

Not surprisingly, the complex nature of transition has many implications for economic, social and environmental sustainability. The relationship between transition and sustainable development is further complicated by differences among the CITs and by differences in the paths of transition they have chosen.

Countries in transition

The World Bank's World Development Report (1996) identified 30 countries as CITs. Within this group, our study focuses on Central and Eastern European countries and those in the former Soviet Republics.

Countries in transition are very diverse

Countries in transition are very diverse – geographically, culturally and historically. For example, parts of the Czech Republic, some Hungarian and Polish regions and several areas of European Russia had established significant industrial infrastructure prior to Soviet domination. There is therefore no single system of accurately classifying these countries. However, most CITs share certain distinct characteristics with at least some others. In our classification scheme, countries in transition are divided into two major groups: Central and Eastern Europe (CEE) and the Newly Independent States of the former Soviet Union (NIS)[1]. In the classification below, the countries listed in bold typeface have Capacity 21 programmes, while those implementing other

sustainable development activities supported by UNDP are underlined.

The CEE countries are the following:
- Central Europe comprises Croatia, the Czech Republic, Hungary, Poland, the Slovak Republic and Slovenia.
- Southeast Europe encompasses Albania, Bosnia and Herzogovina, Bulgaria, Macedonia, Romania, and Serbia.
- The Baltic states are Estonia, Latvia and Lithuania.

The NIS region includes:
- Western/Central NIS – Belarus, Moldova, Russia (Murmansk, Oblast, Altai Republic) and Ukraine.
- The Caucasus – Armenia, Azerbaijan and Georgia
- Central Asia and Kazakhstan – Kazakhstan, Kyrgystan, Tajikistan, Turkmenistan and Uzbekistan

The transition region's recent history is characterised by newly emerging nations striving for their independence -- initially from the Hapsburg, Ottoman, and Russian empires and later from the Soviet Union. Political regimes established in this period were destabilised by the two World Wars. These regimes were predominantly totalitarian for much of the 20th century. Centrally planned economic systems were imposed on largely low-income agrarian societies, although Hungary had started experimenting with limited reforms as early as the 1960s, while Poland began during the 1980s. However, despite diverse region-wide attempts to develop equitable middle-income economies, the centrally planned systems also resulted in overbuilt heavy industries, Soviet-dominated trade patterns, and slowly deteriorating performance. This was the situation, in varying degrees, in all of the CITs when the process of transition began in the second half of the 1980s.

Examples of CIT diversity

A look at the historic roots of Bulgaria, Estonia and Kyrgyzstan illustrate the high level of diversity among the CITs.

Bulgaria, in Southeast Europe, is predominately populated by Slavic-speaking people. The first Bulgarian state was established in 681 A.D. Bulgaria uses a Cyrillic alphabet developed under Byzantine influence in the medieval Bulgarian Empire, from which the nation also inherited Eastern Orthodox Christianity. After centuries of integration into the Ottoman Empire, modern Bulgaria achieved complete independence in the late 19th century. Following World War II, Bulgaria remained independent, but had strong political and economic ties to the Soviet Union, which dominated the entire region.

1 All of the NIS are members of the Commonwealth of Independent States (CIS) formed in 1991. In this article, the terms NIS and CIS are used interchangeably.

Estonians have lived on the shores of the Baltic Sea for the last 1000 years. They speak a unique language, related only to Finnish and Hungarian. They are predominantly Lutheran Christians. Estonian medieval principalities were incorporated first into the Swedish and later into the Russian empire. An independent Estonian Republic was established in 1918 in the wake of the Russian Revolution. The country was occupied by the Soviet Union early in the Second World War, and became a Soviet Republic within the USSR. Although Estonian independence was reaffirmed in 1991, the country's ethnic make-up, as well as its economy, have been significantly affected by 50 years of Soviet domination.

Kyrgyzstan is a Central Asian nation situated in the foothills of the Tian Shan Mountains on China's western border. The national language is similar to Turkish. Kyrgystanies are predominately Muslim. Their territory has been controlled by various Central Asian powers for millennia. The country became part of the Russian Empire in the middle of the 19th century. An independent Kyrgyz state was established for the first time in 1991.

Turkey – a similar kind of "country in transition"

We have included Turkey in our study because, although Turkey has never had a communist government and did not belong to the Soviet bloc, its geography and culture, as well as many of the current political, social and economic processes, resemble those of many of the CITs.

Evolving out of an earlier multi-ethnic empire on the periphery of Europe and Asia, in the 20th century, Turkey went through a period of rapid modernisation in an effort to catch up with the developed world. A highly centralised system of government and administration was created to manage development in modern Turkey's diverse provinces. This "centralisation" has been identified as the principal cause of most of Turkey's environmental problems. The pattern of government and modernization seen in Turkey is broadly comparable to what occurred in the Russian Empire and its neighbours.

The lack of public participation and planning capacities among local authorities were among the issues that Turkey addressed through its Seventh Five-Year Plan (1996-2000). This Plan in turn is remarkably similar in its goals and strategies to those developed in a number of CITs.

Other similarities between Turkey and the rest of the region relate to international relations. Like Central and Eastern European countries, Turkey seeks to join the European Union and faces the same kind of challenges in achieving this goal. Turkey is also committed to opening up its economy to international trade and must deal with the occasionally negative consequences of the process. Although privatisation and economic liberalisation have not been as dramatic as in other CITs, Turkey has the same problems of economic instability, growing poverty and social inequality that invariably accompany such changes, especially in the short term.

Implications for sustainability

The United Nations Conference on the Environment and Development held in 1992 in Rio de Janeiro defined sustainable development as an approach that seeks to "equitably meet environmental and developmental needs of the present and future generations". The concept of sustainable development as expressed in Agenda 21 recognises strong links and interdependence between economic growth, social equity and environmental protection. Transition in CEE and NIS countries has had significant implications for all three of these aspects of sustainable development, although the effects have varied in time, and from one country to another.

Economic sustainability, which presumes sustainable increases in the material welfare of citizens, especially among economically disadvantaged groups, has been notably affected -- often negatively -- by radical changes in formerly centrally planned economies.

The ascendancy of free-market principles

Since the fall of communism, the Northern Eurasian region as a whole has declined economically, although the extent and duration of this decline has varied among countries. In the "socialist" economies of the former Soviet bloc, the state owned the means of production and it made all key decisions regarding resource allocation. In the past decade however, most CITs have privatised the means of production and begun to allocate resources based on free market principles. However, the extent -- and benefits -- of economic reforms among transitional countries have been uneven. For example, in 2000, the contribution of the private sector to GDP varied from 25 per cent in Turkmenistan to 75 per cent in Estonia. Successful economic reforms have reduced some wasteful economic activities (in the military and associated heavy industries, for instance) previously supported by unsustainable subsidies. This has obliged economic actors to rely on free-market availability of capital, raw materials and potential demand for products when making their production decisions. While desirable in the long term, in some cases these free market reforms have paradoxically had negative impacts on economic sustainability, causing prolonged economic decline and deterioration of living standards, especially among vulnerable social groups.

In most CITs, central planning institutions disappeared before the new market institutions could develop. The sudden collapse of the central planning system led to a rapid decline in the output of all transition economies in the early 1990s, a situation aggravated by the disintegration of existing regional and national markets and by political instability. The region as a whole experienced economic decline for most of the 1990s, although this was much less severe and ended several years earlier in Central Europe than in other sub-regions. While Central and Eastern Europe as a whole have almost reached their pre-transition levels of economic output, it will take many CIS countries at least another decade of comparably high growth rates to recover the output they lost during the first decade of transition. For example, by

2000, Slovakia had exceeded its pre-transition output, while the Moldovan economy had dropped to about one-third of its 1989 level!

Economic sustainability has also been affected by a shift in the relative importance of different economic sectors and changing trade patterns following economic liberalisation. The share of heavily subsidised, resource-intensive industries in many CEE economies has declined, giving way to service businesses such as tourism, transportation and banking. The sustainability of such economies has arguably increased as a result of reduced dependence on natural resources, improved use of human capital and advantageous geographic location.

Some CITs have become more dependent on their natural resources

From the sustainability perspective, some economic restructuring in CITs has been quite negative, especially in respect to over-dependence on natural resources. Many economies of the NIS have already become heavily dependent on such resources, putting little effort into the development of job skills in other economic spheres. As a result, both the skills and the quality of the workforce have declined. Because of this, some of the CITs have been forced to increase their dependence on exports of basic commodities and natural resources to external markets – a dependence that negatively affects their economic health and prospects.

As a result of improved economic openness, both foreign investment and external debt have increased throughout the region, although to an uneven degree from country to country. This too has affected the economic sustainability of these counties. For example, cumulative foreign direct investment for the last decade varied between $25 per capita in Moldova and $1100 per capita in Estonia, while external debt in relation to GDP ranged from 27 per cent in Romania to almost 140 per cent in Kyrgyzstan. As we have seen in the developing world, heavy external debt without a concomitant rise in national income is a recipe for disaster.

The human costs of transition

The human costs of transition include: decreased life expectancies, increased sickness, declines in educational standards, increased unemployment, widening gender gaps, increased poverty and worsening economic and social inequalities.

Growing economic and social inequalities have been a significant and disturbing aspect of transition. According to the World Bank, economic inequalities have increased in all CITs, although more in some than in others. In the past, such inequalities were partially offset by government cross-subsidies, now largely abolished. Inequalities have also increased between different regions, social groups and genders. For example, within the Russian Federation, the Human Development Index in 1995 varied between 0.867 in Moscow (on a par with Spain, Israel and Greece) and 0.520

in the Tyva Republic (on a par with Kenya and Papua New Guinea). Economic differences between different CITs have also continuously grown: for example, the GDP per capita in 2000 varied between $5800 in Russia vs. $264 in the Kyrgyz Republic. Inequalities have also increased within countries.

Increases in economic inequalities comprise just one of the complex effects the transition process has on social sustainability. Other quality-of-life threats to human security include poverty, diminished educational and health resources and reduced life expectancy, to name a few.

Poverty; education and health; political transition

Poverty as measured by family income increased sevenfold in the CIT region as a whole between 1990 and 1997, and to varying degrees in individual countries. In 2000, for example, poverty levels ranged from one per cent of the population in Slovakia to around 60 per cent in Moldova and Turkmenistan. Over a third of Russian households had fallen into poverty by 1997, while more than 70 per cent of Kyrgyzstan's population was poor, and almost certainly still is. Unemployment, often in hidden forms, pushed many people into the insecure informal sector.

Economic and political reforms in many countries have also jeopardised funding for education and health services. The 1999 Human Development Report for Europe and the CIS reported widespread contraction of real spending on education in the first half of the 1990s.

The region's social fabric was greatly affected by political transition, especially when this involved the emergence of new nations. In virtually all CITs, political liberalisation has created opportunities for supporting the political interests of different social and ethnic groups. Where democratic regimes have successfully consolidated these groups, the resulting pluralism has led to better governance and increased social cohesion. However, in many instances, finding democratic compromise has proved difficult, especially when it has involved defining political roles and equity for linguistic, ethnic or religious minorities. These difficulties have often resulted in heightened social tensions, sometimes leading to forced migration, violence or even to armed conflicts, all of which gravely threaten sustainability.

Less apparent, but no less important have been the psycho-social pressures arising from transition. Future-shocked, newly-impoverished older citizens, especially among the less well educated, are a disturbing feature of many CITs. Bewildered by rapid change, the disappearance of jobs and social safety nets and cut off from their younger compatriots, many of the region's beleaguered seniors are the victims of forces over which they have no control. As such, they constitute a troubling waste of human potential.

Sharply declining male life expectancy and declining birth rates

The loss of human life as a result of dramatically declining life expectancies is the greatest single cost of transition, according the 1999 HDR for Europe and the CIS. These declines have occurred throughout the region except in Central Europe. The HDR estimates that there are several million "missing people" in the region - persons who did not survive the 1990s, but who would have done so if the life expectancy of the early part of the decade had been maintained.

Because of premature deaths, particularly among middle-age men, and the steep, insecurity-driven birth rate declines, populations are declining in ten CITs, including large countries such as Russia and the Ukraine. The population contraction is especially dramatic in the Western NIS and the Baltic States. One consequence of low birth rates, of course, is an increase in the size of aged populations, which, in turn, constitutes another long-term threat to economic and social sustainability.

Human Development Index improvements have occurred in some countries

By no means have all of the social consequences of transition been negative. Indeed, some have been very favourable. Those CITs which have successfully completed the transition to functioning free market economies, and which have established consolidated democracies (such as the Czech Republic, Slovenia, Hungary and Poland) have also succeeded in directing resources to their most urgent social issues. This resulted in an increase of the Human Development Index in all these countries during the 1990s.

Transition and environmental sustainability

The effects of the transition process on environmental sustainability are still unclear. Communist ideology held that planned economies were inherently more environmentally friendly than capitalist ones, because the former are not driven by the profit motive and were therefore able to ensure development that served environmental as well as social imperatives. To be sure, biodiversity, for example, was better protected in some regions of the East Bloc than in the West, due to lower population densities and restrictions on personal movement in certain areas. Though the incidence of consumer waste and motor vehicle congestion was lower across the vast region than in the far more densely populated OECD, these benefits resulted less from wise environmental planning than economic deprivation. Socialist economies created familiar patterns of environmental degradation, resulting from a cascade of negative factors that included the economic biases of central planners, rapid and intense industrialisation in designated areas, highly inefficient use of energy and natural resources and more or less complete disregard for public environmental concerns. As one observer put it: *"The USSR generated waste on the scale of a highly industrialised country, but dealt with it in a fashion appropriate for a Third World nation" (Peterson, DJ, The Troubled Lands).*

In the early 1990s it was widely believed that economic reforms in the region would promote more efficient technologies and energy use, thus reducing environmental problems. The actual environmental impact of transition has proved to be uneven throughout the region. While some areas have experienced lower levels of pollution (often associated with abrupt declines in industrial output), other environmental threats have grown. A notable example is the growing threat to the rich biodiversity of the Russian Far East:

"Historically, the unique biodiversity of Russia's Kamchatka peninsula was preserved by an extensive system of protected areas, by its remoteness, its rugged landscape and restrictions associated with the strategic military importance of this area. During the past ten years, significant threats to biodiversity have emerged as the accessibility of the area has increased and the budgets of the protected areas have been cut practically to zero" (UNDP/GEF 2000).

While environmental problems in the CITs have generally diminished since the end of the socialist era, in most cases this has been a result of economic decline rather than of increasing effectiveness of environmental protection. The OECD believes that such improvements in environmental quality are only temporary and will be reversed as soon as economies of CITs start growing again. The OECD analysed the environmental effects of transition in terms of "decoupling" of economic output and environmental pressures. "Positive decoupling" occurs when environmental pressures decline faster than economic output, during recessions, for instance, or when they increase more slowly than economic output in periods when output is growing. This kind of "positive decoupling" is an important requirement for sustainable development in the region and elsewhere, including fully developed countries.

The variable relationship between environmental health and economic output

According to the OECD, positive decoupling has been observed in many CEE countries, especially in Central Europe. These countries have succeeded in reducing the extent of pollution- and resource-intensive technologies in their economies. And, they have been able to mobilise resources (through international co-operation, among other things) for environmental clean-up, improving efficiencies and strengthening environmental protection institutions. But the same report describes examples of "negative decoupling", where steep economic decline has been accompanied by only a modest or negligible reduction of environmental pressures. This has occurred because of insufficient resources for environmental management, ageing facilities, relaxed enforcement of environmental regulations (where they exist), and shifts to more polluting forms of production. In addition, recent research has found that environmental pressures per unit of economic output in Russia have increased as a result of a shift from less polluting manufacturing to more polluting raw material extraction and processing (Cherp A., Kopteva, I. and Mnatsakanian, R., *Economic Transition and Environmental Sustainability in Russia*)

Finally, it is important to note that environmental sustainability has been affected not only by economic transition, but also by political transition. The latter has occurred through the redistribution of political power among different groups with differing, sometimes conflicting environmental interests -- private industries, environmental NGOs, local authorities and so on. Geopolitical changes, such as the need for countries hoping to join the EU to align their environmental laws and policies with those of the EU countries, are also a positive factor.

For many reasons -- among them, a debilitating inflationary spiral – the transition process has not only influenced social, economic and environmental sustainability, but has had profound implications for the ability of human and institutional capacities to facilitate sustainable development in CITs. Until the 1990s, such capacities had often been undermined because of the region's turbulent 20th century history. Now, on balance, while some of the recent reforms have strengthened the ability of governments and other institutions to deal with the complex challenges of sustainability, other changes have only caused disruptions.

In short, the transition process can either facilitate or erode sustainable development.

Sustainable development supported by Capacity 21

Launched by UNDP following the Earth Summit in 1992, Capacity 21 works with developing countries and countries in transition to help them integrate the principles of Agenda 21 into their national and local development initiatives. Capacity 21 promotes participatory, cross-sectoral and decentralised approaches in supporting countries' planning and implementation of national and local strategies for sustainable development. The key principles of Capacity 21 programmes are firstly, integration of the concerns of different socio-economic sectors within planning processes; secondly, participation of diverse stakeholders in planning and implementing sustainable development programmes; and, thirdly, information sharing among sustainable development actors.

The response of national programmes supported by Capacity 21 to the opportunities and threats associated with transition in CITs has been country-specific. Capacity 21 works with each country to help it identify and address its own sustainable development priorities. These priorities can vary greatly from area to area, ranging from issues such as rural poverty to the revitalisation of regions experiencing industrial decline. However, two common themes mark successful national Capacity 21 programmes in CITs: support for integrated, participatory and decentralised planning and increased capacities to implement key principles of sustainable development. The following analysis is structured around these two themes: promoting "a different kind of planning" and capacity-building for sustainable development.

A different kind of planning...

Planning is not new to the CITs: they experienced decades of centrally planned

economies. In current popular opinion, socialist planning is now regarded as unnecessary meddling by the state in virtually every socio-economic matter, as attested by various Capacity 21 studies:

"The attitude towards strategic planning in general had become very negative, because it was associated with the overbearing, often superfluous central planning processes of the former Communist government" (Bulgaria)

"… there was still widespread misunderstanding of the importance of planning due to unpleasant memories from the central planning system of the Soviet era. Planning then had seemed to be an artificial exercise not related to local day-to-day realities." (Estonia).

In the popular mind of the region, transition has been associated with getting rid of this type of planning, a view which, to some extent, corresponded to the sustainable development perspective.

"The inherited elements of a centrally planned management system have not proved effective in facilitating inter-sectoral, multi-disciplinary and participatory decision-making processes that are essential for the sustainable development of the region" (Road from Rio: Murmansk Region).

However, a danger implicit in this view was that planning would be eliminated altogether, giving way to purely short-term interests and priorities. A major goal of many national Capacity 21 programmes in the region has been to reduce this threat by demonstrating that participatory strategic planning can be useful for ensuring sustainable futures.

Capacity 21 activities in countries in transition aimed to:

- Focus planning efforts on long-term strategic sustainability priorities.
- Increase cross-sectoral coordination within formerly highly sectoral planning processes.
- Decentralise planning.
- Support efforts by planning institutions to become more transparent and participatory.

Integrated long-term planning for sustainability

In the past, government planning agencies in former East Bloc countries sought to direct nearly all economic, social and environmental activities. One of the goals of transition has been to allow market forces to drive many of these activities. However, an inherent threat in this process has been that short-term economic priorities might displace critical long- term priorities, especially in the social and environmental domains. National Capacity 21 programmes sought to help countries reduce this risk

by supporting national and regional planning processes designed to support long-term sustainable development objectives. The Capacity 21 programme carried out in the Murmansk region of the Russian Federation is a good example of this approach:

"The Russian Barents Sea region was considered to be in special need of sustainability planning because of the imminent conflict between industries based on natural resource extraction and the imperative to preserve the fragile Arctic environment. It seems likely that as the economy begins to expand, pressure on natural resources, consumption and pollution will grow unless environmental considerations are explicitly incorporated in strategic plans. Capacity 21 has aimed to achieve such integration through preparing the Sustainable Development Action plan for the Murmansk Region" (Murmansk Region - Barents Sea Capacity 21 Programme: Issues, Challenges and Lessons).

Another example is Estonia's national Capacity 21 programme, which helped players understand and appreciate the importance of long-term planning:

"The [Capacity 21] programme has clearly helped Estonians recognise their need to analyse longer-term issues and options and to devise longer-term plans. Prior to this programme, the 1990s had seen the emergence of only short-term plans. The programme helped people overcome a widespread, understandable aversion to the very concept of planning (seen by many as a feature of Soviet occupation) and recognise their need for careful planning to ensure efficient use of scare resources" (Evaluation of Estonian Capacity 21)

Capacity 21 has encouraged integrated rather than sectoral approaches to planning

Planning in former socialist countries was highly sectoral, especially in the USSR. Each sector focused on its own objectives, often overlooking the detrimental effects of its actions on other sectors and local communities. Although numerous special "co-ordination" mechanisms were established during this period, they were not effective. National Capacity 21 programmes have supported efforts by CITs to encourage integrated planning. In most cases this was done by providing support to, and strengthening, existing multi-stakeholder and multi-disciplinary strategic planning institutions and mechanisms. A number of such bodies, the National Commission for Sustainable Development (NCSD) in Estonia for example, had been established originally to implement national commitments made at Rio.

In cases where adequate bodies and mechanisms did not exist, national Capacity 21 programmes sometimes supported the creation of new institutions with explicit mandates for cross-sectoral co-ordination and promotion of sustainable development. These ranged from Moldove's High Economic Council created under the auspices of the President's Office to implement that National Strategy for Sustainable Development (Moldova 21) to the National Commission for United Nations Environmental Conventions in Turkmenistan.

Participatory sustainable development in Bulgaria's Regional Development Act

In Bulgaria, the national Capacity 21 programme aided in the formulation of the Regional Development Act, which was adopted in 1999. The Act provided that local and regional participatory planning would focus on balancing social, economic and environmental aspects of development. The programme has also encouraged the creation of a Bulgarian National Commission for Sustainable Development (NCSD). Its major objectives are

- Defining sustainable development in Bulgaria.
- Guiding and reviewing development plans to incorporate sustainability concerns.
- Defining ways and means to integrate national and local sustainable development activities.
- Disseminating information about sustainable development in Bulgaria.
- Promoting national dialogue and consensus on key sustainable development issues.
- Ensuring Bulgarian participation in international dialogue on sustainable development

Frantisek Kolocany of the Slovak Ministry of the Environment sees the inter-sectoral approach as the key, and most distinctive, feature of national Capacity 21 programmes:

"[The Capacity 21] project has been successful in dismantling mistrust and unhealthy rivalry which used to prevail among different sectors. … When compared to other programmes or projects supported by other … donors, the largest difference is the fact that Capacity 21 has been a cross-sectoral and trans-regional programme. … It was also a distinctive programme since it was not oriented solely to environmental issues, but it was looking at all three basic pillars of sustainable development – economic, environmental and social.

"Many projects in Slovakia (and this situation may have occurred in other countries) did not reach the maximal effect since they remained confined within sectoral limits. Dismantling inter-sectoral barriers is a crucial pre-condition to successfully achieving sustainable development".

Similar success in improving inter-sectoral coordination occurred in the Murmansk region of the Russian Federation:

"The joint work on the Sustainable Development Action Plan for the Murmansk region, Russia, helped to break down barriers between government and industry and between institutions working on issues of economic development and those involved in environmental protection". (Murmansk Region - Barents Sea Capacity 21 Programme: Issues, Challenges and Lessons)

Sectoral barriers to integrated sustainable development

National Capacity 21 programmes in the Northern Eurasian Region often formed partnerships with agencies responsible for regional or economic development. Many of these bodies were especially well prepared to address cross-sectoral concerns. However, in some cases, the agencies responsible for sustainable development came from narrow sectoral backgrounds (environmental, in many instances). This was a common problem in countries with histories of highly sectoral planning. When, for example, environmental agencies were created, they tended to approach problems from a narrow sectoral perspective, acting with little regard for the needs of other players. Predictably, these agencies have had difficulties in promoting sustainable development.

In cases where environmental agencies were the principal Capacity 21 partners (the National Committee for UN Environmental Conventions in Turkmenistan, for example, and the National Commission for Sustainable Development together with the Ministry of Environment in Estonia), Capacity 21 has encouraged them - although not always successfully - to take a broader view and even to extend their mandates to cover social and economic matters relevant to sustainable development. Such issues were addressed in Estonia, where the existing Sustainable Development Act was, in fact, a narrowly drawn environmental law controlled primarily by the Ministry of Environment. This agency has now begun a process of broadening the scope of the act in response to criticism and advice from the Capacity 21 programme and others.

National Capacity 21 programmes have also promoted integrated planning by sensitising planners to the economic, environmental and social costs of implementing their intended actions. In socialist economies, the natural and human costs of, and constraints on, achieving strategic priorities were often disregarded. A loss of resources and frequently, a failure to implement plans was the result. This phenomenon was, in large part, responsible for widespread scepticism about high-level strategies, plans and bodies. This legacy still has not been wholly overcome. Kamelia Georgieva, a member of the Global Capacity 21 Evaluation Team, notes that national commissions for sustainable development have sometimes been called "paper tigers" because of their inability to act on real issues. Although some of these bodies (in Estonia, for example) were revitalised through the World Summit for Sustainable Development preparation process, overall progress has remained rather limited. Ms. Georgieva has similar reservations about national laws on sustainable development, many of which were modelled on earlier declaratory and unenforceable socialist legislation.

Local Agendas 21 have served as the basic framework for strengthening local sustainable development capacities

Local Agendas 21 (LA21) have been the most common framework for strengthening local capacities for sustainability planning in the region. While many countries have struggled in interpreting a national Agenda 21 and formulating plans based on it,

some countries, including several in Western Europe, have found an LA 21 a very effective and practical means for achieving tangible results at the local level, often within municipalities as well as national regions. Although an LA 21 can be an important entry point to sustainable development, the national Capacity 21 programmes are also critical, emphasising, as they do, the need for effective links between local practice and national policy.

Local Agendas 21 in Turkey

The LA 21 programme in Turkey was launched in September 1997 under the auspices of UNDP-Turkey and Capacity 21 and is coordinated by the International Union of Local Authorities, section for East Mediterranean and Middle East (IULA-EMME).

During its initial phase, this programme encouraged the launching of participatory processes in partner cities throughout the country. Significant improvements in the local planning processes resulted. The second phase sought to ensure that civil society was able to participate in decision-making and to influence local investments. By June 2001 the programme had encompassed 48 partner-cities throughout Turkey. This has encouraged and facilitated development of a new local governance model in Turkey whereby public institutions, local authorities and civil society organisations work closely together in the local decision-making process. This process has already started to influence local and municipal policies and decisions.

Turkey's LA 21 programme has been particularly successful. There has been interaction with initiatives in other countries, including Bulgaria, Romania, Moldova and Turkmenistan. National representatives as well as local stakeholders from these countries have participated in study tours and exchanged experiences with their Turkish colleagues. Approaches and lessons learned in Turkey and Bulgaria have been adapted to local conditions in Uzbekistan, Turkmenistan, Albania and Romania. So, although local by definition, LA 21 activities in the region are connected by a regional horizontal network of international communication and collaboration, supported by the regional Capacity 21 office in Bratislava.

Participatory planning

Communist propaganda portrayed socialist plans as undertaken by professionals in strict accordance with planning rules and the "will of the people" as reflected in the famous Five Year Plans. Some researchers suggest that, in fact, socialist planning resembled an ongoing covert game where planners, ministries and state enterprises negotiated politically acceptable production inputs and targets, regardless of whether they were realistic. In any case, planning was a mixture of technocratic processes and closed-door politics, with no room for "non-professional" input except token "mass discussions" of the Five Year Plans.

Most recent sustainable development programmes in the region have sought to reverse this approach by involving a wide variety of stakeholders, including NGOs, women, youth groups, academia and local businesses in their planning processes According to the Mayor of Harran in Turkey: *"The LA 21 Programme … enables people to live their lives based on their own decisions"* . Bulgaria's Regional Development Act, influenced by Capacity 21, for instance, makes public participation obligatory in all regional and municipal plans and includes special measures to strengthen the roles of women in sustainable development. In Slovakia, the preparation of the National Strategy for Sustainable Development was led by an NGO. In Turkey, a number of LA 21 City Councils and working groups involve several hundred to over a thousand stakeholders, among them representatives of children, the disabled and the elderly.

In short, by promoting decentralised, participatory, integrated and long-term planning, national Capacity 21 programmes responded to the challenges to, and opportunities for, sustainability associated with the transition process. In some cases, support from Capacity 21 programmes worked in synergy with transition. For example, the Regional Development Act in Bulgaria was supported both by the EU accession and the sustainable development agendas. In other cases, national Capacity 21 programmes successfully exploited opportunities provided by transition - for example in Turkey, where the LA 21 programme is helping citizens make the most of local governance reforms. Finally, Capacity 21 acted to minimise the risk that long-term strategic thinking about environmental, social and economic possibilities would be subverted by a narrow focus on short-term priorities.

However, formulating long-term sustainability visions and plans is only part of the challenge. Societies in transition also need to be able to develop and implement such strategies on a routine basis, at all levels of government, in diverse communities and civil society groups. How can these countries ensure that these capacities for long-term sustainable development planning will pervade society at large, rather than in just a few specialised institutions?

Strengthening capacities for sustainable development

Capacity 21 and other agencies distinguish between systemic, social, institutional and individual capacities. National Capacity 21 programme support of integrated, long-term, decentralised and participatory planning has strengthened these capacities in the region's partner countries. Furthermore, efforts have been made to develop capacities in society in general, outside of specific planning processes and institutions. These efforts have included training, networking and knowledge-sharing among practitioners and decision-makers. Support of awareness-raising and sustainable development education have been combined with other demonstrations of sustainable development approaches to economic, environmental and social problems.

National Capacity 21 programmes have often worked in synergy with economic and political transition to enable individual economic actors to make independent, ethical

and yet efficient economic choices. More broadly, the programmes try to harness the power of opportunities arising from greater individual freedoms.

Capacity 21 programmes in the CITs have also helped shield vulnerable social groups from the threats of economic transition by strengthening their abilities to adapt to the challenges of market economies. This has helped prevent the erosion of social capital in areas and communities heavily affected by economic restructuring.

Developing institutional capacities

Strengthening institutional capacities for sustainable development in countries in transition has occurred first and foremost through the support of organisations and mechanisms involved in the kinds of planning described in the previous section.

In addition, Capacity 21 aggressively promotes national and international networking, enabling institutions to communicate with and support each other. In Russia, for example, regional networking was facilitated by establishing multi-disciplinary Task Force Teams to develop the Environmental Capacity Building Action Plan for the Barents Sea region. The teams brought together government and academic representatives from the Murmansk region, Karelia, Komi and Arkhangelsk regions. In Moldova, experts from academia and public institutions assisted the national LA 21 team in elaborating the sustainable development strategy for Ungheni municipality. Similarly, in Bulgaria, mayors and municipal council members from pilot LA 21 cities have frequently come together to share their experiences and lessons, an activity that will be expanded during the new phase of their programme.

National programmes have benefited from the open international communication made possible by transition

International networking facilitated by Capacity 21 included ongoing dialogue with the International Union of Local Authorities (IULA), the International Centre for Local Environmental Initiatives (ICLEI), and the Youth for Habitat International Network in Turkey. Networking was especially productive between countries with common experiences. Moldova and Romania, for example, established co-operation between their LA 21 processes: two municipalities, located on opposite sides of the border on the river Prut, exchanged experiences and created working groups to address common priorities. The Turkish Capacity 21 programme hosted a study tour on Local Agendas 21 for representatives from municipalities and NGOs participating in national Capacity 21 programmes. Turkey also hosted a regional workshop in September 2001 to share the best practices and lessons learned by national Capacity 21 programmes throughout the region. The transition process itself, coupled with increased international interest in the former communist countries, has been a boon to networking.

Awareness raising and education: the key to attitude changes

National Capacity 21 programmes in the region have also made a concerted effort to develop the capacities of individuals to facilitate sustainable development. Key objectives of this activity included:

- Promoting awareness, understanding and positive attitudes about sustainable development concepts among opinion makers (especially journalists and politicians), technical specialists (especially planners, environmentalists and economists) and the general public.

- Strengthening the capacity of individuals and communities to cope with the challenges of economic transition without adopting non-sustainable life styles.

A variety of awareness-raising and education initiatives were carried out in every country in the transition region. These events benefited from the opening of internal and external communication channels that occurred during the transition process and included such activities as the training of journalists for reporting on sustainable development (Bulgaria), an Internet campaign in Slovakia, and, in Kyrgyztan, training for audiences as diverse as business leaders through children on topics ranging from business planning and fund-raising to biotechnology.

The Blue Book - Estonia's Public Agenda 21

In Estonia 21, creating public awareness about sustainable development has been a major part of the process. Three thousand copies of the "Blue Book", the public version of Estonia's Agenda 21, were distributed in a country of little over a million people - one for roughly every 350 individuals. Every secondary school, university and library in the country received at least one copy. Awareness has been further promoted by public lectures and media coverage on sustainable development issues. The Estonia 21 home page is visited, on average, 40 times every day by people seeking information about Estonia 21 and sustainable development. Sustainable development's profile has been raised in Estonia by the recent visit of Lester Brown, Director of the Worldwatch Institute, who gave interviews to major national media. The visit has been taken within country as evidence that *"Sustainable development is now clearly on the political agenda, in the political language and has powerful political allies."*

The generally conservative business community and their political allies also regard sustainable development as an important source of economic opportunities. According to a recent UNDP analysis of Estonia's Capacity 21 programme, there is an emerging current of thought within the country to the effect that Estonia's international image should be one of leadership in sustainable development.

As noted, the Internet has emerged as an important tool for raising awareness about sustainable development. It has also helped give sustainable development players a sense of community with one another. Capacity 21 has supported sustainable development web sites in a number of countries, including:

www.tur.sk -- Slovakia
www.sdnp.ro -- Romania
www.agenda21.ee -- Estonia
www.capacity21-bg.com - Bulgaria.

Pilot projects

While the activities we have described have been extremely useful in fostering individual capacities for meaningful participation in sustainable development, most Capacity 21 programmes have also recognised that genuine public understanding of sustainable development, which is important, and real community involvement, will only be achieved if and when people see that sustainable development yields tangible, beneficial outcomes.

According to a Bulgarian journalist, *"[Sustainable development is] a concept which provokes Bulgarians to think beyond the problems of day-to-day survival"*. However, day-to-day survival is also important, especially to the most vulnerable social groups. In this spirit, in Bulgaria, the national Capacity 21 programme has supported pilot projects designed to help people and communities to *"see and touch"* sustainable development, to help them solve immediate problems encountered on the difficult path of transition and to help them with guidance by sustainable development principles.

In the same vein, *"[The] linking of sustainable development with people's everyday lives"* was identified by participants in a recent regional workshop as one of the most significant achievements of national Capacity 21 programmes in the region. Local problems and priorities are always a major component of Capacity 21's mandate. These have ranged from providing support to the improvement of water supply systems in the Aral Sea area of Kazakhstan to the development of proposals for establishing a Free Economic Zone in the Ungheni municipality of Moldova, along with other projects of potential interest to donors.

Given the sharp post-Communism deterioration in living conditions in most of the region, especially in municipalities that formerly had been subsidised by national governments, it is not surprising that people favoured projects that created new jobs and generated new investment. While most of these activities brought immediate economic benefits to target communities, it has been a challenge to ensure that they are economically, socially and environmentally sustainable. This has been possible when local capacities for effective, independent action were strengthened.

Innovative pilot projects in Kyrgyzstan

In the Issyk-Kul region of Kyrgyzstan, Capacity 21 support of pilot projects began

with an awareness-raising campaign and training seminars on the principles of sustainable development. A competition for grants and micro-credits for small and medium-sized projects was then announced: twenty-two projects received funding.

As is true with micro-credit programmes the world over, Capacity 21-sponsored micro- credit in the transition region has had psychologically empowered its participants, as they realized that they were entrusted with money for responsible uses they themselves had determined, as well as the obligation to pay it back.

In Bulgaria, village level mutual insurance funds have been organized and businesses have started to take loans from them.

Ms.Nurlakan Asanova is a tailor from the village of Arashan. Ms. Asanova took a $500 credit to buy wool for making traditional wedding quilts. Her successful small firm now employs eight people producing clothing and quilts. She was able to repay the loan within a matter of months. Ms. Asanova's products are popular throughout the whole area, and she is planning to expand into the production of souvenirs.

One especially noteworthy quality-of-life Capacity 21 grant was made to create a park on 2.5 hectares of unused land in the village of Boz-Ulchik. The goal of the project, called Potential 21, was to develop a park for everyone and, especially, a recreation place for children and young people. Most of the town's 6000 residents have been involved, on a voluntary basis, in clearing, cleaning and planting the park area. The park has become an emblem of civic pride and hope in Boz-Ulchik, and residents are enhancing and protecting it together.

Not all the pilot projects have been successful. For example, a farmers' water-user associations in Kyrgyzstan did not yield the benefits expected, despite the success of similar programmes in other countries. It is probable that more capacity-building will be needed in order to successfully replace the centrally managed and financed water services of the past with ones relying on decentralised funds and organisations.

Overall, however, outcomes of pilot projects have been encouraging. For example, in the Bulgarian municipalities of Velingrad and Asenovgrad, where traditional heavy industries were once found, the production of furniture and crafts along with small-scale manufacturing is helping to provide a sound and growing economic and skilled employment base. In addition, the potential for tourism, organic agriculture and other income-generating activities is being explored. Successful pilot projects have helped to overcome the daunting challenges and difficulties associated with transition through what the Bulgarian Capacity 21 programme calls "confidence-building".

In summary, national Capacity 21 programmes have, in many countries in transition, strengthened individual, institutional and systemic capacities for sustainable

development. Institutional and individual capacities have been bolstered through training, networking and other mechanisms and they have benefited from increased access to international information, resources and expertise. The success of the national Capacity 21 programmes results in no small degree from working in synergy with other institutional reforms. Capacity 21 programmes have also worked in synergy with the transition process itself by promoting capacities for private economic initiatives. At the same time, national Capacity 21 programmes have helped protect vulnerable social groups from the threats associated with economic transition. This in turn has helped prevent the erosion of social capital in regions and communities that have been particularly hard hit by economic restructuring. In general, the programmes have enhanced the capacity of individuals and communities to cope with the challenges of transition within a framework of sustainability.

Conclusions and future perspectives

Synergies, opportunities, threats (SOT)

There is much evidence of the complexity of the relationship between sustainable development and the transition process, some of which we have outlined in the previous sections.

Both transition and sustainable development seek to improve the quality of life through comprehensive reform

Sustainable development and the transition process have much in common. Top-down and bottom-up efforts are combined in a comprehensive set of reforms aimed at producing better conditions for present and future generations. The process of transition can act in synergy with sustainable development when it acts to reverse unsustainable social, economic and environmental trends associated with socialist regimes. Constitutional transition, for example, aims to reform technocratic and over-centralised decision-making and to ensure better protection of minorities and other vulnerable groups. These are major goals of sustainable development. The process of economic transition seeks to restore economic growth and end unsustainable subsidies of military and heavy industries. Again, these are sustainable development goals. Most transitional countries have vowed to curb wasteful exploitation of natural resources and clean up environmental disasters inherited from centrally planned economies. Sustainable development seeks to do these things, too.

The process of transition provides many opportunities to achieve sustainable development. For example, social mobilisation, usually a consequence of transition, can be directed towards promoting sustainable development goals and objectives. Constitutional transition provides opportunities to establish environmentally responsible, decentralised and participatory decision-making institutions and to involve emerging civil society groups in sustainability efforts. Transition may also help improve access to, and dissemination of, information on sustainable development. In

the sphere of international relations, transition makes societies more open and receptive to information about international experiences in the area of sustainable development. Economic restructuring provides an opportunity to reduce the share of environmentally damaging industries and to decentralise economic decision-making. This enhances the potential for local economic self-reliance and innovative activities. And it offers the potential for avoiding the forced, usually unstainable, modernisation of traditional lifestyles that was characteristic of centrally planned economies.

The process of transition also carries significant threats to sustainability

Despite real synergies and opportunities, the transition process has not been universally benign, much less always a vehicle for sustainable development. Threats to sustainablity, although not inevitably manifested, are inherent in transition. Radical changes have often swept away institutions such as affordable education and health care, long-term planning, protection of environmental assets, quality of life, social safety nets and the subsidies that in the past ensured low levels of poverty and relatively high levels of equity. Liberalised trade and privatisation may sometimes increase dependency upon volatile external markets and drive irrational, unsustainable exploitation of natural resources. In addition, economic and political transition can leave many social groups disenfranchised, marginalised and impoverished. Social stability may also be threatened by the tensions and potential conflicts linked to the processes of building new nations, especially when minority ethnic or religious groups become the focus of intolerance from the "dominant nationality". Finally, immediate socio-economic and political concerns can overwhelm decision-making agendas and favour quick solutions that may be detrimental to sustainability. The interactions between sustainable development and the transition process, focusing on synergies, opportunities and threats, is outlined in the table facing.

Transition and sustainable development: working in synergy

In its efforts to promote integrated, long-term, decentralised and participatory planning, Capacity 21 has often worked in the mainstream of political and economic reform processes. As already noted, the kinds of democratisation and decentralisation of governance promoted by Capacity 21 have been on the agenda of many transitional countries since the early 1990s.

Interactions between the process of transition and sustainable development.

ASPECTS OF TRANSITION	SYNERGIES	OPPORTUNITIES	THREATS
General	Reforming socio-economic institutions to ensure a better future.	Mobilising socio-economic resources for reform.	Sweeping change potentially destabilising society and economy; shortening time horizons of decision-making.
International	Alignment with international sustainability objectives.	Opening up to international sustainable development experiences and international co-operation.	Globalisation may threaten traditional ways of life and local economies.Emerging nationalism may result in ethnic tensions and instability.
Constitutional	Democracy and protection of minorities and other vulnerable groups.	Decentralising governance, making it more participatory and sensitive to environmental and social agendas.	Potential political instability; disenfranchisement of certain social groups.
Economic	Decentralisation of resource-allocation decisions; revitalizing economic growth; phasing-out environmentally and economically unsustainable industries	Developing local economies and encouraging independent economic initiative.	Dependence on external markets; drive to over-exploit natural resources; potential for impoverishment

Working in the mainstream

Capacity 21 programmes work in the mainstream of reform by promoting decentralised, participatory governance and increasing capacities for private economic initiatives.

This commitment has been especially strong in those CITs expecting to join the EU in the next few years. For example, the approval of the Regional Development Act and other sustainable development planning by the Bulgarian government was largely a result of the country's intention to join the EU.

A "synergy" presumes a two-way relationship. In Bulgaria, the interaction between the EU accession process and sustainable development efforts has been such a two-way process, with the NCSD undertaking a workshop on issues related to the EU membership. Similarly, in Slovakia, potential EU accession was an important consideration in drafting the National Sustainable Development Strategy.

These synergies are largely the product of the EU's vigorous agendas on local governance and sustainable development. These were articulated in the European Union Strategy for Sustainable Development adopted in June 2001 in Gothenburg. It should be noted that EU accession is the top policy priority for six out of twelve CITs with national Capacity 21 programmes. These countries can benefit immensely from government commitment to implementing the EU's sustainability policies, as well as from international support from the EU and its individual member states. However, in the NIS countries, which are not likely to seek EU membership in the near future, political support for sustainable development has, as a rule, been absent. Finally, it should be recognised that EU accession is not a universally positive factor:

"Without a doubt, Estonia's environment will have uneven relations with Brussels as, on the one hand, the EU will give money to protect a forest, for example, while on the other hand, it will finance a road through the same forest" (Capacity 21, Estonia).

Strengthening capacities for private economic initiatives has been another objective of national Capacity 21 programmes. Transition to a market economy assumes that, absent inflexible, authoritarian, top-down direction, individuals, corporations and local governments will be able and willing to invest their resources more efficiently and productively. In this model, these entities, rather than central governments, are largely responsible for their own welfare and success. However, to work, this economic approach requires attitudes and skills largely missing in post-communist populations. By supporting, encouraging and training people and local communities to make independent decisions and to assume responsibilities for their own economic and social success, Capacity 21 has been working in synergy with the mainstream of the economic transition process.

Sustainable development: exploiting transition opportunities

Transition has brought public debate and, with it, new concepts and values linked to sustainable development

The process of change itself has provided a major opportunity for promoting sustainable development in the transition region. Reforms by governments, and re-thinking of key policies, have opened doors to new approaches and priorities. Intensive, informal social debate has helped introduce new values and concepts related to sustainable development (for example, when educating journalists in Estonia and Bulgaria).

As mentioned earlier, the process of EU accession has presented many opportunities. So has the generally improved openness in most transitional societies, and their proliferating ties with industrialised countries. New links with Western European neighbours have provided channels of communication on sustainability as well as resources for carrying out sustainable development projects. For example, Sweden, the Netherlands and the EU have all provided matching funds and other resources for implementing sustainable development activities in Bulgaria. Capacity 21 activities in Romania were co-financed with funding from British and Canadian donors.

A number of other international networks are becoming increasingly involved in sustainability efforts in the region. Among these are the International Union of Local Authorities (IULA) and the International Council for Local Environmental Initiatives (ICLEI), the World Academy for Local Government and Democracy, Youth and Habitat International, and the South-East European Women's Network for Sustainable Development, all of whom are playing a role in LA 21 activities in Turkey. This burgeoning international interest in sustainable development processes in the region has been used to generate additional support of many Capacity 21 activities.

It should be noted that national Capacity 21 programmes have not only exploited existing international links, but have also deliberately promoted and supported the development of such links. For example, the Barents Sea Capacity 21 Project in the Russian Federation helped in the establishment of international partnerships in waste management, fisheries and construction materials industries (with Danish, Dutch, Swedish and American partners).

Sustainable development: protecting against the threats of transition

Successful Capacity 21 programmes in the transition region have recognised and effectively counteracted several threats to sustainability associated with the transition process. First and perhaps most important, Capacity 21 programmes have demonstrated the credibility of, and need for, long-term planning, something which was often perceived to be an unacceptable remnant of socialist regimes. This attitude raised, and in some cases, still raises, the spectre of decision-making driven exclusively by short-term priorities.

By supporting the integration of social and environmental goals into development planning, Capacity 21 and its partners have helped to ensure that these sustainable development principles are imbedded in planning agendas and decision-making. This has minimised the risk that direct short-term economic gains would generally be regarded as the only worthy decision-making criteria in a free-market economy. Moreover, by promoting integrated planning, Capacity 21 has counteracted some dangerous trends inherent in the EU accession process. In Estonia, for example:

"The Estonian Ministry of Social Affairs found that the public Estonian Agenda 21 (EA 21) process, with its broad view of sustainable development, offered a good umbrella for their own processes. They have found that their ministry's work aimed at satisfying the "acquis communautaires" of the EU is sometimes divisive, as the EU regulations reflect essentially sectoral, reductionist approaches. The sustainable development concept promoted by the public EA 21, on the other hand, helped them to see how sectoral initiatives – such as health and environment for example – can and should be complementary and integrated" (Evaluation of Capacity 21 in Estonia).

Countering transition threats: focusing on the most vulnerable individuals, communities and regions

Economic transition may threaten the well-being of certain social groups. Recognising this threat, national Capacity 21 programmes have often concentrated their activities on the most vulnerable regions, communities and individuals. For example, the Altai Republic (which has the lowest Human Development Index in the country) is the focus of the second phase of Capacity 21 in Russia. In Bulgaria, Capacity 21 has largely concentrated on the depressed industrial communities of Asenovgrad and Velingrad. Pilot Capacity 21 activities in Bulgaria helped individuals and SMEs to adapt to the challenges of a market economy and of economic globalisation. In Uzbekistan, the Capacity 21 programme is supporting sustainable development on the local level in the Republic of Karakalpakstan, one of the least developed parts of the country and the one most negatively affected by the Aral Sea environmental disaster.

Capacity 21 has also played a role in reducing transition-related threats to sustainable development in areas outside the "crisis" regions. Calin Georgescu, Executive Director of the National Center for Sustainable Development in Romania, describes the problem in stark terms:

"Transition countries' endeavours are to reach the level of development in the Western societies, even though it is acquired through massive consumption of resources, far from sustainable development principles. The long-term strategy of the Capacity 21 should be in support of accelerating the transition process in these countries, towards sustainable development. The mistakes made by the already developed countries nowadays will, in this way, be avoided."

Finally, transition can also threaten to erode human and social capital, especially in areas where there has been significant political and economic turmoil. National Capacity 21 programmes have focused on strengthening human capacities to respond to this problem. According to observers in Turkey, Estonia and Kyrgyzstan, for example, national Capacity 21 activities "have contributed to the development of social capital", thus effectively counteracting forces eroding this capital

Future vision

National Capacity 21 programmes have had notable successes and have developed valuable experience in a number of the CITs. However, there is a pressing need to redefine the vision for future sustainable development efforts in the region. Approaches that worked five years ago may not be applicable tomorrow, simply because many of the nations in transition are changing so rapidly and so profoundly. One of the most significant common challenges confronting these countries is how to ensure a consistent and responsive long-term vision in the face of ceaseless, often turbulent changes in governments, social institutions, economies and attitudes.

The problem is that sustainability does not occur overnight. In stark contrast to the rapid changes generated by the transition process, the drive to sustainability requires patience and an understanding (and acceptance) that progress will occur only slowly, in small increments. "*[The accurate assessment of] success is only possible if measured over [the] longer term*," concludes Capacity 21 Turkey. *"When you start a development programme, it takes time. You learn, society learns … Changing the way people look at the world is a long process"* (Ahto Oja, Estonia 21 Coordinator, Estonia).

A recent study of urban sustainability efforts in Europe carried out by the Netherlands Agency for Energy and the Environment (NOVEM) reached a similar conclusion. The study found that it has taken from three to five decades for many European cities to develop more sustainable transportation and planning patterns (NOVEM 2001). The entire process is complicated by the fact that the rate and nature of change across the increasingly diverse countries of the region are not uniform, nor are their sustainable development needs.

For some countries the challenge is to maintain the momentum of sustainable development "beyond transition"

Achieving truly sustainable development is hard work, requiring prolonged, unflagging attention and dedication. For some CITs, the challenge can be described as "sustaining the sustainable development momentum beyond transition". This concept applies to countries -- they are primarily in Central Europe -- that justifiably believe they have already accomplished the transition to free market economies and consolidated multi-party democracies. One can then ask: how to sustain the momentum after the synergies, opportunities and energy presented by the transition process have receded? There is no single answer to this question. But many believe that a gradual

shift in the objectives, focus and techniques of sustainable development, in order to better fit changed conditions, will be essential. Already in some countries, there is a movement away from developing visions, strategies and plans and toward strengthening long-term implementation and monitoring efforts in order to actually transform earlier plans into reality. This idea is at the heart of the recent UNDP-Poland initiative on good governance and the environment. The initiative is intended to develop approaches to monitoring, auditing and management of sustainable development at the local level, and, in the future, could be the focus of a new Capacity 21 operation in the region.

In Central European countries, building on synergies and opportunities provided by still ongoing "mainstream" transformation processes such as EU accession is another promising direction for national Capacity 21 programmes. Participants from EU accession countries at the Capacity 21 regional workshop held in Antalya in September 2001 indicated that linking Capacity 21 with the European Union accession process in the candidate countries is a priority for them, noting that at present, there are not many co- operation platforms in the area of sustainable development between the EU and UNDP.

Overcoming destabilising threats

Thus, for several central European countries, the question now is how to continue promoting sustainable development absent the powerful synergies and broad opportunities available during earlier phases of transition. For other CITs though, the key issue is how to protect people from the immediate and continuing threats of transition while still maintaining the long-term visions and goals of sustainable development. This dilemma is especially pressing in regions affected by political or/or ethnic tensions and conflicts (such problems exist in about ten CITs in the Balkans, the Caucasus and Central Asia); areas blighted by environmental disasters (such as the regions around Chernobyl or the Aral Sea); and areas experiencing especially severe economic decline (such as coal-mining regions of Russia and Ukraine). Such destabilizing factors threaten the vitality and long-term prospects of sustainable development in the transition region as a whole. These vulnerable areas require priority attention by future Capacity 21 programmes and other sustainable development efforts. Proposals have already been put forward to extend Capacity 21 programmes to Yugoslavia, the former republics of Bosnia and Macedonia, the Caucasus countries, the Ukraine, Belarus and Tajikistan, all of which are currently experiencing significant difficulties in their transition processes. In all of these countries, it is necessary -- indeed, critical -- to find a balance between strategic long-term priorities and the pressing issues of today. Unless current issues are dealt with, it is very difficult to mobilise support for long-term sustainable development.

Capacity 21's experience demonstrates that pilot projects serving such immediate needs as economic revival and environmental restoration may be excellent tools for achieving this balance. In Dafina Gercheva's words, "Pilot projects are needed to pay

tribute to short-term mentality while promoting sustainable development concepts". However, pilot projects may only be relevant to solving long-term problems if their beneficial effects still persist after external support has ended. This can be achieved only if pilot projects are created, implemented and monitored within a strategic planning and capacity building framework designed to ensure their sustainability and replicability.

In the future, Capacity 21 programmes must emphasise capacities for implementing sustainable development strategies and plans

In the Northern Eurasian countries, the principal challenges for long-term sustainability are these: How to maintain sustainable development momentum after the synergies and opportunities of transition are no longer there? And: How to combine protection from short-term threats with a focus on longer-term sustainability issues? Interestingly, enhancing the links between the formulation and practical implementation of sustainable development strategies might serve the diverse needs of both "advanced" CITs looking "beyond transition" and those nations still struggling with numerous threats associated with the initial phases of transition. This approach can ensure the long-term viability of sustainable development efforts even after the "transition" is completed. At the same time, tangible results of practical action can demonstrate the benefits of "sustainable development thinking" to vulnerable communities facing immediate threats.

The globalisation of sustainable development

We believe that the many lessons learned from the CITs can benefit countries in other parts of the world, irrespective of whether or not they have experienced communism in the past. Across the globe, many nations in today's dynamic world are undergoing rapid political, social and economic changes and are facing the daunting task of reconciling these pressures and transformations with the goals of sustainable development. The internal and external forces driving these changes are broadly similar throughout the world: globalisation intertwined with decentralisation, economic liberalisation and democratisation. Experience from Central and Eastern Europe and Central Asia shows that transition provides both extensive opportunities and grave threats to sustainability. "Catalytic" activities sensitive to mainstream processes in society, such as those supported by national Capacity 21 programmes, have helped countries to draw on these opportunities while avoiding the threats. A key challenge for promoting sustainable development in countries in transition is to ensure that these nations' visions for their futures will not be drastically curtailed as a result of excessively rapid change. The experience of national Capacity 21 programmes in the post-communist world has shown that this challenge can be met.

The unabridged version of this article appears on the Capacity 21 website: www.undp.org/capacity21

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Vulnerability and Small Island States

by the University of the West Indies Centre for Environment and Development[1]

This paper synthesizes earlier studies of the three types of vulnerability that pervade small island developing states (SIDS) -- economic, social, and environmental. This triple handicap arises from the interplay of a wide variety of factors: their size, geographic dispersion (and, in many cases, remoteness); their vulnerability to natural disasters; the fragility of their ecosystems; their isolation from markets and their limited internal markets; migration (particularly of highly skilled citizens); their limited commodities and consequent dependence on imports; and their limited ability to reap the benefits of economies of scale. Though they share all these problems in varying degrees, the SIDS – which now number 43 of the 191 Member States of the United Nations -- are even more diverse culturally than most of the world's countries; they range from Malta through Mauritius and are found in all geographic regions. The paper calls attention to the implications of vulnerability for governance and for trade regulation, as distinguished from the considerable body of existing work on the concept in its economic, social and environmental dimensions. The authors also present a series of recommendations for reinforcing the resilience of SIDS, including proposals for education and WTO negotiations.

In addition to the problems faced by all developing countries, small island developing states (SIDS) experience specific problems that arise from the interplay of a number of special factors. Among these are their smallness, remoteness, geographical dispersion, vulnerability to natural disasters, the fragility of their ecosystems, constraints on transport and communication, isolation from markets, vulnerability to exogenous economic and financial shocks, a highly limited internal market, lack of natural resources, limited fresh water supplies, heavy dependence on imports and limited commodities, depletion of non-renewable resources, migration (particularly of personnel with high-level skills) and their limited ability to reap the benefits of economies of scale. Exhausting as this list may seem, it is hardly exhaustive.

In the early 1990s, a new grouping of developing countries made its debut in the international negotiations on Climate Change. The Alliance of Small Island States (AOSIS) emerged as a coalition of island countries and low-lying coastal countries. AOSIS now comprises 43 Member States and Observers from all the regions of the world. They share a common aspiration for economic development and improved living standards, while remaining strongly committed to conserving the natural and cultural heritage upon which their future existence depends.

1 This paper is the result of a collaborative effort of a Research Team geographically representative of the SIDS, under the leadership of Prof. Albert Binger, Director, University of the West Indies, Centre for Environment and Development, Jamaica. The team comprises: Dr. M.Witter, University of the West Indies, Jamaica; Dr. Lino Briguglio, University of Malta; Dr. Achad Bhuglah, Ministry of Industry and International Trade, Mauritius; Dr. Bikenibeu Paeniu, Tuvalu; Cletus Springer, Impact Consultants, St. Lucia; Lolita Gibbons, Palau Conservation Society, Palau; Dr. Mohamed Ali, Ministry of Home Affairs, Housing and Environment, Maldives; Dr. Russell Howorth, SOPAC, Fiji.

The obstacles to sustainable development are very similar throughout the Member States of AOSIS. In addition to those sketched above, they now face that of global warming, which threatens their very existence through climate change and sea level rise; the entire territories of at least ten small island developing States are barely one metre above sea level. In addition, all the SIDS have highly vulnerable coastal zones where the majority of the population live and work.

This particular set of circumstances was codified in Agenda 21 as a "special case", a recognition was later expanded upon at the United Nations Global Conference on the sustainable development of Small Island Developing States held in Barbados, and the Program of Action adopted there. The particular status was reiterated by the United Nations General Assembly, and is included in numerous international treaties and agreements. Recently, the Millennium Summit of World Leaders expressed their commitment:

"We also resolve to address the special needs of Small Island Developing States, by implementing the Barbados Programme of Action 5 and the outcome of the twenty-second special session of the General Assembly rapidly and in full. We urge the international community to ensure that, in the development of a vulnerability index, the special needs of SIDS are taken into account." (Paragraph 17).

However, one may well ask if any significant improvement in the situation of SIDS has taken place since the adoption of the Barbados Programme of Action (BPOA) in 1994.

Although SIDS differ in size, shape, wealth and resources and experience similar constraints to varying degrees, they all experience certain site-specific constraints. Because all SIDS are largely coastal entities, all face the waves of the oceans. However, some SIDS are particularly vulnerable in this respect. All SIDS have access to fisheries, but only a few are able to exploit this resource for commercial profit. All SIDS have some vegetation and agriculture. But some SIDS have poor, sandy coral soil, and can only produce few crops. All SIDS have water. But some have to rely on harvesting rainwater from their rooftops in order to survive. All SIDS have educational institutions, but only some have universities. Most SIDS have cohesive societies, given the small size and the unique cultures. But not all SIDS have been able to maintain that social cohesion in the face of economic development. Clearly, among SIDS, there is great diversity as well as similarity.

The Barbados Plan of Action

The BPOA, representing a blueprint for sustainable development of SIDS, has received wide, enthusiastic international support because its ideas are regarded as sensible and pragmatic. The notion that SIDS could become laboratories where sustainable development could be put into practice, as demonstrations for other larger countries, was one that SIDS strongly endorsed. Most of all, of course, BPOA

constitutes the recognition that SIDS had to take certain steps if they were to survive the changing global situation. The Secretary-General of the United Nations requests information from donor countries, SIDS and UN agencies annually regarding BPOA's implementation. Responsiveness varies from year to year, but an overall picture has emerged. It has been estimated that while BPOA is not yet fully implemented, 70 per cent of the tasks and actions it stipulates have been carried out by the SIDS themselves.

SIDS have reported on very valuable lessons from regional and inter-regional cooperation in numerous sectors as a result of BPOA. Exchanges and information-sharing has spurred collaboration and a greater understanding of common problems. Solutions tried in one region have been adapted for others, thus providing a broad foundation for greater collaboration. One valuable achievement has been the establishment of SIDSnet, a dedicated facility housed in UN-DESA, that provides information and communication support to many SIDS.

However, a harder lesson has been that sustainable development, with its key premise of integration, information and participation, is a relatively difficult concept around which to build policy. The governance of most SIDS is organized sectorally, along such lines as energy, agriculture, and health. Consequently, although government leaders and senior policy-makers increasingly mention sustainable development in speeches, a very limited number of new policies are integrated across sectors or stimulate significant public participation. In fact, economic issues are usually divorced from environmental considerations and there is very weak capacity for social planning. Another obstacle to developing policy that addresses sustainable development – outside the natural resource and environment portfolio -- is the lack of available quantitative tools that would allow for effective monitoring and corrective actions when needed.

The Concept of Vulnerability – a unique framework for addressing SIDS diversity and similarities

The concept of vulnerability provides a unique framework that addresses the similarity and diversity of SIDS. Vulnerability indices, determined by internationally recognized methodologies, provide a new tool and frame of reference to help planners and decision-makers monitor the outcome of policy interventions. For countries like SIDS that are committed to sustainable development, it is now possible to monitor progress or regression scientifically.

Conceptually, vulnerability provides an easier context for understanding how a particular SIDS is responding in a comprehensive manner to the economic, environmental and social challenges it faces. The concept of vulnerability management -- the equivalent of risk management in the private sector -- should also help the donor community and international agencies become more effective and efficient in the delivery of technical assistance, especially as these resources dwindle.

The development of tools to measure economic, social and environmental vulnerability will provide a basis for understanding the special case of SIDS, as well as the mechanism that will support SIDS in pursuing the paradigm of sustainable development more effectively. For instance, the unique sustainable development needs of SIDS cannot be understood using traditional criteria such as per capita income, GDP measures and GNP. Consequently, SIDS' special needs are not properly communicated. Everyone can claim vulnerability, but the extent of vulnerabilities affecting SIDS is such that SIDS' sustainable development goals (economic, environmental and social well being) cannot be met by conventional categories of development action or assistance. The majority of such goals are thereby undermined.

In its deliberations on the definition of the list of Least Developed Countries, the United Nations Committee for Development Policy has noted an interesting issue for the Least Developed Countries (LDCs) among the SIDS: many of them are not able to take full advantage of the privileges and opportunities open to LDCs. The causes relate to the islandness of the SIDS, what UNCTAD has referred to as the "island paradox". There are many ancillary requirements to duty-free entry of agricultural products into certain industrialized countries, and this requires a capacity in the LDCs for phyto-sanitary inspection. Hence the opportunity is missed. Other opportunities may be missed because of lack of information or slowness in submission of approval forms. Since most SIDS have an economic structure that is close to LDC status – and the regional development banks treat many "as if" they were LDCs – it is likely that they have lost other opportunities as well.

In discussions at an AOSIS Workshop on Trade and Sustainable Development in Montego Bay, Jamaica, in 2001, the experts and delegates agreed that SIDS fit poorly within the pre-conceived ideas of LDC, Developing Country (DC) and Industrialised Country (IC). And while there may be many similarities with so-called small states, SIDS have unique situations and features. This recognition has not been forthcoming in the discussions of the World Trade Organisation (WTO) that have focused on small economies – a concept that will perhaps be clarified as small, vulnerable economies.

Therefore, a greater and more intensive discussion with industrialised WTO members on SIDS issues may be required. But this raises the issue of participation in international processes. With small administrations, many SIDS find it increasingly difficult to fully engage themselves in all of the important international processes. WTO has been highlighted as one of the most costly, complicated and time-consuming processes at the international level, one which many SIDS have simply abandoned; of the 43 AOSIS Members, there are 20 full WTO Members, but only a few participate on a regular basis. Again, the issue becomes whether or not an "opportunity" that is available (WTO membership, and with special considerations for LDC SIDS) is actually within grasp of all SIDS.

In 1992, when the SIDS were preparing for the Rio Summit, a holistic comprehension of the challenges they faced barely existed. This may be part of the reason why

the work on a vulnerability index was given so warm an endorsement at the Barbados Conference in 1994. The process has shown that the dimensions of the debate are changing. Ten years ago, SIDS themselves had perhaps only a limited perception of their vulnerability. In 2002, SIDS actually have the tools to be able to measure their economic and environmental vulnerabilities, and to quantify concerns and challenges that face them. And with this greater knowledge has come the realisation that many of the development activities undertaken, even since 1994, have actually contributed to increasing their vulnerability.

In preparing for the 2002 World Summit on Sustainable Development and the upcoming Barbados plus 10, SIDS, with support from UNDP Capacity 21, needs to deepen the international development community's understanding of the concept of vulnerability and why it is important in governance. Additionally, there is need to recognize the vulnerability index tool as the most appropriate to help these island states pursue sustainable development.

Vulnerability

The term "vulnerability" refers to proneness to damage from external forces. **Economic vulnerability** is interpreted as the risks faced by economies from exogenous shocks to the systems of production, distribution (including and especially markets), and consumption. This is a dynamic macro-economic perspective that focuses on impacts of shocks on the processes of economic growth and economic development and, in the extreme cases, on the survival of sections of the population[2]. Economic vulnerability arises largely from the very high exposure of small states to economic conditions in the rest of the world. The economies of SIDS frequently experience "shocks" by external factors originating in major global commercial centres, sometimes leading to serious instability. Several studies conclude that the economies of SIDS therefore tend to be very volatile in terms of GDP and exports.

One type of exogenous shock originates, of course, in natural forces, such as the destruction of tourist facilities by a hurricane or typhoon. The ECLAC study gave examples of damage to selected Caribbean economies caused by hurricanes in 1995, with estimates as high as 105.2 per cent of GDP in St. Kitts and Nevis and 147 per cent of GDP in tiny Anguilla.[3]

Environmental vulnerability is concerned with the risk of damage to the country's natural ecosystems (e.g., coral reefs, wetlands, fresh water, coastal areas and marine resources, forests, and soils). Each of these resources is essential in providing services to the economy and society. Degradation in the quality of the environment's resources lessens the level of service it can provide to meet domestic needs and contribute to export earnings. Use beyond what is sustainable results in irreversible damage in the longer term. Natural environmental resources may be affected by natural and anthropogenic hazards, the risk of which may vary with time and place, but can be significantly influenced in terms of impact by social behavior.

2 "One of the central themes that informed the deliberations at the United Nations Global Conference on Small Island Developing States was the proposition that the "sustainable development capacity of SIDS was severely undermined by a number of characteristics that were unique to such entities and which translate into specific development problems that impede their achievement of such development", ECLAC, 2000, P.2

3 Ibid, see Table 2 p.5

Social Vulnerability reflects the degree in which societies or socio-economic groups of people are affected negatively by stresses and hazards, whether brought about by external forces or intrinsic factors – internal and external – that negatively impact on the social cohesion of a country. While the social vulnerabilities caused by these stresses and hazards are no more endemic to SIDS than to other developing countries, the natural recurrence rate in SIDS is higher. Given SIDS's limited capacity to respond adequately, the social impact of such stresses could literally last forever.

Social vulnerability is characterised by increased growth in criminal activities, growing rates of HIV/AIDS infection, growing rates of children dropping out of school, declining age of prison population, declining public health, rotting public infrastructure and migration of skilled professionals.

In terms of the academic maturity of vulnerability indices, economics is the most advanced, followed by environmental vulnerability; social vulnerability indices remain in the very early stages of development. To a significant degree, social vulnerability will be influenced by economic conditions and, increasingly, by environmental conditions. Social conditions do in turn influence and impact on both economic and environmental conditions. Despite their obvious complex nature — which has required the development of vulnerability theory to provide a framework for logical development and measurement — the numerical outcomes of all three types of vulnerability indices are easily verifiable in terms of daily life.

Among the lessons learned by SIDS during the 1980s and 1990s, was the importance of the skilled professional — how easily they move and how costly it is to replace them, forcing counties to obtain services they provide from external sources. The ongoing disproportionate recruitment of professionals from SIDS to meet demands in OECD countries is increasing the vulnerability of the islands' societies. In the majority of cases, OECD countries fail or refuse to make the investment in human resources development, choosing to treat it as an externality and then subsequently choose to meet demand by recruiting from less developed economies that have made the investment they require in human resource development and are now deprived of the services of these professionals. The OECD countries justify such behavior as freedom of movement, despite its blatantly disproportionate nature in one set of societies.

The research team strongly urges SIDS governments to collectively pursue international agreements and formulation of national legislation on rules for the recruitment of skilled professionals in order to ensure that the social investment made in the developing of professionals provide benefits to the country that made the investment. Additionally, the research team, recognizing existing comparative advantages that SIDS have in training certain categories of professionals (nurses, teachers, engineers, doctors), recommend that SIDS evaluate the feasibility of privatizing such training, which would be regarded as a new global service.

4 The construction of such an index was first formally proposed by the Maltese Ambassador to the United Nations in June 26, 1990, during the meeting of Government Experts of Island Developing Countries and Donor Countries and Organisations, held under the auspices of UNCTAD. In his speech, the Maltese Ambassador suggested that a vulnerability index be constructed, stating, inter alia, that such an index

The vulnerability index

The vulnerability index was developed in the follow up to the United Nations Global Conference on the Sustainable Development of Small Island Developing States, since it was felt that the measurement of vulnerability would benefit a great number of countries worldwide. The idea of constructing the index was first formally proposed by Malta on June 26, 1990, during the meeting of Government Experts of Island Developing Countries and Donor Countries and Organisations, held under the auspices of the United Nations Conference on Trade and Development (UNCTAD).[4] When the General Assembly, at its 47th session, resolved to convene this SIDS Global Conference (A/Res/47/189 of 10 March 1993), subsequently held in Barbados in April 1994, the vulnerability index featured prominently in the Conference's draft programme of action, later endorsed by the General Assembly in its resolution 49/122 of 19 December 1994. Paragraphs 113 and 114 of the programme called for the development of a vulnerability index (indices) for Small Island Developing States (SIDS) as follows:

"Small Island Developing States, in cooperation with national, regional and international organizations and research centres, should continue work on the development of vulnerability indices and other indicators that reflect the status of Small Island Developing States and integrate ecological fragility and economic vulnerability. Consideration should be given to how such an index, as well as relevant studies undertaken on Small Island Developing States by other international institutions, might be used in addition to other statistical measures as quantitative indicators of fragility."

"Appropriate expertise should continue to be utilized in the development, compilation and updating of the vulnerability index. Such expertise could include scholars and representatives of international organizations that have at their disposal the data required to compile the vulnerability index. Relevant international organizations are invited to contribute to the development of the index. In addition, it is recommended that the work currently under way in the United Nations system on the elaboration of sustainable development indicators should take into account proposals on the vulnerability index."

In 1996, the Commission on Sustainable Development called on "the relevant bodies of the United Nations system to accord priority to the development of the index." Subsequently, in 1997, the Department of Economic and Social Affairs engaged two consultants,[5] one to develop an economic vulnerability index and the other to develop an ecological vulnerability index. The Department also convened an ad hoc expert group to review the technical work of the consultants and to make appropriate recommendations. The meeting, held at United Narions Headquarters in December 1997, concluded that, *"…as a group, small island developing States are more vulnerable than other groups of developing countries."* (A/53/65 E/1998/5).[6]

"is important because it reiterates that the per capita GDP of Island Developing Countries is not by itself an adequate measurement of the level of development of island developing countries as it does not reflect the structural and institutional weaknesses and the several handicaps facing Island Developing Countries." Subsequently UNCTAD engaged Lino Briguglio to prepare a paper on the construction of a vulnerability index which was one of the main documents discussed during a meeting of a Group of Experts on Island Developing Countries, held in Geneva on 14-15 July 1992.

5 These were Professor Lino Briguglio of the University of Malta and Dr Dennis Pantin of the University of the West Indies.

6 The report of this meeting is carried on http://www.un.org/documents/ecosoc/docs/1998/e1998-5.htm

Vulnerability and economic underdevelopment

It should be emphasised at the outset that vulnerability is not the same as poverty or economic underdevelopment. There are a several SIDS – among them, Singapore, Cyprus and Malta – that are very vulnerable economically, but have managed to generate high income per capita in spite of their island conditions. It is therefore possible for many SIDS to build up their own resilience against vulnerability.

Indicators of economic underdevelopment should be clearly distinguished from those purporting to measure vulnerability. The former are generally based on income per capita, sometimes augmented by social or quality-of-life variables, such as education and health, or by economic-structure variables, such as the relative size of the agricultural sector. It may be argued, however, that economic underdevelopment may be associated with the limited ability to manage vulnerability and to enhance resilience.

The Present Status of SIDS Vulnerability

The research team found that during the 1990s, SIDS became more vulnerable, largely because of global climate change and sea level rise, even though some may have reduced environmental vulnerability through new policies and legislation, and others may have attracted meaningful levels of FDI to help diversify economies and reduce their economic vulnerability. This finding is consistent with that of the Commonwealth Secretariat/World Bank Joint Task Force report (2000), which states that small states share a number of development challenges that result in them being, *"especially vulnerable to external events including natural disaster; that cause high volatility in national incomes; many of them are facing an uncertain and difficult economic transition to a changing world regime; and they suffer from limited capacity in the public and private sectors*[7]*."*

The research team identified the following as indicators of trends that are leading to increased economic vulnerability on the part of SIDS:

- greater exposure to globalisation trends as a result of WTO regime of tariff reduction and other WTO rules;
- growing indebtedness;
- steady depletion of natural resources (minerals, forest, freshwater, fish stocks);
- reduced possibilities of diversifying their economies;
- reductions in donor assistance;
- growing dependence on tourism;
- continued designation of per capita income as the principal determinant of development assistance benefits;
- slow incorporation of ICT;
- the pending loss of lucrative historical markets without clearly

7 "Small States: Meeting Challenges in the Global Economy." Report of the Commonwealth Secretariat/World Bank Joint Task Force on Small States, April 2000.

elaborated strategies as to how to minimize loss of revenue and employment;
- failure on the part of the international community to act on climate change during the decade of the 1990s, when economic expansion was at its historical highest level and development aid underwent the greatest reductions since its inception in the late 1940s.

As a result, SIDS will have to divert resources intended for social investment to addressing climate change and sea level rise caused not by small island states, but by the richest countries on the planet. For example, Maldives, as a result of rising sea level and the threat posed to the population, has had to divert Japanese assistance originally intended to support educational infrastructure (building schools, ICT) into the building of coastal defense structures around the capital, Mahlee - cost of the structures, US$4000 per metre.

The social vulnerability changes in SIDS can be explained in terms of
- the ongoing loss of experienced skilled professionals to larger countries;
- growing population and changing consumption patterns;
- increasing levels of unemployment and under-employment;
- growing dependence on food imports to meet domestic needs;
- limited progress in developing and deploying science and technology to address common development challenges;
- rising criminal activity and drug use; and
- loss of social cohesion and cultural values and practices.

Ecological degradation continued during the decade, making SIDS' environments more vulnerable to irreversible damage. Such damage would significantly reduce environmental services and opportunities for livelihoods /employment. There is, however, growing awareness of some environmental problems, such as the pollution of fresh water; coastal and marine pollution; loss of biodiversity; loss of soil fertility and deforestation. However, there is less awareness of the growing shipments of toxic material, including nuclear waste, through SIDS ocean space; or the rising temperature of the ocean and the bleaching of our most valuable natural resource - the coral reefs; and the more frequent occurrences of natural disasters and destructive weather systems, e.g., El Nino/La Nina or global warming that are likely to cause severe damage to critical ecosystems that are the basis of the tourism and fisheries industries. SIDS' populations, however, continue looking to their governments to take the necessary actions and depend increasingly on these governments.

Government and governance

The responsibility for leadership to reverse the current trend of growing vulnerability falls squarely in the domain of government. A major challenge will be resolving the conflicting advice and requirements regarding the role of government and its corresponding size and structure. On one side, the governments of SIDS are being

urged to: implement decentralisation; reduce the size of the public sector; adopt the Agenda 21 principles of citizen participation and consultation; and effectively participate in and fulfill reporting requirements under international agreements either linked to the rapid pace of globalization or to environmental degradation.

Additionally, international agreements on trade call on SIDS to take certain policy decisions that are very likely to negatively impact revenues for the public sector and subsequent social investment -- for example, the WTO requirement to reduce tariffs on imports in order to facilitate free flow of trade. In industrialised and industrialising countries, tariffs are a possible mechanism for protecting domestic industry and negatively impact free trade. In SIDS, there are a very limited number of domestic industries and tariffs are the principal means of sheltering them form the economic damages of increased imports and of collecting revenue for the public sector.

It is imperative, in the opinion of the research team, that the State take on certain economic activities in its partnerships with the private sector and civil society organisations in order to reduce vulnerability. For example, in some SIDS, only the State is capable of bulk purchasing to ensure the regularity and quality of the supply of staples and other basic commodities. In this regard, the activities of State enterprises should not be considered as necessarily trade distortive.

Case evidence confirms that despite the growing recognition that the development challenge is different and more difficult because of the peculiarities of SIDS, this is seldom taken into account when donors or international organizations enter into agreements. For example, SIDS are being advised to privatise their relatively small utilities (water, electricity, and communications). As a number of Caribbean SIDS are finding, this advice is resulting in escalating costs of utilities. In the case of electricity, increases in costs have resulted in significant loss of textile jobs to countries with cheaper energy. High energy costs usually correlate with low wages. Given the unique nature of the electricity sector in SIDS, was a model developed for the UK the most appropriate for small island states? Was any serious analysis carried out before this model was recommended to SIDS as the prime means of mobilizing investments for generating electricity?

SIDS need to devote more resources to analysing and evaluating the appropriateness of donor prescriptions and conditionalities imposed on aid with a view to whether or not these stipulations will make them more or less vulnerable, or reduce resilience. Consider the case of food security. The vast majority of resources devoted to agriculture in SIDS is directed at the production of commodity crops (sugar, bananas, copra, coffee), a legacy of the colonial history and products for which the unit value continues to decline as once lucrative preferential agreements are dismantled by WTO. The dismantling of these historical agreements without implementing alternatives is resulting in an increased vulnerability of farmers and their households. While forcing SIDS to depend increasingly on the international

market, WTO is ironically seeking to lower tariffs on food imported into SIDS – tariffs that are, inter alia, a source of revenue for domestic investment in industries that would increase the number of SIDS citizens who can afford to buy imports. Does this kind of tariff reduction benefit SIDS, and will it lead to improved food security?

Reducing the overall vulnerability of SIDS will require governments to aggressively contest external advice and conditionalities that would reduce opportunities for exports/import substitution based on indigenous resources – among these, renewable energy. The research team concluded that given the capabilities of the private sector in most of SIDS, the minimal flow of FDI that is strongly linked to the perceived vulnerability of SIDS, and the limited market infrastructure in place that does not yet allow effective and efficient operation of market forces, governments will have to play a greater -- not reduced -- role to lessen the growing vulnerability of SIDS.

Reducing environmental vulnerability will also require providing the necessary social, educational and economic support for the protection of natural resources on which all development is predicated in SIDS. In small societies, especially where the domestic sector is weak and undeveloped, the role of government must necessarily be more interventionist than in large and more developed economies. However, the need to rationalise public expenditure in a situation of chronic budgetary deficits, to improve the quality of public goods and services and to control increasing demand for such goods and services, has brought into question the capacity of government to continue to serve as the main and direct providers.

The engagement of the governments of many SIDS, especially those in the Caribbean in their current range of functions, has its genesis in colonial history. The transition from colonial administration to self-government and finally to political independence heightened the consciousness of community leaders as to the social responsibility of government to provide basic services to a highly dependent population. Furthermore, the collapse of the plantation economy left an extremely vulnerable and disorganised private sector dependent on protected markets, import trading and various forms of government intervention. Unlike many other countries, the Caribbean region did not have the advantage of significant industrial progress before entering into a fully democratic and liberal system of governance. It is not surprising therefore, that in many SIDS, governments have had to assume a role beyond that of regulator — to the point where their influence dominates every aspect of social and economic life and the public sector derives most of its revenues from tariffs on trade, including tourism where that is a major trade area.

Government, the research team concluded, has a significant role to play and that the small size of SIDS makes that role larger, relative to the situation in other countries. A major challenge of government, as it seeks to reduce national vulnerability, will be increasing its own efficiency and effectiveness. Government will have to do a better job of differentiating causes and symptoms, identifying linkages and optimizing the potential returns on limited investment resources. The framework for achieving much

of this is detailed in the Barbados Plan of Action. Unfortunately, as the United Nations Secretary-General stated at the Special session on SIDS in 1999, limited capacity and resources have significantly hindered progress in implementing the BPOA by SIDS. SIDS need to give serious consideration to developing a partnership with donors to address this as a matter of urgency.

Getting policies right is proving to be very difficult. Those being formulated seem to attract investment largely in one sector, tourism – rather than the economic diversification that might supplement national income or absorb exogenous shocks. As SIDS' economic futures become disproportionately more tourism-focused, their vulnerability increases.

Notwithstanding the general current towards leaner administrative structures, economic liberalisation and an increasing concern for the environment is bringing with it an increased requirement for regulatory activity. Equally, the strong pressure towards consumer-oriented services is leading to requirements for more, not less government, with an emphasis on transparency rather than size. While this role for government may run contrary to the prevailing donor paradigms of development, no market forces are available or emerging to play an expanded role in reducing vulnerability.

Recommendations for vulnerability management

In an era of rapid change in the international economy -- the redirection of investment flows away from primary producing activities, the quick outflow of capital from troubled markets (for example, the Asian financial crisis of the late 1990s), and the need for adjustment to external shocks -- the management of vulnerability challenges SIDS immensely. The research team concludes that two fundamental principles must guide the management of reduction in national vulnerability of SIDS:

- minimising the risks from external shocks; and
- maximising these countries' environmental, economic, and social resilience.

Both require that SIDS engage the changing international economy on terms that facilitate their sustainability and viability in the emergent global systems for economic development and environmental protection. To maximise resilience, SIDS must develop and implement the appropriate strategies to diversify and differentiate their economies so as to harness the full potential of their human and natural resources (particularly the oceans and renewable energy resources) to tap more dynamic markets than they have traditionally done, while simultaneously protecting the natural resources and critical ecosystems from negative unintended consequences, and keeping their skilled professionals from migrating.

The recommendations are therefore directed foremost at governments, but also international and regional development assistance organizations, as well as

bilateral donors. The recommended actions are at three levels: the national, regional and inter-regional, and international. Given the structure of most government systems, the actions are presented by sectors.

Managing vulnerability

Energy

The research team confirms that energy has long been and remains a major Achilles heel of SIDS economic development ambitions and plans. As the research report confirms, energy shocks are among the most frequent and disruptive external shocks experienced by SIDS. The volatile nature of the global energy market in relatively short periods derailed economic growth and fueled inflation in many SIDS. These energy crises have also contributed significantly to costly episodes of social unrest, much of it violent. A significant portion of the external indebtedness of SIDS during the 1970s and 1980s resulted from petroleum volatility. Indebtedness today manifests itself in less-than-desirable credit ratings and higher costs of borrowing externally, requiring a significant portion of foreign exchange earnings to service debt.

SIDS have as great an endowment of renewable energy resources as many other countries. As the research team concludes, reducing dependence on petroleum through the development of renewable energy and efficient use of energy would reduce vulnerability in SIDS.

Global warming and associated climate change and sea level rise, the research team points out, is going to increase SIDS vulnerability in the majority of cases. The emissions responsible for changing the atmospheric chemical composition that drives global warming is the waste product from the use of petroleum to provide energy. SIDS, therefore, have a double vested interest in developing renewable energy. The governments and people of SIDS need to become educated about the importance and the relationship of these two issues – renewable energy and climate change – and then to put in place capacity and mechanisms to undertake collective research, development and commercial demonstration of renewable energy systems. The team recognises that the only way to overcome the limited financial and science and technology capacity is through cooperation.

Buildings that can be designed and constructed to generate their own energy are seldom encouraged by energy policies, and seldom is the agricultural sector considered when making energy policy, despite the fact that many agricultural activities have potential for providing energy. Additionally, imported energy is used at low efficiency, as there is little emphasis or policies on the efficient use of energy. The public sector has had difficulty in developing integrated policies for the energy sector to be linked with the rest of the economy. But such policies lie at the core of sustainable development planning.

Sustainable energy services are the foundation of sustainable development. SIDS need to significantly increase commitment to training energy professionals. Few of the tertiary institutions in SIDS offer graduate programmes or adequate research in the areas of energy management or renewable energy development.

The existing capacity in SIDS is often limited to petroleum distribution management and electricity generation. This limited capacity has resulted in great dependency on foreign experts. The size of the energy systems in SIDS are so small that those norms that apply in larger countries may not apply in SIDS. Consequently, in the majority of SIDS, energy policies, where they exist, seldom have synergistic linkages with other sectors, so opportunities to generate energy as part of providing sound sewage treatment or waste management are not considered. Continuation of business as usual will make SIDS even more vulnerable societies.

Recommendation 1: National level – Assess the need for the establishment of a national energy advisory committee

Assess feasibility of establishing a national advisory mechanism to help government in developing policies for regulation of the energy sector; for increased efficiency in the use of imported energy; catalyze the development of renewable energy resources; and evaluating options for the more energy efficient public transportation.

Recommendation 2: Regional level – Feasibility of using regional development banks as facilitators for technology transfer.

Evaluate the feasibility of using regional development banks to facilitate the transfer of technology for the efficient provision of energy services. This is increasingly important because the bigger development banks, including the World Bank, are no longer making energy loans.

Recommendation 3: Inter-regional level – Feasibility of ICT-based inter-regional energy graduate and specialized training and research programme.

Evaluate the feasibility with a view to initiate action for the establishment of a graduate training and research program in energy management and renewable energy development, where appropriate. Also, establish diploma and certificate courses via ICT-based distance education as partnerships between regional universities and community colleges. A working group of energy professionals and colleagues from academia could be tasked to undertake this task.

Recommendation 4: Inter-regional level – Undertake a study to review the impacts of privatisation on the character of electricity generation and distribution.

Review the impacts of privatization on the character of electricity generation and distribution, specifically to determine if this leads to improved reliability and efficient generation and distribution to the benefit of the consumer and whether it is conducive to the development of environmentally sound forms of energy generation.

Recommendation 5: International level – Evaluate feasibility of an international SIDS Investment Fund to finance investments in energy efficiency and renewable energy.
Evaluate the feasibility of setting up an international investment fund for SIDS to provide capital. Each energy loan should always include a percentage for capacity-building and support for research and development. Simultaneously, with assessing the viability, SIDS governments should be actively promoting increased investments in renewable energy and efficient end user technologies. Government should actively promote partnerships between SIDS-based energy companies.

Trade

Based on the key issues in the area of trade, the research team makes the following recommendations it considers essential to addressing trade-induced economic, social and environmental vulnerability:

Recommendation 1: Inter-regional level – Evaluate the viability and requirements for a common approach and capacity to the WTO negotiations.
Special considerations will be largely for corrective action, as SIDS that were outside the multilateral trading systems during the Uruguay Round did not secure any real special consideration. As there is strong resistance by some WTO members to providing special treatment for small economies, SIDS will have to make a very good case – which will require very effective collaboration among them. This, in turn, will necessitate discrediting the flawed per capita income index that is the basis for negotiation on special considerations, and effective use of the indices that monitor vulnerability.

Whereas the Governments of SIDS have weak institutional capacity, it is proposed that serious consideration be given to the establishment of an inter-regional negotiating team to handle the ongoing WTO negotiations including the Intellectual Property Rights. The team would essentially be a technical network of SIDS trade and international negotiators. It could be part of TCDC (Technical Cooperation among Developing Countries) helping to improve technical analysis and strengthening of negotiating skills for participation in WTO negotiations. This appropriately resourced mechanism would be along the lines of what is now supported by the Commonwealth Secretariat in Geneva.

Among the special provisions that SIDS should pursue are:

- Preventing excessive tariff reduction – SIDS, by the nature of their economies, rely heavily on taxes on international trade to generate revenue. The WTO effort to achieve extensive tariff reduction could, in the opinion of the research team, cause budget deficits. The WTO needs to be convinced of the necessity of granting greater flexibility to SIDS with regard to their tariff liberalisation. In the forthcoming tariff negotiations, SIDS must not be required to make further commitments to

reduce tariffs and to bind their tariffs beyond their trade, development and financial needs. Doing so would further increase economic stress and vulnerability.

- Exemption from the non-subsidy ruling in key sectors with new investment and the development of new industries to meet the internal needs in critical areas such as energy, potable water, fisheries and food processing. The justification for such a position would be based on the diseconomies of small scale, the dependence on imported technology and finance, the export concentration in single products and over-dependence on specific overseas markets that make the SIDS vulnerable to international trade shocks.

  Large economies like the EU and USA are allowed to keep subsidy scheme based on arguments that they must protect the economically vulnerable workers (primarily in the agricultural sector). SIDS cannot influence the international prices of their exports to their advantage. They have to face wide fluctuation in prices accompanied by high inflation, volatile exchange rates and trade deficits. These contribute to massive losses of export earnings that are vital for their development. The export patterns of SIDS are so narrow in terms of product coverage that their total value of exports remains insignificant in comparison with the total volume of exports of other countries; hence, they have little capacity to distort international trade. SIDS needs to maintain certain type of support measures that are crucial for them to pursue their economic and industrial development strategies.

- Special Market Access - In the forthcoming WTO negotiations on market access, SIDS need to seek more favorable treatment in terms of market access for the historical exports from the vast majority of SIDS. This special market access would remain until an agreed level of FDI is achieved. SIDS traditional trading partners should assist SIDS in ensuring that there is no further loss of preferential markets, and that mechanisms are established to help SIDS make the transition to other goods and services. Without this support, there is a risk that not only these countries would be further marginalised, but also they may well jeopardise the multilateral trading system itself.

- Support for domestic industries – particularly those that are adding value to natural resources in an environmentally friendly manner and have the potential to provide sustained employment. Such industries are also most likely to be the ones on which future industries will develop helping diversification and minimising vulnerability of SIDS economy although the WTO provides contingency measures to protect domestic industry in the event of emergency situation, these rules are complex, costly and law

intensive and are therefore not easily utilized by SIDS. It is recommended that SIDS seek flexibility or policy space to be able to provide redress and/or support measures to industries important to their development strategies.

- State Trading Enterprises – SIDS are very active players in international trade depending on trade for food and most basic necessities. However, in some SIDS where domestic market size happens to be small, the private sector sometimes cannot be relied on for the import of basic commodities. Under such conditions, the government has to play this role, despite the WTO view that this practice distorts trade.

- TRIPS (Trade-Related Intellectual Property Rights) – the agreement for the protection of intellectual property imposes minimum, but relatively high standards of protection and enforcement of intellectual property rights that the SIDS must follow. The costs of adopting and implementing these IPR standards are extremely high for SIDS in financial and administrative terms. Further, the royalties on license fees payable by SIDS represent significant transfers to developed countries. It is recommended that SIDS be given assistance to strengthen their institutional and administrative capacities, both to implement their international obligations as well as to protect their own IPRs.

- International Transport – in view of their remoteness, geographical location and small size of transaction, international transportation constitutes significantly higher per unit cost than for larger countries. It is therefore recommended that the international community develop special schemes and mechanisms to mitigate transport costs to these countries.

- Insurance and Re-insurance – based on their vulnerability to natural phenomena, the cost of insurance and re-insurance to producers/investors in SIDS tends to be relatively high. It is recommended that the international community in partnership with SIDS explore options to mitigate the impact of these costs on the price of final goods and services.

Recommendation 2: Inter-regional level – Collaborative mechanism for exploring new export market niches.

Identification of new market niches for SIDS, based on new or traditional products, is a necessity for further development of SIDS. One major obstacle to market development is cost. Collaboration in identification and development of new markets would reduce the cost. SIDS could also evaluate the viability of bundling investments for purpose of project financing in order to lower transaction costs. SIDS may want to consider the establishment of an ICT-based project processing facility and finance

sourcing facility to support sustainable use of natural resources. Such a mechanism is considered essential to the successful diversification of the agricultural sector in particular.

Natural Resources and Environment

Natural Resources

A UNESCO Report has stated that *"more than half of the world's population currently live within 100 kilometres of the coast, and by 2025 it is estimated that 6.3 billion people, 75% of the world's population will live in the coastal zone, in coastal mega-cities and many living in poverty on less than two dollars a day. In the last 40 years, the demand for fish has been growing at twice the rate of population growth. Over 500 million people depend on coral reefs for food and income, yet 70 peer cent of reefs worldwide are threatened."* [8] The oceans do not divide SIDS, but unite them - to paraphrase the Constitution of the Federated States of Micronesia. For all SIDS, it is perhaps the single most under-utilised (and abused) resource that they possess.

One of the defining characteristics of SIDS, apart from the ocean, is the limited natural resources endowment. The vast majority of these countries have limited arable land, used primarily for the production of agricultural commodities for export (coffee, spices, sugar, cocoa, copra). The development of this dominant form of land use has its foundation in colonial history, where the land resources were cultivated primarily to provide reliable sources of supply to the consumers in the mother countries. To support crop production, training and research capacity were established on a few islands to provide effective technical support to agriculture. Among the various islands that had gained independence, this relationship underwent significant change; in its place came preferential trade agreements.

Initially viewed as very beneficial (as the prices were above world market prices), the real impact would come in the form of economic globalisation and the new WTO rules on trade. The preferential trade agreements under which SIDS' products were priced above world market levels reflected not generosity, but the fact that production was more costly. In an increasingly global economy, SIDS' high costs of production for agricultural commodities has become a major contributor to overall vulnerability. SIDS need a collective approach to the generation of new knowledge for the agricultural sector.

The current production costs of sugar, bananas, and cocoa in SIDS are now well above world prices. Nor does the high price of production include the damage to the environment, for which methodologies and tools have only recently become available. Environmental damage by agriculture includes pollution of fresh water, coastal and marine areas, loss of soil fertility, as well as reduction in biological diversity. Governments in a number of SIDS continue subsidising production of these crops for social reasons and to generate foreign exchange to pay for imports that include growing quantities of agricultural products.

8 Co-Chairs summary, meeting of coastal and ocean experts at the UNESCO headquarters, for The Global Conference on Oceans and Coasts at Rio +10: Toward the 2002 World Summit on Sustainable Development, Johannesburg on December 3-7, 2001.

In order to achieve the adoption and implementation of the above recommendation, it is further recommended that action be taken to assist SIDS in the creation of Regional Research Centres to provide research, training and information for national policy development. SIDS could greatly benefit from the development of holistic island system management and ecosystem-based management approaches at the national level, as well as the promotion of an integrated management approach through a regional oceans and seas policy. It will be necessary to ensure that SIDS have access to appropriate technology, data management systems, and related research and capacity-building.

Recommendation 1: National level – Review current land use policies to ensure consistency with sustainable utilization.

Given the relative scarcity of land, particularly agriculturally productive land, in many instances the unequal distribution of ownership imposes stringent social constraints upon the existing physical limitations, a sort of despotism of dearth. SIDS need to formulate and enact policies and legal tools that will minimize the inappropriate use of land (including speculation). Simultaneously, governments need to formulate incentives that encourage investment in sustainable agriculture. The conversion of agricultural lands located in vulnerable coastal areas into human settlements should not be permitted, as natural disasters could easily take lives and destroy investments, which are significantly more costly than rehabilitation of agricultural lands and replanting crops.

Recommendation 2: Inter-regional level – Enhance Mechanism for integrated agricultural and land resource management.

As outlined earlier, SIDS must become more efficient and environmentally responsible in the ways natural resources are utilised. The research team recommends that SIDS explore new mechanisms for funding agricultural training, research and applying appropriate technology in order to develop more beneficial agricultural systems and enhance production.

Recommendation 3: International level – Joint partnership for the sustainable development of marine resources.

It is recommended that developed country partners and international financial institutions and organizations should provide assistance for the development of special financial mechanisms or instruments to assist SIDS to build their national capacity to manage and develop their marine and coastal resources (including their fishery resources) in a sustainable manner.

Environment

With few exceptions, SIDS all have very limited water resources, and are all dependent upon rainfall and/or desalination plants. Consequently, like every other utility in SIDS, water is relatively costly and represents a constraint for development of agriculture and industry. As SIDS populations grow, the demand for water will increase. So far, the dominant policy response has been the establishment of very costly

desalination plants, which also have high electrical energy requirements. Conservation, efficient use and recycling are options still awaiting evaluation. However, from a policy perspective, it is easier to issue a request for proposals to produce water by desalination in the international capital market than to design a programme based on conservation, efficient use, recycling, and put in place the education, monitoring and enforcement regime that would increase the productivity of current water resources. The desalination plant option is much easier to implement, but increases vulnerability.

Once the possessors of pristine ecosystems and breathtaking beauty, SIDS have had to sacrifice natural capital in order to generate economic resources. Also being sacrificed is the less visible chemical composition of the soil, coast, ocean, and fresh water. Chemical pollutants imported for agriculture, industry, transportation, health services, and households, is now a growing source of pollution. The ecosystems that make SIDS desirable tourist destinations are also very fragile. Continued pollution from sewage, solid waste and chemicals will have negative long-term effects on the environment and, overtime, will result in reduced capacity to provide environmental and economic services for the country. The degradation of critical ecosystems like coral reefs, mangrove forest and seagrass will reduce the natural defenses of the coast, increasing the potential of erosion from hurricanes and storms.

The small size of SIDS results in the vast majority of the population living in coastal cities, towns, and villages. The ease of access to ports and the heavy dependence on trade has resulted in populations living in areas that are prone to natural disasters, such as hurricanes and cyclones. These low elevations also make the population vulnerable to vector-borne diseases associated with waterlogged conditions (dengue, malaria).

The Inter-Governmental Panel on Climate Change (IPCC) noted in its Third Assessment Report (IPCC, 2001)[9] that Small Island States are in fact likely to be among the countries and communities most adversely affected by climate change as a result of their small size, economic dependence on a limited number of natural resource-based sectors (particularly agriculture, tourism and extractive industries), and limited human and financial capacities. The IPCC Report also points out that most small island countries are already extremely vulnerable to a range of natural hazards and to variations in oceanic and atmospheric conditions.

The IPCC further notes that while the severity of the threat will vary regionally, sea-level rise of the magnitude currently projected (i.e. 5 mm yr –1,with a range of 2-9 mm yr-1), is expected to have disproportionate effects on the economic and social development of many small island states. Coastal land loss is already projected to have widespread adverse consequences. Indeed, it is argued that land loss from sea-level rise, especially on the low limestone islands, is likely to be of a magnitude that would disrupt virtually all economic and social sectors. This, in turn, will increase the vulnerability of coastal environments by reducing natural resilience and increasing the costs of adaptation.

9 "Inter-Governmental Panel on Climate Change: Third Assessment Report." 2001, IPCC.

The likely negative impact on tourism, water resources availability, and food supplies represent significant new threats to SIDS' continued viability. The reducing national vulnerability will be quite costly, based on the experience of the Maldives and other SIDS that have recently had to implement the equivalent of climate change adaptation measures to protect vulnerable populations and valuable infrastructure. This increased level of vulnerability has already resulted in SIDS having one of the highest property insurance cost structures.

Recommendations

Recommendation 1: National level – Establish the capacity to provide advice and guidance to government in integrated resource management.
Establish an interdisciplinary inter-sectoral committee to address natural resources integrated management, deforestation, and land degradation and waste management issues in a holistic manner.

Recommendation 2: National level – Increase public education and institutionalize in the form of education curriculum, environmental protection and proper management of natural resources.
Government and civil society groups need to undertake public education activities; modification of primary and secondary school curricula to ensure that social norms and practices that exert negative impacts on the ecosystem are discontinued. Curriculum development and teacher training could be pursued in a collective manner utilising ICT.

Recommendation 3: Inter-regional level – Establish a participatory project investment fund
Special funding facilities that would provide investments for projects that take participatory approaches to solving utility supply problems (water, communications, sewage, electricity).

Recommendation 4: Inter-regional level – Establish a task force to evaluate the current level of food security and make recommendations as to improvement with particular emphasis on the influence of climate change.
External dependence on food may, under present economic levels and technology, be unavoidable; dependence on imported energy is not unavoidable. What definitely should be avoided is external dependence on both food and energy. Disruptions of earnings by the few categories of foreign exchange earners (fisheries, tourism) tend to create serious problems with the limited availability of resources to import food and energy. Such problems usually lead to requests for IMF interventions and their consequences.

Recommendation 5: Inter-regional level – Greater participation in the global environmental negotiations.
SIDS needs to explore mechanisms for improving participation in the global environmental conventions to ensure no repetition of the WTO situation. SIDS are facing costly adaptation measures that will result in changing priorities in order to address negative impacts of climate change. However, part of the cost of adaptation

is being provided by the countries primarily responsible for the problem through the GEF and comparable mechanisms; SIDS governments are urged to ensure that they participate effectively as a group in order to make sure that their vulnerability concerns are addressed during all relevant negotiations, particularly on issues related to technology development and transfer. SIDS should also look at the TCDC mechanism as another means through which technology, development, and cooperation in areas such as anaerobic fermentation, marine-based pharmaceuticals, and mariculture could be pursued.

Natural Disaster Mitigation and Preparedness

Most SIDS depend heavily on agriculture, fisheries, and tourism, which makes them particularly vulnerable to external influences such as those associated with environmental hazards, cyclones, droughts, plant and animal diseases, some of which are exacerbated by human action, including land degradation, deforestation and global warming.

While hazards are inevitable and the elimination of all risks impossible, there are many technical measures, traditional practices, and public experience that can help SIDS reduce their vulnerability and build their resilience. A key factor is the capacity of SIDS to develop and use risk management programmes. Small island developing states are prone to extremely damaging natural disasters, primarily in the form of cyclones, volcanic eruptions and earthquakes. In some islands, the range of these disasters includes storm surges, landslides, extended droughts and extensive floods. A recent study by the former Office of the United Nations Disaster Relief Coordinator (currently the International Strategy for Disaster Reduction Secretariat, situated within the Office for the Coordination of Humanitarian Affairs) has shown that at least 13 of the 25 most disaster-prone countries are SIDS. Because of climate change, such events, including drought, are projected to occur with increasing frequency and intensity in the future.

For countries affected by such natural disasters, those particular characteristics mean that the economic, social and environmental consequences are long-lasting and that the costs of rehabilitation are high as a percentage of GNP. For similar reasons, the impact of oil-spills and other environmental disasters can also be severe. The frequency and unpredictability in the occurrence of natural disasters seriously undermine the capacity of SIDS to achieve sustainable development. Specifically they exacerbate the vulnerability of the natural environment and infrastructure of these countries, and constrain their efforts to preserve their economic viability and insurability

Recommendations: National Level – Implementation of the following actions:

- Develop and implement an integrated approach to vulnerability reduction in key sectors, particularly agriculture, tourism and fisheries.
- Sustainable development planning, including physical planning at the

local and national levels, establishing and utilising better tools such as Geological Information System (GIS).
- Increased use of financial instruments and incentives for risk reduction.
- Initiate and review legislation, planning, building and development standards and codes.
- Proactive and participatory approaches, including incremental development, to achieve better planning, building and development.
- Improve public education and awareness and enforcement.
- Strengthen capacity and realise better use of existing resources to achieve the above.
- Review present system of donor coordination to improve effectiveness, and minimize duplication.

Recommendations: Regional Level - Increasing inter-regional cooperation in order to:
- Strengthen regional networks for emergency preparedness, including GIS Hazard Mapping, up-to-date weather information, and early warning and emergency response systems.
- Implement regional approaches to disaster management, including coordinated responses, emergency relief funds and other potential cooperation mechanisms to face natural disasters.
- Facilitate inter-regional information exchange, including on regional policy initiatives such as Pacific CHARM and C-DERA from the Caribbean, capacity-building, model legislation, and planning and building standards.
- Operationalising of the environmental vulnerability index and other indicators to help measure and assess SIDS vulnerability to hazards.

Recommendations: International Level
- Encourage international donor assistance to local communities and appropriate national and regional organizations of SIDS, to support efforts in comprehensive hazard and risk management, disaster prevention, mitigation and preparedness and to help relieve the consequences of disasters, extreme weather events and other emergencies.
- Encourage international ratification and enforcement of agreements aimed at reducing human impact on the environment and climate.
- Encourage the establishment of a special fund to help finance disaster mitigation and preparedness and response activities in SIDS

Investment

In light of their small size and vulnerability SIDS do not easily attract FDI in a competitive profit-maximising environment. Further, multilateral financial institutions do not provide loans to many SIDS because of issues of credit-worthiness.

Recommendation 1: National – developing an enabling environment for FDI.
SIDS need to implement appropriate actions to improve their internal investment climate including simplification of administrative arrangement. Consideration should be given to the establishment of a facility that allows SIDS to exchange policy information and information on best practices and to develop the monitoring and evaluation capacity to help keep governments abreast of the consequences of interventions.

Recommendation 2: Inter-regional level – development of a policy exchange facility for FDI.
One of the basic requirements for attracting FDI is getting the policy and social environment right. The research team thinks that a facility should be established to allow SIDS to exchange policy information in this area as well.

Recommendation 3: Inter-regional level – establish a regional mechanism consisting of the private sector, government and NGOs to provide oversight of the financial sector.
Consideration by SIDS governments and private sector of the establishment of a mechanism for oversight of the financial sector by financial professionals from SIDS. The relative infancy of the financial sector makes it prone to policy and reporting weaknesses. In a number of developing countries, including SIDS, financial sector weakness has resulted in significant negative unintended consequences on national economies and public confidence. The research team's recommendation is that SIDS assess the potential benefits of such a mechanism as part of reducing economic vulnerability.

Recommendation 4: International level - petition for waiver on constraints on investment incentives.
The current WTO constraints on investment incentives do not allow SIDS the flexibility to use incentives to attract investments. Given the difficulties in these areas and the critical need for FDI, the WTO should be asked to allow SIDS an exemption in this regard.

Recommendation 5: International level – pursue understanding with multilateral financial institutions as to SIDS' special status.
It is essential that the multilateral financial institutions recognize the special situation of SIDS and adopt a broader set of criteria, i.e., in addition to GNP per capita for eligibility for access to concessional financing.

Cross-Cutting Issues

Planning

A principal explanation for the weak performance of SIDS' governments is failure to plan, despite expenditures of significant resources on consultants, predominantly foreign experts. The research team argues that, where they exist, the failures in development planning processes are not due to the level of state intervention, but to their inappropriate design and reactive and prescriptive nature, as well as the

exclusion of popular participation in the design process. While participation is considered essential, in practice it requires investment of time and resources.

Many SIDS do not have development planning systems. Integrated environmental/resource use planning systems provide the means for integrating economic, social and environmental considerations for sustainable development. Strategic policy development in tourism, water management, economic and social development, urban management, waste management, land degradation, climate change and biodiversity all benefit significantly from integrated planning systems that enable implementation, mitigation and coordination.

As SIDS have limited ability to absorb natural and human-induced shocks, as well as limited resources, strategic assessment and long-term planning of land use and development provides an effective and efficient means of addressing vulnerability. Planning systems provide the framework for proactive measures, as well as vehicles for mainstreaming environment into economic development pursuits, the multi-use of data, the provision of consistent guidance, and early participation of the community. They provide the means for instituting confidence in decision-making, certainty in processes and security in "investment" — all essential for sustainable investment and environmental management.

Successful planning begins with institutional capacity that depends on the capabilities and motivation of the professionals, which in turn is a function of the training, education system and human resources development strategy.

Minimizing exposure to external shocks in SIDS, the research team concludes, starts with addressing the problems of poor communities that are very strongly linked to:

- inappropriate development strategies employed in the past;
- lack of competitiveness of many SIDS;
- economic restructuring policies that have been implemented without due regard to social or environmental impact, and that have increased overall national vulnerability as a result; and
- the inability of many governments to sustain public expenditure to realise development objectives (education, and basic social infrastructure) due primarily to shortfalls in revenue -- resulting from reduced demand/ declining prices for commodities, reduction in tourism arrivals, etc.

The single most important action on the part of governments for improving planning is to undertake comprehensive capacity-building. The importance of capacity-building has been emphasized in the Commonwealth Secretariat/World Bank Task Force Report (2000). Limited capacity has also been cited as one of the principal reasons responsible for the slow progress with the implementation of the BPOA. The GEF, in partnership with the UNDP, has devoted special attention to the capacity needs at the individual, institutional and systemic levels needed in SIDS for implementation of the global environmental conventions.

Recommendation 1: National level – Provide support to institute or enhance development resource use planning systems.
Planning systems need to be proactive (able to "map out" opportunities), flexible, cost-efficient and tailored to the specific needs, geo-physical and political characteristics of SIDS. Models for adaptation, adoption of reference should be generated to enable national governments to choose the means and types of institution.

Planning systems should incorporate means for pre- and post-development assessment/management; policy, guideline and criteria development, integrated administration, integrated use and characterization of data. They should also be used as a means to institute the "user pays principle" to address hidden costs and leakages of financial multipliers that result from development/investment.

Recommendation 2: National level – Undertake an evaluation of the present institutional framework with regard to improving donor relations.
Redefining the institutional framework of the government/donor relationship to make planning, implementation, monitoring and evaluation more efficient. The number of meetings and managing donor relations was a major complaint of government professionals, with claims that it is a significant contributor to inefficiency. Reorganisation of the institutional framework so that it becomes consistent with the principles of sustainable development should lead to increased efficiency. Exploring the possibility of persuading donors to coordinate assistance focused on key areas rather than individual projects would also significantly increase this efficiency.

Recommendation 3: National level – Institutionalise public participation in national planning activities.
The governments of SIDS should institutionalise the practice of involving local participation in planning and design and implementation of capacity-building initiatives in order to make them more relevant and effective.

Recommendation 4: Inter-regional level – Establish an inter-regional task force to look at current focus of academic training and research at the University of the West Indies, the University of Mauritius, the University of Papua New Guinea, the University of Malta and the University of the South Pacific on the relevance of their current curricula to the knowledge and skills requirements of the graduates who will, in the future, be providing professional expertise to SIDS.
The major question confronting SIDS is where to begin and how to proceed with capacity- building at the different levels required. SIDS as a group of countries have two regional tertiary institutions established prior to independence to provide the skills needed to maintain effective functioning of the countries based on criteria laid down by their former colonial administrators. To a large extent, the disciplines, subject matter and research has changed only marginally over time with regard to the training of professionals to take leadership roles in the area of sustainable development.

To the extent that this accurately describes the present situation in the key educational institutions, the governments of SIDS will have to institute changes so that, over time,

the focus of these principal tertiary institutions becomes demand-driven, i.e., respond to evolving challenges instead of continuing to teach conventional disciplines. Without change, the tertiary institutions cannot produce the professionals (in either quantity or quality) needed to address the challenges. Making SIDS dependent on non-SIDS experts, who are very costly, adds to SIDS' vulnerability. The research team recommends that governments in SIDS establish a inter-regional task force to look at the current focus of academic training and research at the UWI and the USP and how relevant is the current curricula to the knowledge and skills requirement of the graduates who will provide professional expertise.

Recommendation 5: Inter-regional level – Examine the feasibility of a SIDS collective approach to tertiary education and the development of SIDS-relevant core curricula for primary and secondary education.

Based on the finding on education relevance, start evaluating the feasibility of a SIDS collective approach to tertiary education and the development of a SIDS-relevant core curriculum for primary and secondary education. Among key areas for tertiary education, curricula should give greater focus, include coastal zone management, marine resources management, fisheries, energy management, climate change, and environmental law. Additionally, specialized skills in areas such as negotiation, conflict resolution, project cycle management, information and data management, and the use of vulnerability tools should be integrated into human resource development strategies.

The feasibility evaluation exercise should look at the role that ICT could play in facilitating cost-effective delivery of curricula and the fostering of research networks.

Recommendation 6: Inter-regional level – Undertake an evaluation of present national development planning to see if it is structurally biased towards increasing vulnerability.

Actively reducing the growing vulnerability requires departures from the existing process that in the majority of cases are predominantly sectoral, have limited participation, a short time horizon, and are very dependent on foreign expertise.

Reducing vulnerability requires a planning process that is integrated, synergistic, holistic, participatory, long-term, with clear goals with outcomes and monitoring systems. These planning principles are the foundation of sustainable development and are accepted by SIDS in the form of the 1994 Barbados Plan of Action for the Sustainable Development of SIDS.

Recommendation 7: Inter-regional level – Donor support to finalise work on vulnerability index

As indicated earlier, monitoring has been a weak area in the planning processes of SIDS. The research team recommends that SIDS work with donors to finalise the work on indices (economic, environmental and social) so that they can be used to improve the planning process. Availability of the tools must, however, be complemented by effective data and information collection systems in the countries to ensure the usefulness of these indices.

Recommendation 8: Inter-regional level – Evaluating a possible mechanism of a SIDS Skills Bank to help address professional capacity needs.
Given the continued anticipated loss of professionals to better salaries and incentives in richer economies, SIDS will have to put in place mechanisms to share and develop professionals in the key areas in order to ensure the availability of skills. In order to address retention, SIDS governments should evaluate the feasibility of establishing a Skills Bank of SIDS professionals, possibly using the infrastructure of UN-DESA SIDSnet. The Skills Bank would also provide governments with a practical mechanism for sharing developmental experiences across SIDS and a ready source of experienced professionals to assist with planning, implementation, evaluation and monitoring of policy and to provide technical support to negotiations (trade, donor assistance, environment, oceans). SIDS professionals, approved by their countries to participate, would have the opportunities to supplement their income while working with and interacting with other SIDS professional on similar challenges. The inter-regional team from Recommendation 2 (above) could also be tasked with evaluating the feasibility of the Skills Bank, including how such a mechanism would mobilise the needed resources.

Recommendation 9: National level – Improving data collection mechanisms to provide relevant information to support planning.
In the majority of SIDS, the available information is not adequate to support sound planning. It is therefore recommended that governments, using the vulnerability indices tools (economic and environmental) and other monitoring mechanisms, identify the most critical data and information and then put in place the needed mechanisms for collection and processing and dissemination. The systemic collection of information is critical in managing vulnerability that requires monitoring responses to policy interventions.

Human Resources Development

The most important resources in SIDS are people, with their skills and creative imagination. The development of their capabilities is an essential prerequisite for SIDS to become internationally competitive in high value-added services. It is therefore imperative that education receive the highest priority in the SIDS strategy to manage their vulnerabilities. Traditional curricula will have to be modified to expose and sensitise students to the challenges faced by SIDS in general, as well as their concrete manifestations in particular islands.

Once again, the need for capacity-building in SIDS presents itself in the education and research institutions. Further, efforts should be addressed at all levels of the education system so as to begin the process of sensitization to vulnerabilities among children, as well as to educate and train technical persons at the tertiary level.

Human resource development and capacity building undergird all aspects of human endeavor and are fundamental requirements for ensuring sustainability in SIDS.

Indeed, the acquisition of appropriate skills and technologies constitute an essential part of the process of building the resilience needed to reduce vulnerability to global threats, whether natural, economic, social or political.

The 1990s witnessed the maturation and wide-scale deployment across the developed countries of new technologies for information management and communication. While the use of ICT is now regarded as standard operating procedure for businesses, government and civil society groups in the developed countries, it is just beginning to penetrate SIDS. Based on the lessons from the developed countries, ICT has even greater potential to transform the ways in which developing countries conduct business and to help to address the persistent social problems of education and human resources development. Delays in exploiting the opportunities offered by ICT threaten to further increase the already wide gaps in the quality of life for those global citizens who live in developing countries, particularly those in SIDS.

Recommendation 1: National level – Governments and donors need to significantly increase the resources allocated for human resource development consistent with the goal of the Social Summit and the in the spirit of Agenda 21. The incorporation of ICT should be given highest consideration in the formulation of strategies in this area.

Governance

Fragmentation and social disruption at both the national and regional levels constrain the ability of SIDS to confront certain inescapable, dynamic global realities and challenges. Further, weaknesses in management at the national level are also reflected at the regional level. Political systems in SIDS are undergoing considerable stress as economic forces for integration outstrip the capacity of SIDS to make the necessary political adjustments. It is clear that traditional concepts of sovereignty cannot cope with the significant cross-country threats, such as changes in the multilateral trading system, HIV/AIDS, money laundering and drug trafficking.

The imperative now is for SIDS to forge new forms of governance that allow space for elements of civil society to interact freely and participate meaningfully in the formulation and implementation of sustainable development policies at the national and regional level. More specifically, an integrated process of planning and strategising is required to bring together the political, economic, environmental, spatial and social aspects of sustainable development at the sub-national, national and regional levels in a routine manner.

Policies and programmes to reduce vulnerability and promote sustainable development should transcend partisan politics, reflecting instead the welfare of the citizens. Governance concern the implementation of national development visions developed in accordance with the principles of Agenda 21 (participation, information and integration), rather than the formulation of alternative strategies for development by successive administrations.

Recommendation 1: International level - SIDS should seek support from the international community to establish and/or strengthen governance structures that emphasise the following:

- An efficient supply of information using conventional and emerging technologies and processes;
- A culture of interaction and integration among disciplines, sectors and geographic areas;
- An effective regional planning and development process that is driven by a clear consensus on the strategic approaches that are most relevant to SIDS;
- A framework that facilitates ongoing technical cooperation among SIDS;
- A framework that permits effective monitoring and evaluation of approved plans, policies and programmes at the sub-national, national and regional levels;
- A mechanism that facilitates the involvement of local civil society and the external development partners in the development process.

Building resilience

Vulnerability is an aggregate measure of exposure to risk or hazards brought about by economic strife, environmental changes such as climate change, government polcies or even those caused by internal events and forces resulting from a combination of factors. In terms of SIDS, it is especially emphasised that the definition of vulnerability also account for the lack of capacity in SIDS to respond to the risks or hazards, thus making the resilience of these countries comparatively much lower than that of other developing countries. Because SIDS are small, their human and environmental resources have limited capacity to absorb shocks and therefore are not as resilient as other developing countries.

Call to Action: Priority action that needs to be taken

The ability of SIDS to strengthen their domestic capacity of supply and to participate increasingly in world trade depends largely upon the development of core services, namely transport, financial and telecommunication services. Once again, SIDS, because of their size, are at a comparative disadvantage in these areas of services.

The transport and communication services of SIDS, both air and maritime, have difficulties in facing competition from the mega-suppliers of big countries. Handicapped by size, the domestic firms do not have the capacity to inject the necessary investment in these key sectors. Even when foreign investment is allowed, the foreign companies are not interested in investing in a small market unless allowed to monopolise it. Hence, many SIDS difficulties in attracting FDI.

The financial services sector of SIDS is too weak to resist the OECD pressure to secure high standards of compliance in terms of transparency, reporting

the exchange of bank information, and giving up the bank secrecy and client confidentiality. Pursuing sustainable economic development strategies will enhance the capabilities of SIDS to deflect and mitigate external shocks.

Forging strategic alliances to overcome size constraints

Size will remain the major constraint in developing and exploiting marine resources. SIDS will have to forge alliances among themselves and with the large industrial countries to harness the potential of their vast marine resources. The strategy should seek to maximise rents of various forms associated with licenses and permits granted to large industrial producers that wish to exploit the marine resources of SIDS.

Capacity-building

The strengthening of both public and private sector institutions must be a priority in a SIDS strategy to manage vulnerability. A good example of the need to build institutional capacity in the public sector is the requirement to implement the TRIPS agreement. This will present additional costs to SIDS while being potentially the sanction for further transfers of wealth from SIDS. Assistance from international donors on terms affordable to SIDS will be a critical input into capacity building at all levels of all sectors.

Develop competitiveness strategies

It is equally necessary to develop the competitiveness of private productive enterprises, for it is they who conduct the nation's trade. Competitiveness in the modern world demands a greater use of knowledge to inform decision-making, to provide services at international standards, and to utilize modern technologies in production processes. It is also enhanced through niche market export strategy, flexible specialisation, enhanced entrepreneurship and, where appropriate, economic deregulation.

Promoting stability in the macroeconomic environment

Foreign direct investment will be a major driver for the process of transforming the economies of SIDS. A stable macroeconomic environment and a climate that inspires the confidence of local and international business interests constitute the fundamental framework for attracting foreign investment. Schemes for insuring foreign investments against risks will make SIDS more attractive to international investors.

Diversification

It is imperative that the economies of SIDS undergo rapid diversification of their export commodities away from traditional products in declining demand, and towards more high value-added commodities and services in increasing demand, for example, organic agricultural products. To the new products and new services must be added new markets to reduce the concentration of the export earnings of SIDS around a narrow range of products and markets.

The thinness of the economic structure can be overcome only with increased diversification of productive activity. Investment has to be channeled into new activities, particularly ICT-based services, cultural services, and the development of

marine resources on sustainable bases. Here, investment should be interpreted broadly to include investment in human resources to enhance the capabilities and the productivity of the labour force.

Reducing dependence on imported energy

Energy dependence is a major source of economic vulnerability for many SIDS. Modern research has produced commercially feasible options of energy supply, such as wind, solar and ocean tidal energy. Indeed, many SIDS are particularly suited to these options because of their geographical location. A comprehensive assessment of the energy resources, and the current and projected patterns of energy use should guide governments in articulating energy strategies for sustainable development.

Developing capacity in the management of marine resources

SIDS are distinguished by the abundance of marine resources. They remain largely untapped for want of knowledge of the resources and the commercially viable ways of utilising them, the necessary investment and training. Some success has been achieved in utilising coastal marine resources for tourism, but much more can be done if adequate environmental management systems are in place at the national and the enterprise levels. Harvesting the fish, other marine animals and plants, and supplying desalinated water will require strategic alliances among enterprises based in SIDS and between these enterprises and large international commercial producers.

Use of ICT

The constraint of size is becoming less binding as the technological revolution proceeds. New activities that utilise knowledge intensively are less subject to diseconomies of scale than production processes that transform materials from nature into consumption and production goods. ICT-based economic activities present lucrative opportunities for SIDS with the requisite infrastructure and human resources, and many have already begun to develop industries. Again, Singapore represents the best example of the range of possibilities in the ICT industries that a small island can establish.

Education

Modern production activities require an educated and well-trained work force that can adapt readily to the changing technological demands. This is especially true if SIDS are to develop the appropriate comparative advantages in high value-added services, such as ICT and finance. Indeed, public and private investment in human resources must become a major priority for the management of economic vulnerability.

The education plans for SIDS must target carefully the development of the cultural services that can be provided on the basis of traditional cultural practices. Where these practices are economically relevant, the chance of SIDS maintaining their cultural identities will be more feasible. In this regard, the collaboration of tertiary institutions and research institutions based in SIDS will enhance their collective capabilities for developing the requisite human resources for economic resilience.

Tapping expertise from migrant overseas communities

SIDS can tap significant financial and human resources in their migrant communities overseas. It has already been noted how important remittances are to the economies of SIDS. Much more can be done to encourage repatriation of the services of SIDS nationals, especially where reliable, efficient and reasonably priced air transport services are available and where communication services facilitate the delivery of services via electronic means, such as the Internet. Equally important is that these communities are natural bridgeheads into the markets of the developed countries.

SIDS-SIDS cooperation.

There are many areas for SIDS to provide mutual technical assistance to each other. Singapore already has a well-established technical assistance programme for sharing its experiences with SIDS that could serve as a model for other programmes of cooperation. Education was earlier identified as another important area for mutually beneficial cooperation, along with planning and implementing projects for disaster mitigation.

Special attention should be given to promoting cooperation and strategic alliances among firms and other productive enterprises based in SIDS to supply regional and international markets. This is the most feasible approach to developing productive units with the minimum critical mass to compete successfully in the global economy.

SIDS will have to no option but to pursue integration based on the current global trends. In the Western Hemisphere, the impending launch of the FTAA in 2005 will impact directly on Caribbean SIDS in more far-reaching ways than the WTO. The initiation of the process of integrating Caribbean economies in the CARICOM Single Market and Economy is being accelerated as an element of the strategy to engage the FTAA process. The FTAA process is accurately described as "WTO plus". Malta and Cyprus are expected to join the European Union in 2004. Similarly, there is a strong integration movement in the Pacific that the SIDS in that region cannot ignore.

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Education, Sustainability and Change Management

by Kay Muir-Leresche[1]

In the information age, human capital has become a primary source of wealth. New technologies have created unprecedented opportunities for the dissemination of knowledge. To take advantage of them, and to avoid falling behind, societies must expand and radically change the role of education, both formal and informal. Rather than rely on rote learning, teachers must show their students how to obtain and use information effectively. Their new focus must become facilitating adaptability, experimentation, and the creative application of knowledge.

To provide the most benefit to society, the concept of education must be broadened. Ethics, values and responsible citizenship should be given greater emphasis, both in the selection of students and in their learning environment. Drama, debating, sports and other extracurricular activities can become experiential classrooms for developing analytical and communication skills, as well as character traits such as teamwork, confidence, discipline, and reliability. Incentives such as contests and pay-for-participation in literacy campaigns can encourage students as well as teachers to share what they have learned with local communities. This will also give them an opportunity to assimilate indigenous knowledge and experience the rewards of community service. A culture that encourages innovation will reap dramatic benefits in wealth, social wellbeing and sustainable development. To achieve this transformation, schools must open their doors to society, and society as a whole must become a school.

The changing global environment

What are the major forces that will shape society in the 21st century? While these issues are covered in depth in many fora, it is instructive to briefly review them here, as they determine the education systems that will best meet the challenges of the future. The most obvious factor is the importance of developing technologies, as well as economic and social systems, that maintain or enhance our biological capital (the environment). The need to change our production and consumption processes and patterns requires innovation, understanding and incentives.

New technologies provide opportunities to address these changes. Education plays an essential role in the process. Education can encourage changes in demand in order to give priority to sustainability in rich countries. It can provide the impetus for encouraging international responsibility. In developing countries, education needs to go beyond literacy. It must empower children and adults to participate in, and share responsibility for, development. A population that considers itself able to affect the

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course of life is more likely to take steps to ensure that development is politically, socially and environmentally sustainable. Recent initiatives in Africa have shown that when people have control over their own resources and make their own decisions, supported by an enabling governance framework, it is possible to improve both livelihoods and the environment.

Education enables people to adapt traditional knowledge and use modern technology. It develops capability and inspires the will to create solutions to dilemmas. It provides people with the confidence and information to challenge authorities for their rights and demand control over their resources. If they have access to knowledge and have a secure stake in their future, they can invest in the environment and learn to demand accountability from their governments and the business world.

Education, and in particular environmental education, has been expressed as a priority in some national strategies for sustainable development, but has not been a major component of any of the strategies. The main thrust of this paper is to emphasise the importance of economically, environmentally and socially relevant education in developing countries, ensuring both widespread literacy and some internationally competitive graduates able to interact globally. Education systems in richer countries need to promote better North-South co-operation and understanding. Throughout the world, education as knowledge-transfer is no longer appropriate. In both industrialized and developing countries, there is an immediate and urgent need to develop approaches to education to suit the new technological and global era.

Scientific advances

Increased knowledge base and accessibility

Many commentators have called the last two decades of the twentieth century the information age. This designation refers to the explosion of available knowledge as a result of the speed and ease with which computers have allowed knowledge to be communicated and explored.

Whereas education was once viewed as the transfer of knowledge, it now has to change its orientation. In any field, there is far more knowledge than any one individual can ever assimilate. It has become much more important to teach only the basic principles underlying a discipline, and to concentrate on enabling students to obtain and utilise knowledge better. It is more important for students to be able to distill and synthesise information into useful components than to learn any one technique. Methodologies are changing constantly, and students have to be able to update their approach continually and adapt to changing circumstances.

The teacher or professor is no longer the "fount of all wisdom", transferring precious jewels, but is rather a facilitator providing students with the inspiration to explore for themselves these ever-expanding oceans of knowledge. Their role is to promote

analytical skills, self-esteem, a sense of personal competence, and the capacity to participate in community and national affairs, and to build interpersonal trust and satisfaction.

The importance of indigenous knowledge

It is clear that local commodities, production systems, knowledge and institutions have an essential role and contribution to make to the sustainable development of many emerging economies. Indigenous knowledge is particularly important to sustainable development, since effective knowledge of the preservation, use and potential of natural resources is built over time and is only possible with the active participation of local populations. The capacity of indigenous peoples to develop resource-use strategies that are more sustainable than conventional systems is recognised. Indigenous knowledge needs to be better understood, and efforts to incorporate it in the development process must be accelerated.

It is important to document genetic resources, establish property rights, and understand the value of traditional systems and cultures without romanticising them. Traditional attitudes and values bring new angles to innovation. The education system can play an important role in preserving and adapting these traditional systems so that they contribute to and participate in the global economy. They also are significant in promoting self-worth and confidence. At the practical level, indigenous values and knowledge can be incorporated into the syllabi, resource materials and — most importantly — extracurricular activities, such as drama, debating, and sports. Western societies have begun to appreciate and incorporate some of this knowledge into their health systems, management styles, and other areas. Local societies themselves need to understand their traditional systems, so that they can use them to add value to and develop relevant, effective technological and organisational systems.

Technological advances

Over the past two decades, key technological advances have occurred in a number of fields, including: solar power; telecommunications, computers (hardware and software), the Internet, transport, and satellites (including radio and TV, GIS mapping and weather predictions, but especially communications).

These innovations have considerably enhanced many aspects of people's lives in rich countries, and they are the means through which it is possible to reduce the differential between rich and poor. If isolated communities can gain access to the Internet through solar power and satellites, even though they have no electricity and few roads, they have access to knowledge. Technology exists for simple wind-up radios, so that even the poorest and most isolated people can have access to information and knowledge.

Constraints and potential for developing countries

Technological advances provide opportunities for developing countries to advance rapidly. Through the use of computers and the Internet, students can gain access to knowledge, training, and each other, and develop links with the outside world. Graduates can be employed by companies in industrialised countries for data processing while based in their home countries. The possibilities are endless.

The danger is that this technology will not spread equitably to developing countries; or that where it does spread, it will reach only a small minority. Access to technology could create even greater differentials within and between countries unless mechanisms are found to disperse these benefits. Widespread investment to ensure that poor communities can gain access to modern technology and opportunities will contribute to the future security of the world.

National policies need to change. Many developing countries are cut off from technological advances because of institutional rigidities resulting in monopolies and state-controlled communications. Massive investment in increasing access to the information age needs to be encouraged at both national and international levels. The challenge is greater than just providing access to the Internet; it must provide useful access. People need to be encouraged and shown how to use the new technologies in service to society. The Omardengo Foundation in Costa Rica has been successful in providing computers, Internet access and training to rural schools, so that children are using them for effective learning and not simply for entertainment.

Globalisation

Cosmopolitans appear to welcome and understand the complexity of globalisation, while fundamentalists seem to find it disturbing and dangerous. Greater integration promotes human freedom by spreading information and increasing choices. Education has a key role in ensuring that developing countries are active players and not passive recipients.

As a result of increased communication, increased economic integration, and increased social integration, the world has grown smaller. People are more aware of, more affected by and more interested in what happens. There is much greater demand for national governments to engage in the international community on behalf of their constituents, while also meeting priorities and needs at home. Even where particular countries, religions or attitudes emphasise isolationism, it is no longer possible without denying people access to information. As a result, globalisation has had a positive impact on accountability and governance.

Education can contribute directly to these positive impacts, while helping people to manage cultural differences, language barriers and the overwhelming diversity that characterizes (and often threatens) humanity. *Education can contribute.* We can

encourage and promote local cultures and languages through education. We can promote the value of difference.

Environmental and Social Realities

If the effects of environmental degradation are left unchecked, they could undermine the future of the human race. This will occur because of the scarcity of biological resources needed to sustain life, and/or because of political and social instability and conflicts that arise with the increasing divergence between rich and poor. Education that develops people who are able to address both the causes and effects of environmental degradation is essential. People who are able to create and implement systems over the long term that reduce disparities and promote mutual understanding are key resources in the effort to ensure sustainable development at all levels — local, national, regional, and global.

Poverty and environmental issues are closely linked, given problems with weak and insecure institutions combined with the immediacy of the needs of the poor.[2] Education contributes directly to reducing poverty and increasing awareness about the environment.

Agricultural and rural development are the key to reducing poverty, with 75 per cent of the world's 1.2 billion poor having livelihoods linked to the agricultural sector. Most education systems are designed to produce competent, obedient servants for government and corporate systems. They remove students from their rural focus, and most school-leavers and graduates aspire to urban employment. Education systems need to make it possible for graduates to create rural opportunities, so that they are attracted to working in these areas.

Developing countries continue to lose human capital from endemic diseases, such as malaria, that they have always had to contend with. They are now faced with the scourge of HIV/AIDS and its impact on social systems, families, productivity and the increased burdens associated with the disease. Sex education and information campaigns are the principal tool used to reduce the spread of the disease. It is essential to recognize the impact of the disease, both in formulating education strategies and in developing appropriate curricula. Education systems that emphasize values, develop personal skills and build confidence and self-worth will help students act responsibly. These systems must also discourage discrimination and encourage students to be proactive in helping the people and communities most affected.

Multilateral and bilateral development agencies have long recognised the need to establish delivery mechanisms that do not ultimately work against the best interests of the beneficiaries. The migration of educated Africans to industrialised countries also needs to be addressed. Educational assistance programmes could be designed to provide local opportunities and to encourage students to return to their countries and rural areas. The reality, however, is that most aid efforts continue to strengthen

2 For example, there are only 10 telephone lines per 1,000 people in Africa, compared with 500 per 1,000 in rich countries. In 22 African countries in 1998, 60 out of 100 lines were out of order. Mobile phones have revolutionized access in recent years, where their entry has not been blocked.

central systems or undermine effective existing systems at the expense of the people they are designed to help. Temporary relief may be obtained, but as people have to rely increasingly on the goodwill of centralised state, district or NGO agencies controlling access to resources and aid, their ability to hold authorities accountable is diminished. An educated population would be in a much better position to challenge the status quo.

This is particularly important with respect to gender, and to equity in all its forms. In some areas, women receive little or no education; and in most countries, women are in the minority in tertiary education. Women are intimately involved in natural-resources use and are closely linked to the environment. The role of educating women in population management is recognised, but its potential for stimulating environmentally sound growth is still not fully appreciated.

The emphasis on structural adjustment, the movement towards market-based allocation, and the pressure for sound fiscal management have a profound effect on education. Governments in many developing countries have cut expenditures by reducing investment in social services. The cuts in education expenditures have reduced the capacities of those countries to meet the challenges of sustainable development. There is much that is positive in encouraging demand-driven education, particularly with the new technology that allows for much greater flexibility in delivering education and training. However, investment in developing the world's human capital is one way to bring returns to all humanity. The World Bank and various development agencies have shown that the poor spend a far greater proportion of their income on educating their children than the rich. There is a limit to the resources they have to invest, and society obtains high returns from investing in improved human capital.

National governments and international agencies should be given the mandate and allocate the resources to eradicate illiteracy. They need to put into place institutions and systems that allow for the full development of human potential. We must respond to development challenges with imagination and use technological advances to change our traditional approach to education, so that it is better able to contribute to rapid human resource development.

We need to use new market-based institutions to target the areas and people they are best able to serve, thus releasing resources for activities that are public goods. This affects both rich and poor countries as cuts are made in state funding of education, particularly tertiary education. The land grant universities in the United States are increasingly turning towards business for support, reducing their ability to fulfil their original public service mandates. Government investment in education is important, and it should be higher than it was in the past, but it should be more carefully targeted so that private individuals and companies are mobilised to pay for those aspects that have private benefits, releasing more resources for aspects that have public benefit.

The needs of the new environment

The application of knowledge and innovation

The economic actors in this new global environment need to be able to obtain knowledge and apply it responsibly. They need to be creative, innovative and independent. In the industrialized countries, and in the elite systems of some developing countries, where access to knowledge is widespread, it is the ability to apply that knowledge that is required. Modern technology has reduced the need for absorbing knowledge, and for methodical and repetitive abilities, and increased the need for creativity. It is more important for an engineer to be able to develop new approaches than to be a precise calculator. The precision can be achieved through the computer; the new ideas cannot. In the past, the education system had to stress precision, with innovation as a bonus.

In the current era, innovation is imperative and precision is a bonus, but education systems have not yet changed to reflect these new demands. There needs to be a paradigm shift in education — the objective should no longer be *how much knowledge has been acquired*, it should be *how effectively and responsibly available knowledge can be used*.

Changes for industrialised countries

Formal education must adapt to the changing demands of the market. Where years of education, training and experience were once necessary to succeed, they are increasingly seen as irrelevant — even a liability, as indicated in interviews in the US.

Self-taught technical skills are more adaptable. Technology is changing so rapidly that skills and analytic techniques quickly become obsolete, and society places a premium on change. Thus, professionals no longer seek stability and slow progression, but have become independent. Education must adapt and produce students who are flexible and able to learn new methods. Large corporate structures are less relevant technically, and young professionals prefer work places with more flexibility and freedom. In many countries, the future belongs to smaller, innovative companies, or "crack" units within larger multinationals. There is a movement towards self-employment and more flexible work arrangements. In Japan, the old education system is still suited to mass-manufacturing industries, but the Japanese education ministry has recognized the need to change. *The Economist* reported that significant changes will be implemented in 2002 — from a rigid, uniform school system to more independent school and staff curriculum choice, and more emphasis on enriching children's lives outside the classroom.

The poor within advanced countries are in danger of becoming increasingly marginalized if they do not have opportunities to work with new technologies and be

part of the new creative environment. As the corporate world changes, jobs and rewards for loyalty, diligence and obedience will shrink. The system will favour creativity and adaptability. These qualities are obtained in schools where inspiration and faculty dedication are the norm.[3]

The experience of older generations needs to be recognised or societies will not effectively adapt and respond to new technologies. Technology changes the relationship between young and old. In societies going through rapid technological evolution, older generations have less to offer because their technical knowledge is not relevant. The strengths of older generations lie in greater understanding of ethics, social systems, and life skills. The danger is that society considers recently acquired technical skills a substitute for education.

There is a need to reinforce value systems and cultural norms and highlight the rewards from service to society. At the same time, societies need to provide learning systems for adults to acquire technical skills. Many people are able to work 10 to 20 years longer than in the past. They may not be at the creative edge of new technologies, but they need to understand them so that their organisational and networking skills are relevant.

Current corporate practice is moving away from the hierarchical company structure, and many countries, China for example, are moving away from collective enterprise, assigned jobs and promotion based on political loyalty, and moving towards self-directed, flexible employment. In the old system, employees were valued for following orders. Today, knowledge workers are valued most for their ability to think for themselves. Managers need to avoid undermining employee ability to find creative solutions. They need to concentrate on providing enabling team environments, resolving conflicts and motivating people. Thus, in addition to creativity, effective motivational, communication, and people skills need to be developed.

There is a role for the education system in promoting "emotional intelligence" — the ability to recognize, understand and handle emotions. Pupils need to learn to risk failure, understand criticism, set targets and work in teams. Education systems need to adapt to these new realities. They need to use new technologies to allow educators to channel the advantages of youth in directions that promote sustainable development and global understanding.

Changes for developing countries

In developing countries, it is essential to design education systems that will provide for dualistic societies.[4] Dualism cannot be wished away. While every effort must be made to provide the poor with opportunities to increase their welfare, the reality is that

3 In the United States, there is bipartisan support for reducing educational inequality, which is recognized as a serious problem. There is some demand for conservative methods (accountability and competition) to achieve liberal goals (closing the gap between rich and poor children). The focus on security should enhance this goal, but the reality may be to distract from it ("Survey of the Young", The Economist, Dec. 2000).

4 A dualistic society is one in which a large proportion of generated income is concentrated in a small, capital-intensive, modernized formal sector, and its success affects the majority of the population, which is found in the largely informal, poor urban and rural sectors that rely on traditional low-input technologies.

education will need to be designed to serve the needs of dualistic societies. Thus, resources must be devoted to teaching basic literacy skills to most of the population, which will continue to operate in a world without computers. At the same time, it is important to ensure that there are people in poor countries who are able to compete internationally. These countries cannot afford to rely entirely on importing innovative skills. They will have to invest in developing leaders, even where resources and skills may initially restrict advanced education to the few. Deliberate efforts should provide marginalised people with entry opportunities.

The massive investment by India in computer access and advanced training has enabled it to play a leading role in software development, and for its nationals to be internationally recognized. This has already meant a significant expansion in economic opportunities for India[5]. Developing countries need to ensure that they maintain a core group of specialists and policy-makers who are able to compete internationally. At the same time, they must ensure that their education systems provide the poor, who have only limited access to international communications and markets, with the skills to improve their lives at the local level. South Korea invested heavily in education, and returns to investment were estimated to be 30 per cent. All children are registered in primary school (up from 56 per cent in 1960) and most in secondary school.

There is an urgent need to combine indigenous and contemporary knowledge, and to apply both traditional and modern low-cost technologies in the transfer and application of knowledge. This is a two-way process; much of the undocumented knowledge in isolated communities would benefit the world community. The importance of adapting advanced technology to impoverished realities is a challenge to which the education system can contribute.

In order to meet the demands of a dualistic society, most developing countries will have to make difficult choices in allocating scarce resources. One approach may be to develop targeted secondary and higher education institutions that deliberately encourage different skills. This may not be as negative for equity as it appears. Results from Northern Ireland show that although it started from a lower base in 1960, by the 1990s, both the strongest and the weakest performed better than their counterparts in the comprehensive English system. Part of the explanation may be the ability to target educational programmes to the special needs of different groups when the system is not comprehensive. If a selective system is established, it will be essential to provide opportunities for students to change. The Swiss system may provide a useful example for high school education in developing countries. Although their system is three-tiered, there are entry points at later stages that allow pupils to change their orientation if appropriate.

5 Although migration has caused India to lose skilled personnel, it has also resulted in growth. The export of information-technology services from India to America is forecast to grow from an estimated US$200 million in 2000 to US$4–5 billion in 2005. One MIT forecaster has estimated that India could ultimately earn US$1 trillion. NASSCOM (National Association of Software and Service Companies) estimated that the information-technology-services industry would employ 1.1 million people and earn US$17 billion by 2008.

The increase in high school graduates in most developing countries has placed pressure on tertiary education institutions and the job market. Selection systems and criteria, and the need to establish institutions that serve different needs, are essential. A key factor in the success of EARTH University, Costa Rica is its rigorous selection process.[6] The selection includes students' attitudes towards social and environmental service, commitment to rural areas, leadership, and abilities broader than strictly academic prowess. The process is adapted to ensure that gifted students from disadvantaged backgrounds are encouraged. The reality is that some form of selection is necessary in all systems. These systems need to ensure that women, the poor and late-developers can gain access to them.

The increased demand for secondary and tertiary education, and the expansion of existing universities and colleges to meet this demand, has strained resources and reduced quality, and will have negative impacts on sustainable development.

There needs to be a radical change in the provision of tertiary education so that it is more relevant to both needs and available resources. Countries must maintain investment in excellence to ensure a continuing supply of highly skilled, internationally competitive graduates. However, they must also plan to vastly expand secondary and tertiary education so that it is available to the deprived. New approaches to post-school education are essential if the ever-increasing demand for higher education is to be matched by resources.

Sustainability

Sustainable development implies not only efficient and ecologically sound management of resources, but also the need to establish social equity and political empowerment. We need to develop creative niches and instruments to improve the welfare of people in poor countries. As Michael Porter and Claas van der Linde recently stated in the *Harvard Business Review*, "Environmental progress demands that we innovate to raise resource productivity. We need to develop our environment as an asset so we live off the income and not the capital."[7]

For poor countries, the emphasis should be on finding solutions to environmental protection that do not involve trade-offs with growth and equity. Education is one area in which it is possible to promote environmental integrity while at the same time directly contributing to both growth and equity.

As Sylvia Pinal of Brazil says, "When searching for a sustainable pattern for development in emerging economies, education and training are a clear and visible priority for any serious project. Experience has shown that education is the safest mechanism to promote vertical social mobility and greater equality in any society.… An educated society is more conscious of its impact on natural resources and the environment."8

6 EARTH University faculty members personally interview all prospective graduates. In making selections, they take into account social service, environmental interest and social background, in addition to academic criteria.

7 Michael Porter and Claas van der Linde, "Green and Competitive: Ending the Stalemate", Harvard Business Review, Sep/Oct 1995, pp. 20–34.

8 Sylvia Pinal, World Business Council for Sustainable Development, Latin American Office, Nueva Leon, Mexico, February 2000.

We need to move away from thinking of education purely in terms of cognitive development and find ways to incorporate social skills, identify values and, where possible, use practical situations to expose students to the real world. It is important to empower those living in both formal and informal economies with the skills to obtain knowledge and the ability to adapt it to best advantage. Both groups need to be exposed more systematically to the importance of environmental integrity to their own prosperity and that of the world community.

An environmental focus was most successful in the adult literacy classes held mainly for illiterate women as part of Capacity 21's programme in Nepal, known as the "Sustainable Community Development Programme":"Teachers generate environmental awareness among students [and the] multi-purpose nursery close to the school…has helped to mobilise communities."[9]

There needs to be more effective civic engagement in the process of linking education, the environment and development. Capacity 21 has been active in assisting countries preparing their National Agenda 21 programmes. Many of these have included specific components to promote environmental education, such as those developed by Lebanon, the Gambia and El Salvador. Many examples of adult literacy and environmental education programmes have successfully led the way, but there needs to be much greater focus on and support for these initiatives.

Education needs to contribute to the basic value systems of a society, while encouraging its youth to become actively involved in addressing the issues facing the world: "African universities must strive to create an institutional environment that fosters the development of the mind and the ennobling of the spirit, inculcating responsible citizenship and the will to serve." (Declaration of African Universities at the 10th General Conference Nairobi, February 2001)

Education can play a leading role in promoting world peace by improving mutual understanding, by reducing the gap between rich and poor, and by developing responsible world citizens. If advanced education remains the preserve of the rich, the world will follow a path to self-destruction. Education is a necessary condition for the environmental, social and economic sustainability of world progress. It was the forgotten priority at Rio and needs to be firmly placed on the agenda in South Africa.

Education holds the key to reducing the growing divide in perceptions of what is most important for environmental sustainability. While the industrialised countries are focused on global warming and species diversity, the developing world is most concerned with reducing poverty and establishing sustainable development of resources. Education can inform people from rich countries about why poor people are more concerned with sustainable use of resources, and at the same time inform people in poor countries about why global warming and species diversity are important.

9 Gobind Bahadur Thapamagar, a Nepalese farmer, is quoted in Made in Nepal: Nepal's Sustainable Community Development Programme, by Maoj Badnyat, H. Bahadur-Gurung, and H. Stewart, Approaches to Sustainability series, Capacity 21, UNDP 2000.

What skills are needed?

Sustainability, Education and the Management of Change in the Tropics

This seminar series entitled "Sustainability, Education and Management of Change in the Tropics"[10] is directed at tertiary agricultural education in tropical countries. The findings on graduates' most relevant skills to serve society are synthesised from three international sessions and two African workshops of the EARTH University/Salzburg Seminar/Noragric initiative. The findings put forward by participants were reinforced in presentations made by financiers and representatives from multinational food companies, as well as by local farmers, entrepreneurs and micro-financing organizations. The seminar series is international, with strong representation from developing countries; its findings are relevant to the ongoing work of UNDP in the field of education and the environment. Capacity 21 is working in partnership with the series in Africa and has contributed to the process.

The series is directed at widening the debate on the need to produce graduates who are effective change agents. Through seminars, meetings, listserves and networking, the series is creating a broad understanding of the essential characteristics needed to encourage graduates to go out into the field and make a contribution to improving the lives of the poor and ensuring sustainable resource use. The series is focused on how to produce the change agents necessary to ensure sustainable agricultural development and ecologically sound use of tropical resources. As a UNDP representative has stated, "Enhancing the capacity to manage change amidst this myriad of problems requires a new cadre of change agents who are capable of visioning, strategising, empathising, mobilising, training and empowering people to take charge of their destiny. These are qualities best provided during both informal and formal education." (Daouda Toure, UNDP Representative, Kampala, Uganda)

In August 2000 in Costa Rica, participants of diverse ethnic origins, disciplines, sectors, occupations, gender and ages were asked to rank the most important attributes for change agents; those ranked first were:

- Creativity
- Initiative
- Adaptability
- Social and environmental consciousness
- Entrepreneurship

Ranked predominantly in the next tier were:

- Problem-solving
- Courage
- Empowerment
- Empathy and the ability to work with rural communities
- Ability to multi-task
- Teamwork

10 "Sustainability, Education and the Management of Change in the Tropics" is a seminar series convened by the Salzburg Seminar and EARTH University in association with Noragric, the Agricultural University of Norway.

Also considered essential, but ranked less important by all participants, were financial and technical skills, scientific bases, indigenous knowledge, English proficiency, emotional balance, common sense, joy of service and political awareness.

The findings from the Costa Rica session were confirmed by presenters and participants at the workshops in Kampala and Dakar in 2001, and at the third session in Jinja, Uganda, in 2002. Small-scale and commercial farmers and business representatives from Uganda and South Africa highlighted the importance of graduates being able to communicate with and understand the conditions of farmers. They also stressed the importance of reliability and time management. It was reported that agribusiness surveys on required skills and attributes for success for entry-level managers — carried out independently in Canada, Uganda, US, Australia and South Africa — all ranked personal, leadership and communication skills above technical skills.

The rationale given for ranking technical and scientific skills less highly was that the new world is changing so fast that it is more important to teach students how to use and obtain knowledge than to transfer knowledge. To take up the challenges of globalisation, graduates need to be able to think quickly and adapt their knowledge to particular circumstances, often operating under severe constraints. The agents of change will need to be confident, flexible and innovative.

Other perspectives on important skills

Many initiatives assess the changes needed for education to be relevant, and most of them identify critical skills. While some meetings still stress technical competence, most gatherings recognize that the need for particular skills changes so rapidly that only the underlying principles are important. Students need to be shown how to obtain and use knowledge, and encouraged to develop their own skills.

Tolerance, a respect for differences and a cosmopolitan view of the world are essential. Graduates need to be able to take pride in their own heritage, while welcoming diversity and being open to new ideas. They need to be able to think, create and communicate on a global scale to take advantage of new technologies. As Yolanda Moses, President of the American Association of Higher Education, has stated: "We have to make sure that our students understand and develop a healthy respect for the diversity of viewpoints…in their role as global citizens, at home or abroad."

At a Rockefeller Foundation meeting of African deans of agricultural faculties in Bellagio, Italy, in November 2001, in a discussion of curriculum changes to reflect the new realities, it was proposed that universities design programmes to produce "ideapreneurs". Thus, educators would develop not only entrepreneurs, but also graduates who are able to develop new ideas, with the ability to implement them in ways that are environmentally and socially acceptable.

Kikuyu mothers in central Kenya, when asked what they considered the most important characteristics for success in life, selected *"confidence, inquisitiveness, cleverness and bravery"* as character traits important for success at school, and *"good-heartedness, respectfulness, obedience and generosity"* for social harmony.[11]

To sum up, "We need a fundamental shift…from preparing technical specialists to the formation of innovation specialists, able to continuously adapt their practices in response to new challenges and/or restrictions." (P. G. H Engel and W. van den Bor)[12]

In summary, we need to revolutionize education so that graduates will, as Gandhi taught, *"be the change you are trying to create"*.

What needs to be done

"We have seen that value systems favourable to development nurture the formation of individuals who are innovators, heretics. Education is the principal instrument of this nurturing. However, this must be a form of education that…develops a questioning mind…not one that transmits dogma, producing conformists and followers."

Mariano Grondona, Argentina[13]

The future economic success of developing countries depends heavily on education. The World Economic Forum identified a direct relationship between the effectiveness of the education system and productivity and competitiveness. Conventional education systems are less relevant to this new world. They tend to reinforce the status quo, and do little to encourage independence and develop the confidence necessary to be proactive.

Among the myriad cultures that differentiate us, there are characteristics that bind us to regions, by which we define ourselves: humanism in Africa; the work ethic in Asia; joie de vivre in South America. Within each continent and country a diversity of characteristics are intrinsic to different cultures. The question is, how to develop education systems that enhance the characteristics needed to take a firm place on the world stage, without giving up the characteristics that define us.

We need to adapt our educational institutions to enhance and reinforce the differences while celebrating and promoting the common values. These values establish the dignity of all individuals and empower them to take control of their own lives, to take responsibility for their actions, and to demand responsibility from their social, political and economic institutions.

11 Results of a study by C. Edwards, in African Families and the Crisis of Social Change, by Weisner, Bradley and Kilbride, Greenwood Press, Connecticut, 1997.
12 P. G. H. Engel and W. van den Bor, "Agricultural Education from a Knowledge Systems Perspective: From Teaching to Facilitating Joint Inquiry and Learning", Journal of Agricultural Extension 1, no. 4: 1–24, 2002.
13 Mariano Grondona, "A Cultural Typology of Economic Development", in Culture Matters: How Values Shape Human Progress.

We need to:

- Invest in those aspects of education that promote creativity, confidence and teamwork;
- Develop materials that incorporate environmental issues, cultural diversity and equity;
- Transform teachers into educators and agents of change at all levels;
- Provide the poor with access to technology in support of access to knowledge.

It is important that initiative and dynamism not be condemned. It is necessary to promote those activities that inspire students to excel and advance, and, at the same time, to work for society, to understand the rewards of working in a team. These concepts can be built through theatre, sports, debating societies, environmental and service clubs and other extracurricular activities that are such an important part of children's lives in rich countries, but that are considered "luxury extras" in developing countries. In the animal kingdom, early learning is achieved through play — we should learn from this and reintroduce play as a central component of education.

Challenges and problems in developing countries

Lack of resources must be addressed. Society's sceptical attitude towards innovative education is also a hurdle in achieving change. More debate and media exposure are necessary to highlight the importance of changing education systems. Limitations of current systems include:

- Insufficient development of required skills
- Low self-esteem and motivation of teachers
- Lack of trained teachers
- Lack of resources to hire and retain adult educators and teachers
- Low pay for teachers — they go elsewhere or into other jobs
- Few relevant materials, books and audio-visual materials
- Insufficient access to laboratories
- Insufficient transport facilities to allow practical experience and student exchanges
- Inadequate access to computers and sophisticated technology
- Entrenched attitudes — children, parents, teachers, heads, administrators and policy-makers
- Inappropriate evaluation and assessment systems for the new goals
- Lack of incentive for investment (returns to education are slow)

A multi-pronged strategy for developing countries

Improve the profile of education and educators

Teaching, once the noble profession, needs to be accorded greater status; reward systems need to reflect the importance of teachers. Their contribution to society needs to be recognised. In many developing countries, teachers and lecturers also engage in other activities in order to meet basic financial needs. This limits the time and energy even the most dedicated teacher is able to invest in students. Initiatives to motivate teachers might include:

- Sponsor programmes and awards that accord teachers a high profile;
- Provide fair remuneration and reward systems;
- If unable to pay well, develop opportunities for earning that complement teaching;
- Increase and improve teacher education;
- Sponsor radio and television programmes on the importance of a broad education, lifelong learning and self-taught skills.

Change the curricula

Changes to curricula depend on the specific objectives of each institution, and the social reality involved in matching resources to demand. Some elements, however, are applicable to rich and poor nations alike, pre-school to adult education. The focus of education in the past was on the acquisition of knowledge and technical and scientific skills. There needs to be more emphasis on understanding and analysis. To achieve this, curricula need to be changed; some of the elements to be included are:

- Fun — learning through play within curricula;
- Ethics, values and personal attributes that are incorporated into curricula;
- Experiential learning — learning by doing, practical exposure;
- Humanities and the arts;
- Computer skills;
- Entrepreneurial activities;
- Environmental awareness;
- Social service;
- Time and the opportunity to explore, to develop enquiring minds and the ability to independently obtain knowledge.

UNDP Capacity 21 has supported the incorporation of sustainable development into formal education curricula at both primary and secondary levels in Costa Rica. This has helped build awareness of the opportunities and constraints in natural resource use.

Change the teaching paradigm

This is the most revolutionary change required. In developing countries, rigid, missionary-style education systems can dominate. Intolerant, command-style politicians can be a product of that heritage. Freedom of expression, criticism and independence need to be combined with respect for institutions, elders and self. This is possible to achieve, but requires a total change in approach. Rote learning and testing for facts can no longer be considered education. New systems that promote an understanding of how to obtain and apply knowledge must be established. Educators need:

- To become facilitators (didactic counsellors);
- To promote more self-directed learning. Lessons should be discussions of material students have found for themselves. More teaching time should be devoted to assignments, both individual and team;
- To promote technology-based learning. Using modern technology allows for more self-directed learning and greater flexibility in programmes;
- To advocate experiential learning. Formalize practical experience in the programmes;
- Assessment methods. A key to these changes is to develop innovative evaluations. If you change everything, but continue to assess based on traditional tests of accumulated knowledge, nothing will change.

Develop and promote extracurricular activities

In addition to efforts to incorporate methods of teaching that integrate play into the curricula, it is important to recognise the valuable contribution of extracurricular activities. They can be used to develop self-confidence, creativity, teamwork, social skills, networking, confidence, adaptability and professionalism. They can be important in developing cosmopolitan citizens who celebrate their own culture and accept others. They expose students to others outside their immediate milieu and can help to:

- Provide resources — financial and human — for a wide range of activities, especially in poor areas;
- Sensitise parents, teachers and education departments to the value of the activities;
- Forge links — arranging meetings and competitions that bridge income gaps and different types of institutions;
- Promote international, regional and national exchanges.

Identify niches and provide targeted systems

The multiple demands of modern society and the importance of lifelong learning opportunities require that education systems allow students to select emphases and approaches — especially for secondary and tertiary education. More demand-driven

systems may be appropriate, with smaller institutions catering to specific needs within a broader social school or college environment.

Developing countries must be able to meet demands to expand access to all levels of education, while at the same time strengthening their advanced skills. To achieve this, selection and self-selection systems are essential. It is also important to offer multiple entry points, so that students can switch, and members of disadvantaged groups are not permanently excluded from advanced institutions.

Countries need to:

- Establish selection systems and channels for change;
- Provide more technical and work-based learning institutions;
- Provide innovative institutions to develop social and environmental skills ("folk" high schools in Norway are a good example);
- Allow the private sector to provide services where possible, thus expanding choice and releasing public resources to meet social needs;
- Support and encourage advanced institutions to engage students in locally relevant research and critical debate on values, governance, environment, and other issues relevant to social advancement.

Develop appropriate materials

There is a need for much more reading, radio, television and Internet materials that directly address the education of environmentally and socially sensitive innovators. Also needed is information that easily explains how to make the best use of modern technologies to obtain information. High profile, culturally and environmentally relevant sites on the Web would facilitate globalisation and contribute to a broader understanding and knowledge base.

Invest in information technology

Developing countries need to invest in communications and power, as well as computer systems, the Internet and advanced imaging technology. It is essential that these countries use the advantages of coming into the era late, rather than remain isolated and continue to operate without modern information infrastructure. In addition to being essential for economic growth and to reduce the gap between rich and poor nations, this technology must be available to assist in providing both broad and highly specialized education in resource-poor countries.

Access by the poor to new technologies involves provision of both physical equipment and human resources to make it effective. Training and learning institutes are essential. Just as companies investing in hardware in the 1980s found that they needed to invest in effective use of that hardware, training educators to utilise equipment will promote utilization.

Provide training for the new pedagogy

If teachers are required to become educators and to direct their efforts towards facilitating lifelong learning skills in their pupils, they need to be provided with the orientation and skills to achieve this. They need to understand why it is important to reduce emphasis on knowledge transfer and why, apart from basic literacy and numeracy, they need to emphasize analytical and critical skills and develop creativity, independence and confidence. They also need to be exposed to different methods of achieving these changes.

Identify and support successful individual and community initiatives

In a number of countries, there are examples of individuals and communities that have been proactive in establishing informal or formal education systems to address glaring gaps. This can be seen in South Africa, where a wide variety of individual actions have been directed to redress gaps, particularly for the generations that lost educational opportunities due to apartheid. Many of these initiatives are driven by committed, inspired, and independent individuals. Mechanisms need to be found that will formally support these initiatives without undermining their independence or creating a moral hazard or dependency syndrome. The introduction of centralised, formal systems must be careful not to weaken innovative local initiatives.

Partnerships

It is important for communities to engage in partnerships with government, the business community, and alumni in order to develop effective programmes and source support for their changes. Partnerships between institutions within the education sector may help to make optimal use of resources and allow for greater exchange of ideas. Partnerships between different education levels may assist in addressing the shortage of trained staff and supplementing the income of educators. Partnerships between institutions at both regional and international levels can assist in reducing technology and resource gaps and provide platforms for the meaningful exchange of ideas.

Examples of interventions to overcome constraints and improve school, tertiary and adult education

This section highlights some of the key areas for intervention and change. The examples are not exhaustive and may not always be appropriate. They are primarily intended to stimulate ideas for improving education in a manner appropriate to a particular region or country. The key is to find ways of mobilising and releasing resources to address constraints and change education so that it contributes directly to equity and sustainable growth.

Improving literacy

In many countries in the developing world, literacy and numeracy cannot be taken for granted. In Senegal, for example, despite a long history of a highly educated elite, in 2001 almost 70 per cent of the population were still illiterate.

Mobilization of educated populations to contribute to literacy drives. Pay students to provide adult education classes at schools in the evenings. During term time, they could give them at their own schools, and during vacations they could travel to rural areas without high schools and use primary school facilities. Payments to students could be made through a service fee provided to cover direct costs, headmaster time and administration costs. As a secondary result, this would make more resources available to schools. Schools in areas of low literacy are likely to be less well endowed and would welcome the input. Another secondary benefit is that once involved in helping others (even if paid), those involved will see the rewards of assisting others. Incentives to schools per pupil registered and per pupil achieving particular success levels will encourage quality. Frequent unscheduled audits and responsibility taken by headmasters would avoid misuse of funds.

This could be a concerted effort, with industrialized countries targeting specific countries and mobilizing their own educational institutions to raise funds to pay trainers and administrative costs for particular regions within the recipient country. This could be followed by exchanges of staff and students, which would serve as a mechanism to ensure good use of funds and encourage international understanding. In addition, through the programme the donor government could make greater contact with its own electorate, while fostering closer relationships between its nationals and those of other countries. Similar systems exist between municipalities (through "twinning" initiatives), but this would require a much larger and more co-ordinated effort, with a strong drive to eradicate illiteracy.

Availability of materials that reflect the importance of sustainable development

Development of environmentally appropriate materials to use at all levels of education including the adult literacy campaign. These are not to be limited to texts on sustainable development, but should produce readers, audio-visual materials and general texts infused with messages that promote environmentally friendly living. Primary readers and advanced texts could use environmentally sound stories or examples. Plays and television and radio programmes could dramatize environmental messages in ways that are both entertaining and informative. Initiatives that produce materials that assist in environmental education need to be encouraged, particularly when they are user-friendly, directly relevant, and fun.

To teach simple bookkeeping, decision-making and accountability skills, WWF in Zimbabwe developed a game based on the principles of Monopoly, applying them to wildlife resource use decisions. Enjoyable and instructive, the game succeeds in devel-

oping skills and environmental awareness. The principle could be adapted to other resources and other countries. The game has been successfully used in rural communities to teach them the relationship between resource management, profit and sustainability, together with management, transparency and financial skills. It is currently being adapted to Namibia and Zambia and has the potential to become widespread.

Pay teachers and lecturers to produce the materials during their vacations. This would give teachers involved in producing materials the supplementary money they may need to keep them in teaching. It could also have spill-over effects into their normal teaching programmes. Radio and the press could be used to advertise what is required, and to immediately indicate when any area is oversubscribed. Requests could be made of teachers to submit short manuscripts and audio-visual materials that fulfil the requirements; selections would be made from among them and appropriate submissions paid for. Longer concepts could be made as proposals. An editorial board would accept or reject manuscripts, and audio-visual "first cuts" would need to be in place and conform to strict deadlines. A team of editors could then be used to refine the work. Specialized and more complex information could be returned to the author for changes.

From teacher to educator

Initiate widespread media debate on which skills are important, so that parents and pupils are aware that pupils need to do more than learn information by rote if they are to compete in the job market. Competitions could be established for new ideas and products; criticism, artistic expression, and the arts and humanities could be encouraged. Although a strong grounding in mathematics and science is important for technological advances, there will be little lasting development without the "soft" disciplines. These teach analysis, exploring the outer limits, debate, and the broader minds so necessary to innovation. They are also essential if societies are to transform their norms to cope with fast-paced technological changes and the information era.

Establish educator-learning institutes in which educators can be exposed to techniques for facilitating learning. Educators should be provided with, and engaged in, developing materials that expose students to environmental, social and global issues.

Forging links

Establish an Education and Rural Development Corps that operates within and between countries. This could take a form similar to the Peace Corps and other voluntary overseas service organizations, but would be established locally and have the main contingent drawn from nationals. This could be a mechanism for employing graduates and providing them with more realistic practical experience, and environmental and social activism, than does the formal education process. In the past, government jobs provided the first step into the working world; but with structural adjustment and government downsizing, obtaining employment has become difficult for graduates.

The corps would implement aid and education programmes, with the volunteers living in rural communities. In addition to set tasks, university graduate volunteers could be asked to assess the needs of the local community, and to develop research and development-project proposals in association with the community.

Such a system would provide donor countries and institutions with the opportunity to work directly with needy communities, instead of providing resources through central governments. Although administratively more expensive, the process would also contribute to the education of both donor and host country volunteers, and would provide opportunities for closer exchanges and better world understanding. The system would also reduce the moral hazards involved in so many aid projects.

Incubators to develop "ideapreneurs"

Establish new institutes that focus on developing people who are less reliant on the formal employment sector, and are able to be creative and translate their ideas into practical reality. These graduates should be environmentally, socially, and internationally sensitive and aware.

"Seed" institutions could be established to educate educators, and/or to produce graduates who would go back to their communities and stimulate change. These graduates should be capable of initiating new ideas, of self-employment and even of generating employment.

There are many different forms that such institutes, or incubators, could take. Returns to investment may be greatest where the primary function of an incubator is to educate new facilitators. The incubators should be established so that, during training, educators are directly involved in producing graduates who can go out into their regions with the experience, resources, and confidence to make changes. For any change to occur within a school or tertiary or adult education institution, a critical mass is required, and incubators will need to take this into account when selecting participants.

Incubators could also be established at a more localised level to address particular opportunities and unemployed groups, encouraging them to develop ideas to fill gaps in their own communities and thus create employment. Specific targets could be environmental and social issues that remain unsolved. It is important, however, that participants are encouraged to develop concepts that are, or could become, financially viable and self-supporting. Participants could be engaged using innovative techniques, theatre and games. They could also be exposed to modern technology and essential skills training.

Changes such as those outlined above are not easily implemented, and resources are limited. The EARTH University model is being considered as part of the EARTH University/Salzburg Seminar series to see whether the concept could be adapted to other regions.

The unabridged version of this article appears on the Capacity 21 website: www.undp.org/capacity21

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Localizing Sustainable Development in Central and Eastern Europe

by Sadun Emrealp[1]

This paper highlights the progress made in Central and Eastern Europe in creating legal, institutional and financial frameworks that can nurture regional and local efforts of sustainable development. Successful local projects have generated active participation by government bodies, popular organizations, youth, businesses and the general public; in every country, women have been the driving force in Local Agenda 21 processes. The paper provides a number of concrete examples that indicate how institutionalising sustainable development can play a vital role in reducing poverty, protecting the environment, encouraging gender equality and promoting a richer, more inclusive democracy throughout the region.

Although the achievements of fledgling projects have been noteworthy, continued Capacity 21-type assistance and support remain essential to sustaining the current momentum. Every project is unique, building on local priorities and aspirations, yet they share common characteristics. Identifying these universal elements will facilitate similar success in new initiatives. Establishing regional, national and international networks will help local projects learn from the experience of other communities. The level of private sector and media involvement must be raised and the participation of local governments must be deepened.

Bulgaria, Estonia, Moldova, Romania and Poland have been marked in the past decade by their accelerated transitions from planned to free market economies. During this period, these countries have suffered in varying degrees from heavy public debt, profound economic crises and the relentless pursuit of policies which have proved to be destabilizing, as well as from the negative aspects of privatization and structural reforms. In every sense, these countries have been, and still are "in transition". Although Turkey is not a transition country, the circumstances and challenges which it faces justify its inclusion in this paper (see also the chapter in this Journal on "Sustainability and Transition").

Visions and Strategies

"Localizing" Sustainable Development

As the 2002 Johannesburg Summit on Sustainable Development approaches, despite the many successes of Agenda 21 over the past decade, the global response is widely held to have been inconsistent and inadequate. The "implementation gap" has been

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underlined in the United Nations Secretary-General's report on "Implementing Agenda 21". Nonetheless, in the Dialogue Paper by Local Authorities for the WSSD (ECOSOC, December 2001) the key finding is that "significant movement towards sustainability has occurred at the local level. Local governments have demonstrated their commitment to achieving sustainable development through LA21 the role assigned to them in chapter 28 of Agenda 21..."

The LA21 processes in countries of Central and Eastern Europe (CEE) were launched, especially during the last 3-4 years, with the support of UNDP/Capacity 21 programmes. Despite the relatively short period of implementation, their accomplishments manifest a strong commitment to local sustainable development. The overview of global progress in the Local Authorities' dialogue paper also summarizes the achievements in the CEE Region: "Advances in sustainability have been made through good governance and changes in the daily functions of local government in natural resource management, urban development, waste management, public health promotion, social services and educational activities," the Dialogue Paper observes. "Local governments have developed partnerships with major groups and other governments to accelerate sustainability and support programmes and policies facilitating the implementation of the Conventions on Climate Change, Biodiversity and Desertification, and other United Nations strategies."

Localizing sustainable development through LA21 processes in the CEE region, as elsewhere, requires:

- a people-centred approach;
- encouraging long-term vision among stakeholders;
- a comprehensive and integrated strategy;
- ensuring effective participation;
- linking national and local levels;
- developing existing capacities

Visions and strategies for "localizing" sustainable development

Pursuant to Agenda 21 and the global definitions of SD, the conceptualization of local sustainable development in the CEE region shows fundamental similarities to that found in other regions around the globe.

Yet, the colourfully individualistic visions of local sustainable development endorsed in each CEE country do not simply reflect the global principles as "written by the same pen". The fundamental goals may be the same, but the countries display sharply different institutional and organizational modalities for consultation, consensus building, vision and strategy for achieving SD at the local level.

In fact, since each community engaged in the LA21 process has its own interpretation

of the global framework and its own local sustainable development priorities, this report must, of necessity, focus on the more general visions and strategies reflected in the respective country programmes rather than on specific local sustainable development visions and strategies.

A Member of the Romanian Academy and a senior promoter of sustainable development in that country, put it this way: "Some people with centralistic minds tell the cities that the strategy of the country is here, and they should not create a local strategy for themselves. This is a top-down approach. We have to explain that their strategy is not an adaptation of the great strategy of the country. We must generate it locally. There are no two equal cases. Each city has its own priorities. Local agendas must be local and special."

The visions for localizing sustainable development are built around the distinctive nature and characteristics of those countries in transition. But the strategies adopted to attain the respective visions unanimously call for concrete action while simultaneously underlining the crucial role of a bottom-up approach and enhanced participation that has been no more than a dream for long decades of recent history in the region.

The local sustainable development visions oscillate between pursuing a long-term strategy to incrementally pave the way for the sustainability of their communities, and the overriding anticipation of obtaining immediate and concrete results from the process. None of these countries, however, has sacrificed the long-term perspective in favour of short-term concerns. Instead, they have relied on a balanced and mutually-reinforcing series of objectives and activities that keep the horizon visible while producing immediate, demonstrable effects.

Capacity 21 programmes have played a major role in identifying the respective visions and strategies in relation to local sustainable development. And in most instances, Capacity 21 has played a facilitating rather than a dominating role. It has avoided imposing on these countries a predetermined vision of SD imported from other parts of the world. This is an important point. Capacity 21 monitoring of its operations in the CEE Region produces virtually identical project documents. However, the specific programmes of each country reflect local priorities and characteristics, although they remain within the general framework of sustainable development popularly endorsed at the global level.

Summary: Visions and Strategies for Localizing Sustainable Development

Country	
Bulgaria	Bulgaria's vision for localizing sustainable development entails the strengthening of the capacities and raising awareness of regional administrations and local authorities, thus encouraging them to apply innovative SD approaches. The vision also includes communicating experiences to the national level, promoting LA21s, fostering a local participatory process, and promoting greater participation of women. The basic development strategy is to develop a bottom-up approach, demonstrating how SD principles can best be translated into concrete actions, particularly at the community level.
Estonia	As one of the first countries in the world to adopt an Act on SD, Estonia's vision for localizing sustainable development rests on promoting local community planning and Local Agenda 21 development processes, and on raising environmental and sustainable development awareness so that the principles of sustainable human development will be commonly understood. Realizing this vision entails the development of the Estonian Agenda 21 as the national long-term sustainable human development strategy for the 21st century.
Moldova	Moldova's vision for localizing sustainable development centres on fostering a participatory, multi-sectoral process to achieve the goals of Agenda 21 at the local level. It also seeks to contribute to the projection of the NCSD at the local level through the elaboration and implementation of long-term, strategic action plans that address priority local SD concerns. In order to implement SD initiatives successfully, emphasis is placed on facilitating and developing strong links between local authorities, local business communities, NGOs, professional organisations, and the general public.
Poland	Poland's vision for localizing sustainable development rests on the conception of Agenda 21 at the local level as the key instrument for bringing sustainable development into Polish life. LA21 is regarded as critically important tool for building civil society, and for the creation of a local policy of sustainable development that integrates ecological policy with economic, social and spatial policy. The establishment of a dynamic, participatory process for the implementation of SD principles with the participation of local communities in key decision-making is emphasised.
Romania	Romania's vision for localizing sustainable development rests on strengthening the capacity of the government and the public to incorporate SD principles into national and local development strategies and action plans; on raising awareness among all players of the benefits of SD; and on promoting local participatory development planning and LA21 processes. Achieving this vision requires effective vertical and horizontal communications and interaction at the local, regional and national levels in order to share results, lessons learned and best practices, and thus improve and broaden the scope of SD strategies and action plans.
Turkey	Turkey's vision for localizing sustainable development lies in strengthening decentralised local governance by ensuring that civil society participates in decision-making and influences local investment and the integration of environment and development concerns. The basic strategy centres on developing the essential tools and mechanisms to enhance the capacity of local authorities to prepare and implement local action. These are based on community participation and local "partnerships", as well as the decentralisation of local decision-making processes.

An enabling environment

The ongoing UNDP/Capacity 21 programmes have played an important role in increasing the level of political commitment to LA21 in the CEE countries. These programmes have also paved the way for the gradual development of suitable legal, institutional and financial frameworks needed for the processes leading to localizing sustainable development. Although such processes vary between and within countries, a "bottom line" enabling environment for effectively moving towards sustainable development at the national and local levels has been achieved.

National Strategies for Sustainable Development (NSSD)

Agenda 21 introduced the concept of national sustainable development strategies as a means of integrating economic, social and environmental objectives into strategically focused blueprints for action. The Programme for the Further Implementation of Agenda 21 established the target year of 2002 for all countries to have formulated national SD strategies; it simultaneously serves as the National Agenda 21. Accordingly, the development of a National Strategy for Sustainable Development (NSSD) is given high priority in the CEE region, although the nature and effectiveness of these strategies vary from country to country.

In **Bulgaria**, the drafting of the NSSD is seen as an important stage in the institutionalization and advancement of SD in the country. The existing National Plan for Economic Development and the National Plan for Regional Development are intended to serve as the basis for the elaboration of a national SD strategy. Currently, two pilot regional SD strategies have been developed and adopted in the Veliko Tarnovo and Lovech regions under the UNDP/Capacity 21 programme.

Estonia has been actively involved in the Baltic Agenda 21 process since its initiation in 1996. being the lead party in energy and tourism sectors. The national strategy was preceded by the National Environmental Strategy (NES), which was adopted by the Parliament in 1997. The country started developing its National Agenda 21 in 1997 with the support and assistance of Capacity 21. A public, non-governmental Agenda 21 ("Blue Book") was prepared by NGOs and other stakeholders in 1999. The Government launched the preparatory activities for an official Estonian Agenda 21 in July 2000.

Moldova has proceeded with the formulation of its NSSD through "Moldova 21", conducted during 1998-2000. The project focused on strengthening national capacity to coordinate and promote the Moldova 21 process, incorporating SD principles into state policy, and encouraging public participation in decision-making processes. The NSSD was finalised in 2000, and was accompanied by the first draft of an Action Plan for its implementation. The NSSD was endorsed by the Ministry of Economy, the leading agency acting on behalf of the Government, which recommended that it be submitted to the Parliament for approval.

In **Poland**, the National Environmental Policy (NEP) was adopted by the Parliament in 1991, before the Rio Conference, and was revised by the Parliament in 1995. The principles of SD delineated in the NEP are integrated into the national strategy, "Poland 2025: Long-term Sustainable Development Strategy", as the basic policy document articulating directions of environmental, social and economic development for the country. This draft document was prepared in 2001 with the support of the LA21 programme. The final document is being considered for approval by the government.

In **Romania**, the NSSD was developed through an extensive public consultation process: the final version was endorsed by the government in 1999. The consultation process encompassed participants from all categories of stakeholders, including political parties, central government organisations, trade unions, the private sector and in particular a large number of NGOs. The NSSD has a perspective of 20 years. Based upon the NSSD, the Romanian National Economic Strategy was developed for the medium term.

In **Turkey**, the development of an NSSD is still in a nascent phase. It is expected to be completed in parallel with the National Agenda 21 document, which has been in preparation for some time. However, more concrete results have been obtained in the environmental sector. The National Environmental Action Plan (NEAP) prepared through a consultative process, was endorsed by the government in 1998. Local planning, interventions, and participatory processes are expected to be the principal forces driving implementation of the NEAP goals.

National Commissions/Centres for Sustainable Development (NCSD)

National Commissions for Sustainable Development have been established in many countries in the CEE region. These commissions are often multi-stakeholder consultative or advisory bodies that promote participatory problem-solving, consensus building and implementation rather than decision-making per se.

The first country to establish such a Commission was Poland. The Polish Commission for Sustainable Development was established by the Prime Ministry in 1994. Its mission is to integrate the sectoral policies of ministries, and harmonise the relevant activities of central government agencies, academic institutions, NGOs and other stakeholders.

By adopting the Act on Sustainable Development in February 1995, Estonia became one of the first countries in the world to endorse SD as a basic national principle. Poland followed, establishing its National Centre for Sustainable Development in 1996. However, the Polish Commission only became functional after the Capacity 21 programme commenced in 1997. The membership of the NCSD was revised in 1999 to give greater representation to stakeholder groups. The NCSD continues to operate as an advisory body to the government on sustainable development in general, and on the initiation of SD legislation.

In **Bulgaria**, the NCSD was established in 1999 to coordinate the overall process of Agenda 21 implementation in the country and to ensure the sustainability of Bulgaria's development, including the consolidation of national and local SD efforts. However, the NCSD was not able to begin its substantive activities until the end of 2000. With a renewed, more balanced membership, the Commission is gradually revitalizing its crucial role of promoting a constructive national dialogue and consensus on key issues of sustainable development.

Romania embarked on a somewhat different path, adopting the innovative model of a national Centre instead of a national Commission. The National Centre for Sustainable Development (NCSD) was established in 1997 as a UNDP project and later become an independent NGO acting as a UNDP Executive Agency for SD projects. The Centre plays a significant role in promoting the concept of SD and the national strategy for its implementation, providing strict, clear rules governing the process of SD in Romania.

In **Moldova** and **Turkey**, commissions on sustainable development have not yet been established. The Government of Moldova has recently decided to delegate the responsibility for coordinating the NSSD, and in fact, the full spectrum of NCSD functions, to the National Preparatory Committee for WSSD, which was established in August 2001. Turkey lags behind somewhat, and there are no strong initiatives towards establishing a coordination mechanism for sustainable development at the national level. Inter-ministerial coordination as well as promotion of SD policies remains relatively weak at the central government level.

Local Agendas 21

In **Bulgaria**, two pilot LA21 processes were launched in the municipalities of Velingrad and Asenovgrad. These were subsequently replicated in Teteven and Svishtov. The twinning arrangements for horizontal municipal cooperation facilitated the exchange of experiences and encouraged other municipalities in the country to develop their own LA21s. Currently, the LA21 network in the country encompasses 12 municipalities. City-wide consultative mechanisms, fostering local planning processes and based upon negotiations with different sectors in the community were established, as were local commissions for SD, public forums and local working groups. The development and implementation of demonstration projects allowed for the involvement of a broad range of stakeholders in the formulation and implementation of LA21.

In **Estonia**, following the launching of the UNDP/Capacity 21 programme, a number of municipalities had outstanding success in preparing local agendas. The Kuressaare Agenda 21, approved by the City Council in July 1997, was the first, followed by Tartu in December 1998. The Town Councils have recently approved local Sustainable Development Plans in Mustvee and Kallaste. Pärnu, Valga and Narva continue to develop their LA21s. Currently, 25 out of 246 local authorities in Estonia are engaged in LA21 processes and five LA21 documents have been adopted by local

councils. It is expected that LA21 development processes in Estonia will be influenced by the municipal reforms expected to be realised in 2002.

In **Moldova**, the LA21 developed in Ungheni municipality within the framework of the Moldova 21 Project sought to raise general public awareness about SD principles and their implementation at the local level, and about building partnerships between local authorities and civil society. Based on the achievements of this project, the continuation project focuses on the expansion of the LA21 experience in the country. In this context, LA21 processes continued to be supported in Ungheni, while similar processes were launched in the municipalities of Soroca, Cahul and Orhei. Recently, Lapusna, a smaller village, has also launched its own LA21 process. Execution of the LA21 project was undertaken by the State Chancellery in order to benefit from support at the highest political level.

In **Poland**, the LA21 processes were launched in 1997 through the umbrella project. The cities engaged in SD implementation through LA21s include Warsaw, Gdansk, Radom, Elk, Slupsk, Jelenia Góra, Kamienna Góra, Chelm, Starogard Gdanski, and Tczew. Local participatory mechanisms for SD have been formed and continue to function in these cities under various names such as the Social Committee, the Environment and Development Forum, and the Ecological Council. The project facilitated, in 2000, the establishment of the Network of Polish Sustainable Cities, Towns and Districts. This network serves as a platform for exchanging information and experience between its constituents and also promotes the practical implementation of Agenda 21. The network currently encompasses 60 municipalities and districts.

In **Romania**, the LA21 project was launched to implement SD principles at the local level through the elaboration of LA21. LA21 processes were launched in nine cities from different development regions, including Baia-Mare, Galati, Giurgiu, Iasi, Miercurea-Ciuc, Oradea, Ploiesti, Ramnicu-Valcea and Targu-Mures. Local SD strategies, reflecting the objectives of local communities in the medium – and long-terms, were finalised in six of these cities. The project activities include the training of various stakeholders, encouraging cooperation among them, and ensuring the dissemination of information and best practices. The project is coordinated by the NCSD and aided by a National Steering Committee, membership of which includes stakeholders at the national level, as well as Local Steering Committees composed of the representatives of local authorities, NGOs and local stakeholders.

In **Turkey**, the LA21 processes, involving nine partner cities of different sizes and characteristics, were launched in late 1997 under the coordination of regional coalition of the International Union of Local Authorities. Interest in LA21 grew rapidly around the country and the number of partner cities had reached 23 when the project ended in l999. Built on the achievements of the first phase, the continuation project, "Implementing LA21s in Turkey" was launched in 2000. Project partners currently include 48 local authorities from all over the country, nine of them having metropolitan city status. The project was recently identified by UNDP as "one of the

most successful Capacity 21 experiences in the world", and credited for being "living proof of a concrete realisation of the principles of sustainability and good governance in local practice".

Achievements and impacts

Local authorities and other partners of ongoing UNDP/Capacity 21 programmes in the CEE region have embarked on notably different paths, employing diverse approaches and strategies to achieve the globally-endorsed goals of Agenda 21. Yet, despite the contrasting circumstances among different countries, as well as within each country, the LA21 experiences have generated abundant examples of "best practices" and practical examples of effective localised sustainable development.

Local Sustainable Development Response to Agenda 21

As virtually all evaluating reports of the past decade indicate, the overall global response to Agenda 21 has been inadequate and insufficient – this despite valuable efforts and initiatives, encouraging developments and a considerable number of "best practices" around the world.

Local sustainable development response to Agenda 21 is based upon two intertwined considerations. First, the topics Agenda 21 directly or indirectly addresses in LA21 processes depend upon, and vary in accordance with, the kaleidoscope of local conditions, priorities and needs. Second, the national policies addressing Agenda 21 (encompassing the broad spectrum of general as well as sectoral policies, including energy, transport, housing, education, tourism, agriculture, etc.) also have a significant influence at the local level, and inevitably filter into the local action planning processes.

As indicated in the previous sections, the implementation of Agenda 21 in the CEE region has been facilitated to a significant extent by the creation of suitable legal and institutional instruments. This has resulted in a notable increase in the political absorption of SD principles, and the strengthening of the enabling environment. Various aspects of local sustainable development response in the CEE Region are summarised below.

Integration

As the consultative and consensus-building processes outlined in Chapter 28 of Agenda 21, the LA21 process calls for the creation of a "sustainable community" vision, encompassing long-, medium- and short-term goals, and the subsequent preparation of local action plans. It is this collective undertaking that ensures the integration of environmental issues and concerns with social and economic objectives in developing a comprehensive sustainable development approach.

In the CEE region, the critical necessity of integrating the environmental, social and economic aspects of SD has been acknowledged by stakeholders at all levels. Widespread recognition of the inseparably intertwined relationship between these tripod pillars of sustainability has taken root – along with an awareness of the complexities inherent in this configuration.

Mr. Belin Mollov, Deputy Minister of Regional Development and Public Works in Bulgaria, commenting on the achievements of the programme, says: "I think the main success in all these activities is that we have changed the minds of many people, at the national and local levels – not only people from the institutions, but also the general public have understood what sustainable development is, and that there is no contradiction between the two words – sustainability and development."

Coupled with such growing awareness, the integration of SD principles into the plans and programmes of different sectors has been accelerated by the accession process to the European Union. Certain countries (Bulgaria, Estonia, Poland, Romania and Turkey) have been making significant progress in reforming and strengthening their respective legal and policy frameworks so that they harmonise with the entire body of European laws (the *"acquis communautaire"*). The emphasis is thus placed on utilising this potential to obtain more tangible, prompt and convincing results in terms of embedding SD into all aspects of the public policy process.

LA21 processes in the CEE region not only addressed, but also were strongly shaped by, "Social and Economic Dimensions" (chapters 2-8 of Agenda 21), with particular focus on poverty reduction, promoting sustainable human settlements, and integrating environment and development in decision-making. A matrix of pertinent issues has been integrated into local action plans and working group topics, including support to poverty schemes, empowering communities, protection of vulnerable groups, promoting sustainable land-use planning, and disaster mitigation, among other significant topics ranging from energy efficiency to improving the legal and regulatory framework for SD. Numerous diverse examples can be cited for each country. Some representative ones include: the socio-economic revival of the mountainous areas in Asenovgrad (Bulgaria); municipal projects for the creation of new job opportunities in Ungheni (Moldova); environmentally-friendly energy schemes in the power plant in Kuressaare (Estonia); integration of an SD strategy within the local development plan in Gdansk (Poland); supporting the development of SMEs in Giurgiu (Romania); and the Centre for Street Children established in Antalya (Turkey).

Addressing different topics under "Conservation and Management of Resources for Development" (chapters 9-22 of Agenda 21) reflects the basic challenge of linking environment with development concerns in the CEE region. Without exception, protecting natural resources and improving the quality of the natural environment were emphasized. Local action plans, as well as working groups and demonstration projects focused on, or at least gave consideration to, environmentally-friendly forms of transport, waste management, combating pollution, deforestation and desertification,

managing fragile ecosystems, promoting sustainable agriculture, and the conservation of biodiversity, among other things.

Participation

Section III of Agenda 21, entitled "Strengthening the Role of Major Groups" (chapters 23-32), focuses separately on women, children and youth, NGOs, local authorities, workers and trade unions, businesses and industry, and others. But, as delineated in Chapter 28, although a major group in their own right, local authorities are not to act only for themselves, but they must enable and facilitate the participation of others.

The report of the UN Secretary General on "Implementing Agenda 21" declares: "At the local level, the most successful umbrella for participation has been the LA21 initiatives… The strength of LA21 initiatives has been their multi-stakeholder approach to local decision-making, identification of priorities, finding solutions and implementation." In fact, the Local Authorities Self Assessment of the Local Agenda 21 Survey (2001) conducted by ICLEI confirmed that the primary aspect of local sustainable development in the CEE region was the emphasis on "participation". Effective methods of involving stakeholders were also recognised as the most innovative aspect of LA21 processes in the region.

In all countries in the CEE region, initiatives aimed at localizing sustainable development are firmly based upon community participation, and vigorously seek the involvement of the full spectrum of local stakeholders in the decision-making, implementation and monitoring processes. To this end, city-wide participatory platforms were established, bringing together the representatives of different stakeholders, including local authorities, local public institutions, professional chambers, academic institutions, private sector organisations, trade unions, NGOs, and others. These platforms, as well as working groups, local committees, neighborhood councils, women's and youth groups, and other participatory mechanisms, embraced a spectrum of citizens participating as enthusiastic and committed volunteers. Different ages, genders, professions, languages, political attitudes, religions, and ethnic, social and cultural backgrounds were represented. Local consultative platforms encompassing the municipality, local businesses, media, NGOs, and other stakeholders were established in LA21 cities in Bulgaria and Romania. Youth Parliaments function in LA21 cities in Moldova, and working groups bring together different stakeholders in LA21 cities in Estonia and Poland. So far, city councils established in LA21 cities in Turkey have provided few examples of participatory processes and mechanisms. In all cases, however, it is clear that diverse pools of participants enrich the consultation process and make possible the presentation and discussion (if not always the endorsement) of a wide range of views and interests.

There is a consensus across the CEE region regarding the crucial role of local authorities in moving towards SD and promoting local participatory processes. There is a tendency to regard local authorities as a "facilitating group" rather than an entity that

plays a leading role in local participatory processes. In the early stages of the LA21 processes, local authorities were often mistrusted, since it was feared that they would use the participatory platform to serve their own interests at the expense of the interests of others. In general, this concern has been replaced by a fruitful collaborative relationship among different stakeholders, including the local authorities, viewing them all as "essential partners". As Ms. Margareta Petruseveshi, UNDP-Moldova, remarked, "There was a wall between the civil society and the local authorities. In the past, there were many cases when they met and everybody was bringing a brick to this wall. Now, everybody who meets takes out a brick from this wall in order to break down this lack of communication."

Information and networking

Section IV of Agenda 21, entitled "Means of Implementation" (chapters 33-40), focuses both on financial resources and mechanisms and on capacity-building, education, public awareness and training, and information for decision-making. This whole scheme is an integral and indispensable aspect of all local sustainable development programmes supported by UNDP/Capacity 21 in the CEE region.

In the CEE region as elsewhere, new technologies — especially the Internet — are revolutionizing the ways in which information flows, permitting more decentralised and locally adapted forms of information management and expanding the scope of public participation in decision-making. With increasing opportunities for networking and information sharing among major groups, the desire of different groups of stakeholders and citizens to participate actively in decision-making have also increased.

One of the outstanding achievements of the LA21 processes common to all of the CEE countries has been the establishment and strengthening of extensive information networks. These serve as effective channels for disseminating sustainable development principles and promoting LA21s. The expanding LA21 Network in Bulgaria, the Sustainable Estonia Network, the Network of Polish Sustainable Cities, Towns and Districts, the Sustainable Development Network in Romania, and the LA21 Information & Communication Network in Turkey constitute a powerful response to this crucial aspect of Agenda 21.

Apart from the Internet, effective information sharing still depends on traditional vehicles such as handbooks, manuals, newsletters, brochures and other informational and promotional material. Among many striking examples are the three manuals on sustainable development lessons created for Bulgarian primary, secondary and high school public school teachers, as well as a manual on preparing LA21s. A similar LA21 handbook was published in Estonia, along with a Sustainable Development Dictionary. Moldova followed the regional trend with a Guide on LA21, coupled with training booklets. In Poland, separate manuals were prepared for Agenda 21 and LA21. In Romania, LA21 City Brochures were prepared for each of the pilot municipalities. In Turkey, numerous SD publications include an LA21 Manual and sets of newsletters published by project partner cities.

Although a novel method of collaboration, the pilot demonstration programmes twinning LA21 cities within a specific country have proved to be a very effective means of exchanging experience and learning from each other. Such twinning arrangements are increasing in the region as a result of the outstanding success of the pilot examples. The pioneering examples include the twinning arrangements between a number of LA21 cities in Bulgaria and Turkey.

The benefits of these fruitful collaborations are shared through periodic or ad hoc meetings, joint projects, site visits, joint events such as exhibitions and fairs, and the exchange of personnel information and experience. In Estonia, for example, the innovative method of "round-analyses" provides an opportunity for representatives from an LA21 group to come and interview their counterparts in another community. Such mutual exchanges between stakeholders in different communities enhance the motivation and commitment of the participants, while offering a touch of constructive competitiveness.

Outreach between neighboring countries in the CEE region, and beyond, is also rapidly increasing. Twinning arrangements were launched between LA21 cities in Romania and cities in Bulgaria and Moldova. Turkey is taking steps to establish twinning arrangements with local authorities in these same countries. Estonia has developed joint programmes relating to Agenda 21 with other Baltic countries, and Poland is collaborating with a number of Swedish local authorities with regard to developing and implementing LA21s.

Local sustainable development response to the UN Millennium Declaration

The general evaluation of LA21 initiatives indicates that recognition of the over-arching importance of sustainable development as a means of achieving the Millennium Goals has already taken firm root in the CEE region. The channeling of this recognition into practical implementation of SD at the local level, in line with the region's response to Agenda 21, has reflected the goals of the UN Millennium Declaration in important ways, with a particular emphasis upon poverty reduction (Chapter 3), protecting the environment (Chapter 4), and enhancing democracy and good governance (Chapter 5).

In terms of addressing Agenda 21 and the UN Millennium Development Goals, short-term projects designed to demonstrate the viability of local sustainable development have been the "visible hand" of LA21. Capacity 21 Global Evaluation reports attest that the demonstration projects launched and implemented in the CEE region within the context of LA21 processes have proved to be highly effective instruments for translating the concept and principles of SD into concrete actions. In addition to their immediate benefits, the demonstration projects have had a multiplying effect, and appear to have played a key role in raising public awareness about SD. These projects have also made a significant contribution to building the capacities of local authorities and community groups to prepare and implement integrated action plans.

Development and poverty eradication

LA21 processes in the CEE region approach the critical issue of poverty reduction as a cross-cutting theme. It is marked by an emphasis on combating inequity and social insecurity. The involvement of all sectors of the community has been the indispensable tool and common denominator in addressing these priority issues. In virtually all cases, local participatory platforms have focused on the different facets of the poverty issue through concrete projects designed to create new job opportunities, reduce unemployment, help insert and integrate older people into the market economy, improve health conditions, tackle social exclusion issues, etc. Meeting the needs of vulnerable groups adversely affected by structural adjustment programmes in the CEE region has been an anti-poverty priority. An important aspect of these initiatives has been their sensitivity to the sensibilities of the target groups.

The poverty alleviation goals of the Millennium Declaration call for the creation of partnerships with the private sector in pursuit of development and poverty eradication. Overall, CEE region achievements in this respect have been quite limited. However, there have been some notable successes. An outstanding example is the Business and Information Centre in Velingrad, Bulgaria, which was established as a demonstration project within the context of the LA21 process in the city. The Centre functions like a beehive to meet the growing demand for information and capacity building in business planning and marketing from small – and medium-sized local enterprises. It is also involved in promoting tourism and sustainable agriculture, and it organizes seminars, exhibits and trade shows.

The MilIennium Declaration places a very high priority on promoting gender equality and the empowerment of women as components of development that is truly sustainable. Impressive achievements have been made in this area throughout the CEE region. All LA21 programmes in the region include elements designed to facilitate the involvement of women in decision-making processes and to encourage their participation in all aspects of local governance. Indeed, in all of the CEE countries, women are the driving force in LA21 processes, actively taking part in coordination mechanisms at all levels, as well as in local participatory platforms.

There has also been remarkable success in facilitating the involvement of the youth component in participatory processes, as well as in addressing the need to provide employment opportunities for youth. Bulgaria has established an innovative programme for incorporating SD principles into the public school curricula. Youth Parliaments are functional in LA21 cities in Moldova, and youth groups play a major role in all LA21 cities in Romania. In Turkey, LA21 provided a suitable legal and institutional framework for youth activities both in the relatively developed, but also in less developed, parts of the country. Under the coordination of the Youth for Habitat-Turkey, Youth Councils and Youth Centres were established in over 40 LA21 cities. Its coordinator, Mr. Sezai Hazir, countered skepticism among elders by quoting a new slogan of young Turkish citizens: “We are not only the leaders of tomorrow, but the partners of today!”

Protecting our common environment

Chapter IV of the UN Millennium Declaration asserts: "We reaffirm our support for the principles of sustainable development, including those set out in Agenda 21, agreed upon at the UN Conference on Environment and Development." The establishment of this crucial link between Agenda 21 and the Millennium Declaration reflects the importance of the environment and its preservation in relation to Agenda 21.

Pursuant to the overall response of the CEE region to Agenda 21, national environmental strategies and action plans in the CEE countries were developed and endorsed as part of the supportive framework for localizing sustainable development. Combating environmental degradation in the region continues to pose enormous challenges, particularly since resources for environmental protection are extremely limited. Despite the relatively advanced status of pertinent environmental legislation, the weakness of mechanisms for imposing environmental regulations in the region complicates the situation.

Nevertheless, the addressing of environmental issues and concerns at the local level has been noteworthy in the CEE region. Concrete steps have been taken in all LA21 processes and action plans to establish firm linkages between the environment and development. There are examples of strong, effective action all over the region. In the Bulgarian cities of Velingrad and Asenovgrad, programmes were developed for the protection and sustainable utilisation of rich forests, mineral waters, fertile land and other natural assets. With a strong national emphasis upon the environment, Estonia especially has been successful implementing integrated planning in the energy and forestry sectors: SD projects in Hiiumaaa and Ida-Viru Counties are notable. In Moldova, the LA21 processes, which are outstanding in Ungheni municipality, continue to address a range of pressing environmental issues, and to develop priority projects relating to the protection of the environment. In Poland, many local authorities prepared their local action plans with an environmental focus aimed at generating practical case studies of local environmental management. In Romania, the collective focus on the protection of the Danube Delta and combating pollution in the Black Sea is magnified by the LA21 network. Giurgiu municipality has played a prominent role in addressing environmental issues ranging from the reduction of greenhouse gas emissions to ecological waste collection systems in schools. In Turkey, demonstration projects relating to wetlands, air pollution, biodiversity, solid waste management and other issues were implemented all over the country.

The Millennium Declaration also addresses the issue of mitigating the effects of disasters. The LA21 project in Turkey provides a notable example of activity in this area. A sub-project, "Local Capacity-Building for Disaster Prevention and Preparedness" was launched in September 2001 under the umbrella of LA21. It is designed to increase public awareness and local-level capacities for risk reduction and preparedness in earthquake-prone localities.

Human rights, democracy and good governance

As in many other parts of the world, LA21 processes in the CEE region have been instrumental in encouraging the enhancement of good governance. These activities are built on the belief that peace, respect for human rights, democracy and the rule of law are integral to sustainable development. LA21 has proved to be an innovative and effective strategic tool for promoting broad-based public participation, establishing partnerships between local authorities and major groups, and accelerating decentralised decision-making. It has also empowered local stakeholders and citizens to contribute to, and influence, the present and future development of their communities.

An underlying factor behind the success of the LA21 processes in general is the widespread recognition that good governance can contribute to better sustainable planning and action at the local level. This being the case, it is not surprising that, according to the evaluation reports, the limited number of unsuccessful LA21 processes had both an inadequate emphasis on SD and a reluctance on the part of local authorities to be accountable to participatory mechanisms. They were also marked by an inadequate involvement of major groups and citizens in local decision-making processes, and by inadequate transparency in local governance processes.

These few exceptional cases notwithstanding, all countries in the region experienced remarkable progress and achievements in fostering public participation and partnerships at the local level. All stakeholders were involved, and sincere efforts were made to increase transparency and accountability in local governance. Overall in the CEE region, there has been an emphasis on democratic principles and good governance as the basic means of effectively addressing all of the important elements and dictates of the UN Millennium Declaration.As Ms. Margareta Petrusevschi, UNDP-Moldova, recapitulates the global quest for sustainability in a single sentence: "All Millennium Goals are here, in the Local Agenda 21!"

Challenges and opportunities

Although nearly a decade has elapsed since the launching of LA21 in Rio, in the CEE region, LA21 activities have occurred only during the past five years. As noted, remarkable achievements in the region have been made in the past few years in localizing sustainable development through LA21 programmes.

It is recognised, however, that progress to date comprises only the first steps in the long, difficult route to sustainability. Nevertheless, a number of areas can be highlighted in an effort to identify the next steps to be taken in building on accumulated knowledge and experience and on expanding and strengthening the work and processes leading to lasting, deep-rooted localised sustainable development.

As a global lesson with a local touch, **ownership** has been the key to success. The lack of ownership that had led to failures and disillusionment in many projects around the

world is virtually unknown in the CEE region. In these countries, ownership of UNDP/Capacity 21 projects is very strong, and it has been accompanied by a strong commitment on the part of both the implementing agencies and beneficiaries in undertaking challenging tasks.

Political commitment to SD: The governments of the CEE countries have made basic commitments to the global principles and documents of sustainable development, but dedication to the concept and requirement of sustainability have not yet fully filtered through to national legislative and institutional entities. Although significant steps have been taken to persuade national legislatures to support SD principles, considerable room for improvement remains. As part of the national preparations for the WSSD, many strategic documents developed without a real process of multi-stakeholder involvement and participation are being revised through invigorated participatory processes. The momentum created by the WSSD provides a unique opportunity to augment the political commitment to SD in the CEE region through improvement of the legal framework in which local participatory processes are conducted, and through the opening up of new channels of financial support.

European Union integration process: One of the major challenges faced by the countries in the CEE region is the ongoing harmonisation efforts associated with the European Union integration process. Practically all policies, strategies, legislation and, often, attitudes, are being reviewed in accordance with the requirements of EU accession. This is a daunting process, but in line with the EU's strong emphasis on sustainable development, magnified by the priority placed on decentralisation and the principle of subsidiarity, this challenge also provides an unprecedented opportunity in terms of promoting Agenda 21 and supporting the LA21 movement as a basic strategic tool in realizing the national vision of EU accession. As was observed during the Regional Ministerial Meeting for the WSSD held in Geneva in 2001, "the EU enlargement process allowed the adherence countries to leapfrog in their progress towards sustainable development."

Internalization of LA21: At the local level, even the presence of a core group of dedicated persons in virtually every concerned local authority has not always been sufficient to overcome the widespread ignorance of sustainable development principles among municipal staff. Often continuing to view LA21 in a sympathetic yet distant manner, the municipal cadres engaged in LA21 processes have still not adequately internalised their crucial role in localizing sustainable development. Citizens themselves are not always entirely convinced that practical implementation of SD through LA21 processes can successfully address their priority issues, in particular poverty reduction. Thus, concrete links between the rather abstract principles of SD and the everyday life of communities need to be strengthened, coupled with the conceptualisation of LA21 as a mainstream process that penetrates and embraces all aspects of local governance.

Involvement of the private sector: In virtually all venues, the level of interest and

involvement of the private sector in LA21 activities has been notably low. There are a few cases around the CEE region that could be regarded as marginally successful public-private partnerships, but in general, the private sector's role has been confined to sponsorship rather than partnership. The latter, of course, requires a shared vision and goals, division of tasks, assumption of responsibilities, combining human, material and financial resources, and providing mutual support. In the context of public-private unions, these are not things that are familiar or come easily to the private sector. However, raising global awareness about the "social responsibility" of the private sector, together with the vast opportunities provided by the EU integration process, presents a huge potential for developing public-private partnerships and for promoting the active involvement of the private sector in LA21 processes.

Involvement of the media: The national press and media in the CEE countries (Estonia excepted) have little interest in sustainable development and related global agendas, including the UN Millennium Declaration. This is a major handicap for all the countries in the region, although less so for Estonia, which has had considerable success in promoting media coverage through media workshops about SD, LA21, and related topics. New initiatives are required to increase general awareness on the part of the media about SD principles in general and about local sustainable development in particular. It is widely believed that great benefits and opportunities would accrue to the cause of SD if the media could be enlisted not only as supporters, but also as essential partners in the process. The WSSD provides a unique opportunity to strengthen this, one of the weakest links in the LA21 processes.

Use of lessons learned: Obviously, lessons learned during the implementation of SD and LA21 programmes and projects in the CEE region and elsewhere are invaluable for improving future efforts, especially when they are systematically grouped, readily accessible, and, perhaps most important, recognised as being important and useful. One of the noteworthy challenges in this respect is to avoid duplication, since, because of inadequate information management and other factors, many of these lessons (arising from both mistakes and successes) are "learned over and over again" in the region, if not within each country. Thus, a special focus is required to ensure that lessons learned, best practices and other forms of accumulated experience and knowledge about localizing sustainable development are appropriately "elevated" to influence and integrated into national policies, as well as more effectively shared among the countries in the region.

Sustainability of LA21: Despite the increasing level of participation in local consultative mechanisms and the endorsement of LA21 by a broad spectrum of stakeholders, it would be unrealistic to believe that the sustainability of the LA21 processes has itself been secured in the CEE region. In a significant number of locations in virtually all CEE countries, the future of LA21 initiatives continues to remain "between the lips" of the mayors and key decision-makers. Notwithstanding the presence of some genuine political and institutional support, it is imperative to ensure adequate and timely mobilization of domestic and international resources to sustain the

momentum of ongoing processes. The development of an appropriate institutional, financial and subsequently legal framework is essential to augment and i*nstitutionalise* the crucial role of LA21 as the primary tool for localising sustainable development.

Ownership revisited: The persistent and frustrating challenges to localizing sustainable development have not prevented LA21 from gaining a stronghold in the CEE countries and enhancing credibility and popular support. The impressive achievements associated with LA21s are the labourious product of a strong base of commitment and voluntarism, ranging from a handful of key, respected, influential persons at the national and local levels acting as the "champions" of SD to the countless unsung "heroes/heroines" engaged in local participatory processes.

The biggest challenge for LA21 initiatives in the years ahead will be to maintain the remarkable momentum gained in the CEE region within such a short time frame, and to continue to elevate the collective efforts at the national and local levels to move towards secure, equitable and sustainable communities.

The way ahead

"We had a decade of learning and analysis that has resulted in a greater understanding of sustainable development. We have agreed on visions and goals for sustainable development. Now, we need to proceed from agenda to action."

Dialogue Paper by Local Authorities for WSSD.

UNDP/Capacity 21 programmes in the CEE region, many of them in their second phase, have generally exceeded initial expectations, with intended goals realised and tasks satisfactorily executed. All current UNDP/Capacity 21 programmes supporting local SD in the region also seek to ensure the sustainability as well as the institutionalisation of LA21 processes prior to the termination of the programmes. Thus, it could be argued that continued UNDP support for these programmes would reflect a "failure" in respect to their own sustainability.

There are, however, powerful arguments favouring not only continued UNDP support, but also the expansion of such programmes in the CEE region. These programmes opened new paths to sustainable development and identified future actions which would probably be the focus of renewed and expanded programmes in subsequent phases. The new initiatives would not start from scratch, as did the first wave of the UNDP/Capacity 21 programmes, but would be built on existing achievements, and they would be supported by the experience and knowledge accumulated about localizing sustainable development in the current programmes. Clearly, follow-up initiatives should seek to reinforce and magnify the impact of current programmes.

Capacity 2015 Platform: As a follow-up to the Capacity 21 Programme, UNDP is seeking global endorsement, partners and support for a new *Capacity 2015* Platform which was launched during the Final Preparatory Committee (meeting) for WSSD in Bali, Indonesia in June 2002 (see the article in this Journal). *Capacity 2015* will build on the success of Capacity 21 and other innovative capacity-development programmes. The objective of *Capacity 2015* is to continue developing the capacities of developing countries and countries in transition to meet their SD goals under Agenda 21 and the Millennium Development Goals. The name *Capacity 2015* reflects this link with the Millennium Development Goals and the global commitment to results by the year 2015 that they represent. *Capacity 2015* will orient and support a number of key capacity development initiatives, including: developing capacities for local sustainable development; generating sustainable development strategies; local capacity development for multilateral environmental agreements; and developing capacities to reduce vulnerability to natural disasters in small island states. Operating globally and nationally, *Capacity 2015* will help developing and transition countries ensure coordination, mutual support, and maximum synergies among partners' capacity-development efforts. The global community needs to recognize and build upon the successes of the many local-level sustainable development initiatives executed in the past decade. While local groups and governments cannot do everything on their own – and *Capacity 2015* will not focus solely on the local level – sustainable development in coming years will be determined first and foremost by progress at the local level. It is at this level that real improvements in managing water, energy, and biological resources, or in delivering health services and proper sanitation, must occur. Local actors will require national and global support to develop the capacities they need to make these things happen.

The anticipated impacts of the *Capacity 2015* initiative include:

- Accelerated implementation of Agenda 21 in developing countries and countries in transition in concert with accelerated progress toward realizing Millennium Development Goals;
- Review and revision of national and local policies and legislation, eliminating bottlenecks and ensuring strong and consistent incentives for local sustainable development;
- Development of local and national capacities (human, institutional, and societal) will continue, with an emphasis on sustainable development, including poverty alleviation, in local communities;
- The formation of learning networks to support civic engagement and responsible local leadership;
- The establishment of strong, accessible information and communications systems, thus helping communities to participate in decisions governing their involvement in the global economy;
- The creation of broad participatory platforms for designing, implementing and monitoring strategies, plans and other planning instruments;

- Resource mobilisation campaigns to help communities overcome marginalisation and other barriers to competing successfully in a globalized world;
- The creation of functional partnerships and networks involving communities with national, regional and international partners and supporting local capacity-building for sustainable development, including poverty reduction.

Capacity 2015 has been conceived as a broad "platform". The foundations of the platform are the principles, experience and good practices that have been developed over the last ten years by Capacity 21 and other capacity development initiatives.

For Capacity 2015 to be effective:

- Local and national actors need to achieve ownership, defining their own needs and implementing their own solutions;
- Capacity development must be approached as an ongoing process of transformation;
- Urgent short-term poverty concerns and longer-term sustainability issues cannot be effectively addressed in isolation from one another; they require carefully-integrated responses;
- Civic engagement and sound participatory processes must be key elements in the design, implementation and monitoring of social, economic, and environmental policies and practices;
- The overall approach should be universal but flexible, allowing for different emphases in response to varying sustainable development priorities among different communities and countries;
- Work should be conducted through partnerships and strategic alliances, emphasizing the key role of networking in knowledge acquisition;
- Capacity development must include the development of the necessary enabling environments at all levels;
- Existing capacities need to be developed, not replaced;
- Cultural identities and values need to be recognized and respected.

The platform will almost certainly include partnerships, networks, funding, and co-operation among local capacity development programmes with complementary skills. Capacity 21 has been extremely effective in establishing partnerships in capacity development and networks of individuals and institutions. When these are linked to sources of funding, a powerful instrument for capacity development will be created. A central feature of Capacity 2015 will be countries, institutions and individuals learning together and sharing knowledge through a dedicated learning network. This will ensure that lessons learned in one place will be rapidly shared and used, and that anyone will be able to develop strategies and plans drawing on a universe of experience. The learning network will build on and extend UNDP's knowledge network and its global network of policy advisors.

In Europe and the CIS, UNDP has experience in: 1) assisting local stakeholders in developing and implementing Local Agenda 21; 2) assessing and building the capac-

ities of local governments; 3) preparing appropriate development strategies, taking into account all socio-economic factors. Thus, UNDP is well positioned to integrate these three critical elements into comprehensive local sustainable development strategies. However, to date, little has been done to produce a comprehensive methodological approach to creating viable local development strategies based on existing capacities and legal/institutional frameworks — although, to be sure, elements of such an approach have been successfully tested in various contexts.

The transferability of approaches to building local sustainable development strategies is being tested, and an initial assessment of conditions for transferability can already be made. As part of the preparation of Capacity 2015 and UNDP's new regional programmes for Europe and the CIS, there is a plan to assess ongoing initiatives with a view to drawing up methodological and policy guidelines for improving the impact and sustainability of local development strategies. This work will be based on the experience gained in Southern and Eastern Europe (Turkey, Bulgaria, Romania, Moldova) and in the Central European and Baltic States (Poland, Estonia, Lithuania, Slovakia). It will focus on the main lessons learned in creating local development strategies through participatory methods, and will propose a modular approach using hands-on experience from CEE countries.

The great expertise already available in Central and Eastern Europe should be later used to *continuously improve existing initiatives and programmes* in the countries cited above. In this context, it would be appropriate to establish pilot initiatives to test the *transferability and viability* of various approaches in a diverse range of situations. Such initiatives would help "fine-tune" the development of individualised participatory approaches to local sustainable development in Balkan countries and the countries of the Eastern and Southern CIS (especially the Caucasus and Central Asia).

Resource mobilization: Although Capacity 2015 should be able to provide limited support for the continuation and expansion of local sustainable development and related initiatives in the CEE region, it is not realistic to expect that resources required to support the LA21 initiatives will be available for a protracted period. Clearly, at this stage, few if any LA21 initiatives in the region are in a position to survive without outside support. Therefore, the long-term goal must be to enable initiatives for localizing sustainable development to operate on *a self-sustained, self-supporting and self-financing basis,* relying mainly on domestic funding. The combined, cumulative impact of local initiatives at the national level and the creation of enabling policies and legal frameworks appear to be key factors in achieving programme self-sustainability.

In the past few years, numerous donors have provided financial support to the countries in the CEE region for projects that, often, parallel (and sometimes compete with) UNDP/Capacity 21 projects. Examples include support in many countries by the US Agency for International Development (USAID), the Dutch programme MATRA, the "Healthy Cities" Programme of the World Health organization (WHO), and other programmes supported by the governments of Canada, the U.K.,Switzerland

and others. UNDP could play a critical role in this arena, ensuring that international, multi-lateral and bilateral development and finance institutions operating in the CEE region are adequately informed about the full spectrum of ongoing programmes. Collaborating with UNDP during the design of their programmes and projects, and launching them in partnership with UNDP initiatives to create a synergy and a mutually supportive framework could yield huge benefits financially, and in human terms.

A common, mutually-supportive vision, strategy and implementation framework for localizing sustainable development in the CEE region needs to be firmly based upon inviolate links between Agenda 21, the Millennium Development Goals and the integration process with the EU. It is imperative that interaction between ongoing and future UNDP initiatives with EU programmes and priorities be strengthened. Special efforts should made to promote a better understanding and appreciation of the crucial role of LA21 in the EU accession process, not only by the countries involved in the accession process, but also by the EU itself.

Future implementation of Agenda 21 and Millennium Declaration Goals:

UNDP/Capacity 21 provides multi-faceted support to the countries in the CEE region by conducting their formal national consultations and assessments for WSSD. This activity includes preparing country reports incorporating recommendations on how to follow up Agenda 21 implementation after WSSD. Effective monitoring of the application of these recommendations would provide significant benefits in terms of the future implementation of Agenda 21 and the UN Millennium Development Goals in the region. The monitoring process should include a commitment on the part of the countries involved to establish concrete working linkages between the plans, programmes, and budgetary priorities of concerned central government agencies and local sustainable development initiatives.

Activities aimed at localizing sustainable development in the CEE region have emphasized the importance of generating a holistic and integrated approach to development. Future localizing of SD initiatives, both in continuation projects as well as in new projects, should be encouraged to form explicit links with the UN Millennium Development Goals, especially those relating to poverty reduction. Furthermore, in future programs, effective indicators for measuring progress towards localizing sustainable development, particularly in the context of the Millennium Goals, must be devised.

Remarkable progress has been made in a short time toward localizing sustainable development in the CEE region. With adequate support, efforts in this endeavour will surely continue to yield important dividends. But the reality is that regardless of the potential for mobilizing substantial resources in the near term, the financial resources allocated in support of SD in the region over the long term are likely to be limited. However, the financial aspects notwithstanding, the immense human capacity in the

CEE countries can be further mobilised to more effectively develop and implement practical SD strategies.

Indeed, reflecting Capacity 21's new global mission, the primary emphasis in the CEE region will lie in developing capacities at the community level. The future implementation of Agenda 21 and the UN Millennium Development Goals in the region thus should be based upon "an integrated and participatory approach that nurtures the well-being of individuals, families, communities and society and encourages and empowers people to take ownership of the processes and decisions that affect them." (Declaration of UNDP WSSD Roundtable on Capacity Development, Bolivia, March 2002.)

"The challenge remains to extend the experience gained in developing LA21 activities throughout the (CEE) region." (Regional Ministerial Meeting for the WSSD, Geneva, in 2001.)

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Capacity 2015: Building on Lessons and Successes

The Millennium Development Goals adopted by the United Nations General Assembly in 2000, define specific targets and timetables for reducing poverty by one half by 2015. They also call for launching the implementation of national development strategies by 2005 and for the reversal of the deterioration of local and global environmental resources by 2015, highlighting the ways in which environmental objectives can and should be pursued in the broader context of sustainable development. This paper summarises the new UNDP platform for capacity development, Capacity 2015, based on the principle: "Scan globally, reinvent locally." This approach encompasses the recent rise of formal and informal networks in almost all areas of life that allows countless organisations and millions of individuals to share ideas, information and knowledge.

Such networking offers a striking alternative to the old model of one-way North-South information flows. It also permits innovation in donor-recipient relationships, such as pooling technical cooperation funds and fostering sustainable development forums among southern countries. Building on the most successful capacity development experiences of the past decade, the Capacity 2015 mechanism ensures a kind of partnership in which donor and recipient countries, foundations, non-governmental and private sector organisations can cooperate, making efficient use of scarce resources. As the paper also indicates, the biggest obstacle to innovations of this kind is likely to be our old assumptions, notably about capacity development and knowledge. The time has come for all stakeholders to experiment with such new approaches and to seize the new opportunities of the network age.

The Capacity 2015 Platform

Capacity 2015 will be a global platform supporting a range of different types of capacity development for sustainable development. In the jargon of WSSD, the Capacity 2015 platform is a "Type 1 initiative", endorsed and supported by the global community. It will orient and support a number of "Type 2 initiatives", ensuring effective co-ordination, mutual support and maximum synergies among them. Its overall goal is to develop capacities needed by developing countries and countries in transition to meet their sustainable development goals under Agenda 21 and the Millennium Development Goals. The approach of Capacity 2015 and the programmes it supports will reflect the capacity development paradigm that has emerged from recent global experience (summarised in Table 1 below and described in more detail in section III). It will build especially on the most successful capacity development experiences of UNDP and of many others during the past decade.

Capacity 2015 will be a global mechanism administered by UNDP, funded by a range of donor organisations and supporting several key areas of capacity development for

sustainable development. The mechanism will ensure a truly global partnership where donor and recipient countries, and important new players who fit neither mould – global foundations, non-government and private sector organisations – will co-operate, taking advantage of new technologies and new approaches to provide innovative types of support to developing and transition countries.

This new approach can best be summed up by outlining recent changes in thinking about capacity. The traditional view, **capacity-building**, stemmed from an "engineering" approach, characterised by top-down flow based on blueprints and implemented hierarchically. By contrast, the emerging view, **capacity development**, grows out of a holistic, organic approach that emphasises bottom-up development with no predetermined blueprint and a non-hierarchical network model of resolving problems. **Capacity-building** focussed on

- institution-building;
- "getting the pieces right"; and
- the transfer of information.

Capacity development substitutes for these characteristics

- a focus on ownership;
- "getting the approach right"; and
- the acquisition of knowledge.

Whereas **capacity-building** concentrated primarily on government and the public sector, **capacity development** encompasses the whole of a society; although it necessarily includes the public sector, it is multi-stakeholder in nature, drawing civil society and private sector organisations into the planning, design, and implementation of programmes.

In the same vein, while **capacity-building** entails a North –to-South flow of expertise and knowledge, **capacity development** stresses global networking, with South-South, South-North, and North-South interchange. Finally, while **capacity-building** is based on

- short-term projects
- with little attention to either longer-term retention or the loss of capacities developed,

capacity development has

- a programmatic orientation geared to the medium- and long-term
- with particular accent on the maintenance and expansion of knowledge and the nurturing of the capacities developed.

The idea for Capacity 2015 stems from the past decade of global experience and has been validated in consultations during the WSSD process. The Capacity 2015 platform should be administered by UNDP for essentially the same reasons that the Capacity 21 pilot initiative was administered by UNDP - because UNDP plays a unique dual role as a global development agency and an organisation that represents

developing countries. UNDP also needs to play a central role because of its institutional presence. in virtually all developing and transition countries. This will allow UNDP to support national Capacity 2015 platforms in all countries that want and need one. National Capacity 2015 platforms, supported by the global platform, are needed to ensure that each country can lead its own unique capacity development partnership and that its partners will focus their support on real local and national sustainable development priorities. All national Capacity 2015 platforms will share the same principles of partnership in support of sustainable development. But the configuration of each national platform will be unique, reflecting unique demands in each country and different national and local realities, priorities, constraints and opportunities. Some donors and other partners may be most comfortable supporting only the global platform. Some may prefer to channel their support directly through a number of national platforms. Some may choose to support only certain initiatives, such as capacity development for local sustainable development or national strategies for sustainable development. Others will prefer to give recipient countries more flexibility in allocating resources in response to national and local sustainable development priorities.

Building on lessons and successes

Capacity 2015 will draw on and build upon the experience of many innovative capacity development initiatives, including UNDP's Capacity 21, the Global Environmental Facility (GEF) Small Grants Programme, the Africa 2000 Network, the Public Private Partnerships for the Urban Environment (PPPUE) and Local Initiatives for the Environment (LIFE).

Capacity 21, launched immediately after the Earth Summit in 1992, designed to fulfill UNDP's capacity-building mandate in Agenda 21, was a trust fund that enabled developing and transition countries to develop their capacities to implement Agenda 21; it helped some 75 developing countries and countries in transition to define their own sustainable development priorities and to define their own plans and programmes for addressing these priorities. Capacity 21 also helped many of these countries with pilot-level initiatives to begin implementing their sustainable development plans and programmes and with mobilising the resources needed for larger-scale implementation. In the past five years especially, many countries have focused their efforts on local, community level sustainable development initiatives, deliberately linking these with the development of national policies. An independent global evaluation of Capacity 21 in 2001 recommended the launch of a broad new capacity development platform – "Capacity 2015" – to assist developing and transition countries in meeting the sustainable development challenges of the 21st century.

Another assessment was conducted by leaders from government, non-government, private and academic organisations in all regions where UNDP operates (Binger et al, 2002). An Asian team of specialists reviewed experiences with civil society participation in sustainable development planning in four Asian countries (Dixit et al, 2002).

An Eastern European study analysed the positive and negative interactions between their region's rapid socio-economic transition, sustainable development efforts and national Capacity 21 programmes (Cherp et al, 2002). A network of Latin American specialists described their region's lessons and experiences in using support from Capacity 21 to move away from development projects towards development processes (Red Humana de Agenda 21 – LA, 2002). Finally, a joint global review by UNDP GEF and Capacity 21 programmes around the world looked at their experiences and lessons in applying more participatory monitoring and evaluation processes as means of enhancing ownership, learning and overall quality control in national projects (Stewart, Krause and Stock, 2002).

Lessons learned from strengths and weaknesses

The global evaluation summarised the following key elements or strengths of the Capacity 21 pilot that should be maintained or strengthened in any future programme.

- A responsive or "demand-driven" approach;
- National programmes that reflect the local, national or regional cultural character;
- Balance between longer-term processes on the one hand and shorter-term outputs and products on the other hand, recognising the critical nature of both in building capacities for sustainable development;
- Inclusion of demonstration projects to translate the concept of sustainable devel opment into concrete reality and address the highest development priorities of communities;
- Complementary work at local and national levels and ensuring effective linkages between them, ensuring effective interaction between communities and national institutions and agencies;
- Stakeholders and beneficiaries of national programmes with real ownership of the design, the implementation and the results of their national programmes;
- Trust-building at all levels to ensure stakeholders' effective involvement in planning and implementation;
- A critical role played by participatory monitoring and learning, ensuring participants can learn from each other, recognising failure as an integral part of implementation and necessary for learning;
- Champions – respected, committed, influential individuals at the national and local levels – who actively support and promote the cause of sustainable development;
- Sufficient time and resources allowed for effective, genuine participatory processes;
- Flexibility during programme implementation to allow for adaptation to changing needs and emerging opportunities and challenges;
- Resources leveraged through innovative institutional and financial arrangements to ensure longer-term sustainability of programme activities;
- Local-to-local dialogues promoted to help build capacities and set development agendas; and

- Cost-efficient capacity development approaches such as "cascading" systems of capacity-building that train trainers to train trainers and so on, and effective use of ICT.

While Capacity 21 had successes overall, the key weaknesses of national Capacity 21 programmes have also informed the design proposed for the Capacity 2015 platform. Future support to capacity development in most countries, for example, must include more effective support for the economic dimension of sustainable development. Sound environmental management and social policies are necessary but not sufficient; they cannot survive without effective long-term economic support. And sustainable development needs to be clearly recognised as the only valid form of development that any country should pursue, not as a subset of a broader development agenda – not simply as a euphemism for sound environmental management, for example. Finally, innovative local sustainable development initiatives are critical, but these must be effectively linked with the national level. This link is critical for ensuring local actors are able to influence the evolution of national policies and programmes that will give them the long-term support they need.

Other key improvements or changes called for by the recent global evaluation include:

- Strengthening management and other support mechanisms at regional levels.
- Strengthening linkages between bottom-up and top-down flows of information, promoting frank dialogues between different levels on capacity development for sustainable development.
- Developing innovative approaches to building capacities in countries in crisis.
- Ensuring more effective, innovative and permanent resource mobilisation mechanisms at all levels.
- Ensuring more effective awareness building among private sector partners and link it with resource mobilisation.
- Focussing more on building capacities to implement strategies that are developed.
- Developing innovative mechanisms for stimulating demand for capacity-building in all countries.
- Avoiding being too closely tied to the "environmental lobby" and the difficulties this can cause with key partners such as government agencies responsible for investment, economic development and finance.

Capacity 2015: Focus, principles, expected outcomes and key questions

Focus

The Capacity 2015 platform will be first and foremost an instrument to support developing countries and countries in transition in their efforts to implement Agenda 21 and achieve the Millennium Development Goals. To do this, the platform will need to do the following:

- Address local capacity development needs, tying them to national economic, social and environmental policy and processes.
- Help local groups, and their supporting local and national governments, private sectors and civil society organisations to overcome capacity constraints to achieving economic, social and environmental sustainability.
- Promote local, national, regional and global partnerships among public and private sectors and the major groups of civil society, giving each new opportunities to bring to bear on their respective strengths and resources and learn from one another.
- Ensure strong synergies among all relevant capacity development initiatives, particularly those related to multilateral environmental treaties, poverty reduction strategies and sustainable development strategies.

Principles

The Capacity 2015 platform and the different areas of activities it supports will be guided by a set of shared principles defining their common approach to capacity development for sustainable development:

- Local and national actors need to achieve ownership, defining their own needs and implementing their own solutions.
- Capacity development is an ongoing process of transformation.
- Urgent short-term poverty concerns and longer-term sustainability issues cannot be effectively addressed in isolation from one another; they require carefully integrated responses.
- Civic engagement and sound participatory processes are key elements in the design, implementation and monitoring of social, economic, and environmental policies and practices.
- The approach should be universal but flexible, allowing for different emphases in response to varying sustainable development priorities among different communities, countries and regions.
- Work should be through partnerships and strategic alliances, emphasising the key role of networking in knowledge acquisition.
- Capacity development must include the development of the necessary enabling environments at all levels.
- Existing capacities need to be developed, not replaced.
- Cultural identities and values need to be recognised and respected.

Expected outcomes

The expected outcomes of Capacity 2015 include:

- Developing countries and countries in transition accelerating their implementation of Agenda 21 and their achievement of the Millennium Development Goals.
- National and local policies and legislation reviewed and revised, eliminating bottlenecks and ensuring strong and consistent incentives for local sustainable development.

- Local and national capacities (human, institutional and societal) developed and contributing to sustainable development, including poverty alleviation, in their communities.
- Networks formed and supporting civic engagement and responsible local leadership.
- Information and communications systems in place, helping local groups participate in decisions governing their involvement in the global economy.
- Broad participatory platforms being used for designing, implementing and monitoring strategies, plans and other planning instruments.
- Resource mobilisation campaigns assisting local groups and communities to overcome marginalisation and other barriers to competing successfully in a globalising world.
- Functional partnerships and networks involving local development actors with national and international partners and supporting local capacity development for sustainable development that includes poverty reduction.

Who? Where? How?

Who will be the partners in the Capacity 2015 platform? Local and national actors will include local groups and their informal representatives, local and national authorities, entrepreneurs, media, community-based organizations and other civil society groups and academia. Regional and global actors will include bi- and multilateral development agencies and banks, regional and global organisations and institutions, information networks and global foundations. Each partner in the global platform and in national platforms will have clearly defined roles, objectives and responsibilities in implementing and monitoring shared activities and will be accountable to the others for achieving their agreed results.

Where will the platform work? The platform will operate in all developing and transition countries. However, there will be different approaches and levels of funding in different regions and countries. Within any country, the focus of capacity development activities might be municipalities, villages or other appropriate local entity, according to national economic, political and administrative structures and their relative level of interest in implementing the different initiatives support by Capacity 2015. The platform will include support for capacity development at national levels, ensuring the necessary enabling environments for local sustainability.

How will the platform work? The platform will support capacity development at the individual, institutional and societal levels, emphasising gender equality. Funding from the global platform and/or national platforms, channelled through the different Type 2 initiatives, will support capacity development by local and national partners. UNDP country offices, through their national execution modalities, can offer administrative support to national platforms. Small secretariats in each region could facilitate and promote regional partnerships and regional co-ordination. A small unit in UNDP headquarters will play the same role on a global scale.

Proposed Areas of Activity for Support by the Capacity 2015 Platform

Developing capacities for local sustainable development

The first area of activity to be supported by the Capacity 2015 platform will be a programme of direct, practical support to develop local capacities for sustainable development in general and for achieving the Millennium Development Goals in particular. It will be able to build on and support ongoing work by partners within UNDP.

Type 2 partnerships will deliver a number of innovative programmes in support of local capacity development such as the UNDP's "Equator Initiative", guided by the principles set out above. The Equator Initiative, for example, will support local partnerships that are using innovative approaches to local socio-economic development that also have positive impacts on local biodiversity. It will ensure that local communities can have direct access to the resources they need to contribute to global sustainable development by addressing local sustainable development priorities.

Judging from recent Capacity 21 experiences from Morocco to Nepal and the Gambia to Bulgaria, many national initiatives supported by this programme may find it most useful for helping develop sustainable local economic activities. Local capacity development to stimulate sustainable economic development needs to be socially and environmentally sustainable. It needs to develop real local capacities for coping with the pressures and seizing the opportunities associated with globalisation. But the relative emphasis on economic, environmental or social dimensions of sustainable local development of any national programme will depend on national priorities and, most importantly, those of the local groups themselves.

National Capacity 2015 platforms will help ensure well coordinated, mutually reinforcing support activities to local capacity development efforts. At least as important, each country's Capacity 2015 platform will allow the country to achieve real complementarities and synergies among different types of local capacity development for sustainable development, capacity development for implementing the multilateral environmental agreements and national strategies for sustainable development.

National strategies supporting local sustainable development

A second area of activity will be support for the development and implementation of national strategies for sustainable development. This programme will address a key governance challenge, supporting countries in developing their capacities to design, develop and implement sustainable development strategies that are practical and can lead to real changes, including measurable change at local levels.

The Millennium Development Goals call for putting in place national sustainable development strategies in all countries and beginning their implementation by 2005. The Capacity 2015 mechanism will help countries to develop and implement national strategies that both guide countries towards national sustainable development and ensure the support needed to move towards local sustainable development. National

strategies must support local development, helping local groups address their priority sustainable development needs and linking their efforts to national and global initiatives. Partners should include the International Institute for Environment and Development, the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD), the United Kingdom Department for International Development (DfID), the United Nations Department of Economic and Social Affairs (UNDESA) and UNDP.

The following key elements of the national strategies to be supported were proposed in an international forum held in Ghana in late 2001:

Integration of economic, social and environmental objectives, and balance across sectors, territories and generations, including:

- Linking local, national, regional and global priorities and actions;
- Linking the short-term to the medium and long-term;
- Linking the local, national, regional and global levels;
- Linking different sectors; and
- Coherence between budgetary and strategic priorities.

Broad participation and effective partnerships, including:

- Institutionalised channels for communication;
- Access to information for all stakeholders and effective networking;
- Transparency and mutual accountability;
- Trust and mutual respect; and
- Partnerships among governments, civil society, private sector and external institutions.

Country ownership and commitment, including:

- Strong political and stakeholders commitment;
- Sound leadership and good governance;
- Shared strategic and pragmatic visions;
- Strong institutions or group of institutions spearheading the process; and
- Continuity of the national sustainable development strategy process.

Local capacity development for Multilateral Environmental Agreements

The Capacity 2015 platform will support developing and transition countries to help them ensure effective local participation in implementing key multilateral environment agreements (MEAs) – particularly the conventions on biological diversity, climate change and desertification – in a context of sustainable local development. This initiative supports and builds on the Capacity Development Initiative developed by UNDP-GEF and the GEF Secretariat, bringing in partners from the Convention Secretariats, international NGO partners and others.

A strategic partnership between UNDP-GEF and the GEF Secretariat has defined a comprehensive approach for developing the national capacities needed to address these three global environmental issues in a sustainable development framework. This approach will involve three steps: assessment of capacity development needs, development of strategies to address these needs and definition of action plans to implement the strategies. The Capacity 2015 platform's *"Local capacity development for implementing Multilateral Environmental Agreements"* will support this approach and help countries ensure that all three stages of the process, and in particular the implementation of action plans, will support broader sustainable community development agendas. Likewise, it will help countries and their partners ensure that local capacity development for implementing MEAs is effectively integrated with and supported by their national strategies for sustainable development on the one hand, and other local capacity development efforts on the other hand.

SIDS 2015 – developing capacities to reduce vulnerability

Another area of activity will be capacity development in the world's Small Island Developing States (SIDS), helping them implement the Barbados Programme of Action (see the corresponding article in this Journal). The overall goal of the partnership is to develop the capacities of SIDS to reduce and overcome their economic, social and environmental vulnerabilities and enhance their resilience to resist and recover from externally imposed economic, social and environmental shocks.

Defined in a SIDS Round Table held in Jamaica in May 2002, this "Type 2 partnership" will involve governments, the Association of Small Island States (AOSIS), academic institutions, private sector and NGO's from the SIDS, together with multilateral organisations, IFIs, regional development banks, regional organisations, foundations and international NGOs. The leading partners will be SIDS governments supported by UNDP. Expected results and targets of this partnership include:

- Sustainable development strategies: Strategies that integrate poverty alleviation, trade and investment strategies, measures to reduce vulnerability such as integrated resource management including sustainable marine resource management, emergency preparedness and implementation of MEAs. (Targets: Strategies defined through inclusive participatory processes in all SIDS by 2005, being implemented in 50 per cent of SIDS and their communities by 2007 and in all SIDS and their communities by 2012.)
- Community-level project funds: Financing priority local sustainable development projects developed and implemented through broad stakeholder participation and contributing to the implementation of national and community sustainable development strategies. (Targets: Funds functioning in 50 per cent of SIDS by 2005 and in all SIDS by 2007.)
- Capacity development focused on key SIDS issues: Including capacity development for public and private sector leaders of SIDS; enhancing knowledge, especially regarding the science and technologies available to overcome the special constraints

and capitalise on the opportunities arising from insularity and small size and especially building capacities for transport planning and management; enhancing knowledge on issues associated with economic, social and environmental vulnerability and greater interregional collaboration in education and research in areas of direct shared interest among SIDS. (Targets: Integrated, sustainable resource management systems developed and functioning within national and local SD strategies in 50 per cent of SIDS by 2007 and all SIDS by 2012; SIDS universities integrated through ICT and sharing new curricula jointly developed with support from this programme by 2006.)

- Enhanced existing SIDS capacities to negotiate favourable trade arrangements: Effectively integrated within national and local sustainable development strategies and to develop and implement a common SIDS approach to WTO negotiations. (Targets: A common SIDS approach to WTO negotiations being followed by 50 per cent of SIDS by 2005 and by all SIDS by 2007; common SIDS trade training curriculum being taught in 50 per cent of SIDS by 2007 and in all SIDS by 2010.)

Functional partnerships and networks will link SIDS and their communities with national, regional and global partners that can support local capacity development for sustainable development. The approach will ensure strong synergies particularly in relation to multilateral environmental treaties, poverty reduction strategies and sustainable development strategies.

Strategic capacity development facility

Capacity 2015 will support a "strategic capacity development facility" allowing rapid responses to circumstances of "unique strategic importance", such as an emergency that threatens to undermine sustainable development or an ambitious sustainable development agenda of a newly elected government or other events generating a unique, urgent demand or short-term opportunity to accelerate capacity development in support of sustainable development. This facility can link up with other activities supported by Capacity 2015 or be used independently. Even when it will be used independently, the Capacity 2015 mechanism will help countries ensure that this facility will only be used in ways that complement and support related national and local capacity development initiatives. While this facility will not be a project development facility, per se, it may be used to define broader, longer-term capacity development programmes where appropriate, offering developing and transition countries a uniquely responsive, flexible and timely mechanism to prepare broader capacity development initiatives quickly.

The Next Steps

The UNDP and its global partners will continue to use the opportunities offered by the WSSD process to develop the Capacity 2015 platform and its different areas of activity.

From Bali to Johannesburg

Agreement to move ahead with the proposed Capacity 2015 platform emerged from the Fourth Session of the Preparatory Committee in Bali, where Capacity 2015 was officially launched. The critical ten-week period between Bali and the Johannesburg is now being used to build donor support for the platform and the different partnerships it will sustain and for defining working relationships among partners at all levels and regional implementation strategies. The following key questions need to be answered during this period:

- Which development agencies, developing and transition countries, foundations, private sector and non-government organisations and other partners will participate in the global platform?
- What will be the financial and / or intellectual contributions of different global partners?
- How will partners oversee UNDP's administration of the global platform?
- How can the global platform work most effectively with national platforms, providing funding and other substantive support in a timely, efficient manner?

Linked to this process of defining operations of the global platform are ongoing consultations with selected partner countries to define an initial pilot phase of Capacity 2015 to begin before the end of 2002.

Johannesburg

The Johannesburg Summit will be the occasion for national leaders to formally announce support for Capacity 2015 and its different areas of activity. The Summit will enhance the global profile of the platform.

After Johannesburg

Detailed working arrangements will need to be agreed among partners in the months immediately following Johannesburg, allowing Capacity 2015 to begin implementing the initial phase before the end of 2002. This initial phase will be used for adjusting and fine-tuning the methodology, ensuring that the platform can become fully operational during 2003.

Developing capacities for sustainable development

Capacity 2015 will help developing and transition countries develop their capacities for sustainable development, locally and national – a global imperative that UNDP should play a central role in meeting.

What is capacity development for sustainable development?

The term "sustainable development" is frequently used without rigorous definition. The World Commission on Environment and Development (or Brundtland Commission) defined it as development that "meets the needs of the present generation without compromising the ability of future generations to meet their own needs"

(WCED, 1987). This definition is conceptually appealing; but for most people it only becomes real when illustrated by concrete examples, such as specific actions related to energy, water, environmental health or biodiversity.

The ability of a society to move towards sustainable development is determined by the capacities of its people and institutions, public, civic and private sectors. *Capacity for sustainable development* is the sum of both human and social capital interacting with physical capital – the resource base – and financial capital. *Capacity development for sustainable development* is the sum of the efforts needed to create, nurture, enhance and grow the skills of people and their institutions and to set in motion those long-term processes that will make peoples' lives and livelihoods more sustainable.

Capacities need to be developed at three levels: individual, institutional and societal. Developing individual capacities helps individuals to embark on continuous learning processes – building on existing knowledge and skills and extending these in new directions as fresh opportunities arise. Developing institutional capacities also involves building on existing capacities. Rather than trying to build new institutions, existing ones need support to improve their performance. Developing societal capacities involves transforming society as a whole and creating opportunities that enable people and institutions to use and expand their skills. These three layers of capacity are interdependent; comprehensive capacity development is a function of all three. As indicated above, a paradigm shift is taking place in our thinking about capacity development following decades of mixed results and many valuable lessons.

Globalisation and the Road from Rio

The world changed dramatically in the closing years of the 20th century, with the end of the Cold War and dramatic increases in global flows of private capital and information. The information and telecommunications revolutions helped create a more interconnected and interdependent world where international trade, private investment and financing are dominant forces, growing faster than national economies. This phenomenon, referred to as globalisation, has become a dominant socioeconomic wave affecting every corner of the planet.

New challenges and opportunities

On the one hand, globalisation is generating new wealth and rapid technological improvements and offering unparalleled opportunities to advance sustainable development. On the other, globalisation has considerable impacts on the poor and excluded — four-fifths of humanity that must get by with only 20 per cent of global GDP.

It can further undermine the welfare through worldwide competition, technological innovation leading to product or commodity obsolescence, and damaging subsidies in the agricultural markets of developed nations.

With its new challenges and risks, as well as the new opportunities it offers, globalisation is neither inherently good nor bad; rather, it is a phenomenon that we can and must

influence. The key challenge of our age is to learn to use globalisation to generate more equitable and sustainable outcomes. Local groups throughout the world must be able to develop sustainable linkages to the global economy. This new challenge is aptly captured by Joseph Stiglitz's dictum: "Scan globally, reinvent locally."

Progress and problems since Rio

During the decade 1992-2002, considerable international effort has been devoted to implementing the Rio Accords, especially the global environmental conventions. Over 80 countries have established national commissions or councils for sustainable development to oversee implementation of Agenda 21. Most countries have created specialised institutions to deal with environment and sustainable development, and meet the requirements of the multilateral environmental agreements. At the local level, in over 6200 cities, communities or municipalities literally millions of citizens have developed local sustainable development agendas. Thousands of successful projects at the local level illustrate what sustainable development is about.

In preparing for WSSD, UNDP has supported over 130 countries in developing national communications describing their national follow-up on Rio commitments. There is widespread agreement that overall progress towards sustainability has been slow. The Secretary-General's recent report to the WSSD Preparatory Committee on Agenda 21 implementation also pointed to a critical "implementation gap" that is widely recognised. This gap has multiple roots, including piecemeal approaches, lack of appropriate tools to make the sustainable development concept operational or measure progress towards it, and inadequate financial and human capacities.

Capacity development needs, from global to local

Capacity development has emerged as an overwhelming priority for the global community. The vast array of capacity development needs identified during the WSSD preparatory process send a clear message: we need local, national and global mechanisms that can deal effectively, in an integrated fashion, with the economic, social and environmental dimensions of development in our rapidly changing, globalising world. Yet many international agencies, organisations and agreements remain highly compartmentalised and often compete more than they cooperate. They lack common perspectives on key sustainable development challenges and have failed to help their partners in developing countries achieve the kinds of synergies among social, economic, and environmental initiatives that we all recognise as crucial if we are to make real, substantial progress towards a sustainable future.

Local sustainable development initiatives have demonstrated many of the most promising results since Rio in many countries around the world. The best local initiatives have tapped the creative energies of people in many sectors, and from different walks of life. They have defined and begun to implement local sustainable development strategies. UNDP's Capacity 21, GEF Small Grants Programme, Public Private Partnerships for the Urban Environment, LIFE and Africa 2000 programmes and the innovative programmes of many other organisations have supported local initiatives in all regions of the world. But we all recognise that these local initiatives do not exist

in a vacuum. They need far more support from the other levels if they are to be able to sustain and build on their promising early results. This is a key objective of the Capacity 2015 platform.

UNDP's capacity development mandate

UNDP has a clear global mandate for capacity development for sustainable development and has taken the lead in supporting our partners in developing countries and countries in transition to build their capacities to implement Agenda 21. This mandate was established in Agenda 21 (Chapter 37), reaffirmed at Rio+5 and again in the Secretary-General´s report to the Second WSSD Preparatory Committee, and underlined throughout the WSSD preparatory process, with its repeated calls from partner countries for the strengthening of UNDP's Capacity 21 initiative.

To a great extent, this mandate has been fulfilled with the modest resources made available by the global community following Rio, and UNDP is prepared to scale up its delivery capacity in response to the Johannesburg Summit.

New approaches to capacity development

The idea of "development" as a whole that prevailed through much of the 20th century suggested that poor countries had only to emulate richer ones and follow their paths to a similar destination. Poorer countries, it was thought, should be able to do this rapidly because they could take advantage of richer countries' experience, approaches, technologies and aid to build their infrastructure and acquire the capacities needed to run modern industrial societies.

Small armies of specialists or "co-operants" took up residence in government and project offices, working alongside local counterparts, supervising aid projects and implanting their skills and expertise. Some worked in programmes designed to develop specific capacities in key sectors such as agriculture or education. Others worked in larger capital investment programmes to ensure that new installations were built as efficiently as possible and to transfer the skills needed to operate and maintain them.

A key assumption underlying this approach was that poorer countries lacked important skills that outsiders could provide. Much of this technical co-operation seemed likely to succeed, encouraged by the spectacular successes of the Marshall Plan in post-war Europe and, more recently, by the successes of a number of mostly east Asian nations in making selective use of development co-operation to help launch themselves on decades of export-led growth. But elsewhere, especially in recent years, the uneven record of most other countries in achieving socio-economic transformation has left many questioning how development co-operation can be made more effective.

Problems encountered

Developing national capacities remains an elusive goal for many poorer countries. Many specialists have visited and thousands of many national experts been trained. Education levels have increased dramatically, yet development projects remain

plagued by skills shortages and weak institutions. International co-operation projects can provide material support and specialists skills and training, but they can seldom catalyse positive long-term chain reactions in developing societies. Foreign specialists can help build dams, install irrigation systems or improve the individual skills of thousands of trainees. Yet the capacities of institutions and countries as a whole have often remained inadequate to meet their longer-term development challenges.

The effectiveness of technical co-operation has been assessed and reassessed frequently during the past two decades. In 1991, the Development Assistance Committee of the OECD issued its "Principles for New Orientations in Technical Co-operation" (OECD, 1991), calling for changes in existing practices. The UNDP launched a review with over 30 African governments, aimed at establishing new national policies and priorities for technical co-operation, a process that provided unique insights into the successes and failures of technical co-operation, as seen from the recipients' perspective (Berg and UNDP, 1993). Most countries reached similar conclusions: technical co-operation was effective for accomplishing specific tasks, but less effective at developing local institutions or strengthening local capacities. It also tended to be expensive and donor-driven, often heightening dependencies on external specialists and distorting national priorities. Donors and recipients responded to some of these criticisms, redesigning aid programmes, reducing the numbers of expatriate personnel and focusing more on nurturing national professionals.

Another dialogue of the 1990s addressed the lack of "ownership" that undermined the effectiveness of much technical co-operation. Donors responded by trying to balance their relations with recipients, emphasising partnerships and policy dialogue. Higher priority was assigned to participatory processes and working not just with governments but also with civil society and private sector organisations.

Yet the overall impact of technical co-operation on national capacities remains uncertain in many countries. Most of the recommendations of the early 1990s have not been widely implemented. It is still often criticised for undermining local capacities, distorting local priorities, supporting activities that appeal more to donor constituencies than to recipients, fragmenting management in recipient countries and focusing more on short-term targets than on longer-term capacity development.

Capacity development as transformation

The central role of local capacities

Countries and societies evolve organically, building on their own resources and strengths and following their own unique logic. The assumption that developing countries with weak capacities can start again using someone else's blueprint ignores the evidence of our collective experience in all countries. The surest development is transformation that fosters local processes, builds on local capacities and expands them to achieve shared goals.

Capacity is the ability to perform functions, to solve problems and to set and achieve objectives. The capacity of each society corresponds to the functions and objectives it sets for itself. Non-industrial societies, for example, have few formal institutions but have highly developed skills and complex webs of social and cultural relationships that are often difficult for outsiders to comprehend. Most important, co-operative and cumulative learning processes, often passed on orally, help them survive and overcome difficult conditions. Modern post-industrial societies, on the other hand, have different sets of capacities. They also have complex social structures, but tend to have more diverse specialist activities and rely on highly codified knowledge bases and many organisations and skills, which can often be acquired only through years of education and training.

The capacity to get things done needs to be integrated into the knowledge systems and productive activities and structures of all societies. Indigenous and modern systems of knowledge and production often operate in parallel in developing countries. When new capacities are not well integrated with indigenous knowledge and production systems, they usually fail to be useful, despite their potential.

As countries transform themselves, they need different capacities. But they do not transform themselves simply as aggregates of individuals. As suggested earlier, capacities need to be developed at three levels: individual, institutional and societal. Strong local or national capacity is not the sum of individual or institutional capacities. It is a more complex phenomenon weaving individual and institutional strengths into a strong and resilient fabric of relationships. Countries, communities and societies must do more than expand individual and institutional skills if they want to develop strong capacities. They also have to systematically create opportunities and incentives – for people, institutions and the networks they create together – to use and extend their skills, ensuring their capacities are validated and continue to develop.

The unequal relationship - donor priorities and the constraints of recipient governments

There is often an assumption of equal partnership between donors and recipients. Yet this relationship is usually unequal. Development institutions inevitably tend to dominate because they, and not the recipients, are financing shared development activities. With all the good will in the world, "He who pays the piper (usually) calls the tune." While all parties are aware of this unequal relationship, they often tend to underestimate its impact on their partnerships.

The effects of this "unequal relationship" can be exaggerated by inevitable differences in interest among stakeholders – donors, consultants, governments and local communities. Donors usually have their own priorities and ideas of what they want to contribute to, such as a better health system or a more skilled civil service. And they remain accountable to their home constituencies, which means they are usually most comfortable when they can point to visible, tangible activities such as training programmes or computer systems. This encourages carefully planned, self-contained

packages of "manageable" activities, but often impedes real capacity development.

Donors feel the need to retain control in order to avoid accusations of inefficient, incompetent or corrupt use of taxpayers' funds. When donors have their specialists in place, even for a short term, they also have eyes and ears *in situ* – keeping them abreast of developments and generating helpful reports and statistics. In this way donors have used technical co-operation to keep aid funds flowing into developing countries.

For their part, many recipient governments feel locked into dependent, conformist relations with their donor partners. Beleaguered ministries of finance can seldom afford to reject external support and foreign exchange. Many other departments are also involved in ongoing relationships with donors and have strong incentives to conform and agree to what donors propose.

This sort of relationship between donor and recipient often results in technical co-operation driven more by supply than by demand. This in turn almost ensures inefficient use of resources. The only people likely to guarantee that resources (including information) will be well used are people who really need the results achieved with these resources. Government officials or NGO staff, for example, who feel they don't really need to know what is being taught to them in one training course after another, may do little more than transfer information from blackboards to notebooks. Even when donors are offering something that is in demand and recipients help design the programme to deliver it, the unequal relationship can limit the recipient's ownership and commitment. The most fruitful relationships develop when countries set their own priorities and establish their own momentum for capacity development and transformation. They can then seek the support and draw upon the external resources they need to meet their objectives.

Don't transfer information – help people acquire knowledge

Teachers and trainers offer information and knowledge from books. Advisors analyse the "knowledge gaps" and prescribe solutions enabling counterparts to improve their performance. This approach tends to assume that poorer countries can and should replicate approaches already refined over time by their richer partners. Most people these days recognise the flaws of this approach and the need for much more local adaptation of imported knowledge. The process really needs to be turned inside out. Recipients should be initiating the process, starting from their understanding of local knowledge and practice, assessing the capacities and potential of local individuals and institutions and of whole societies, then working out ways to build on these. This process involves appreciating the different interests involved and anticipating how potential conflicts can be resolved. Such processes can ensure that new technologies being introduced will be better adapted to local production systems. This approach also reflects a more realistic view of learning. Teachers know the importance of responding to real demand – the most effective learning takes place when students are motivated to learn. Some teachers maintain that they cannot transfer knowledge at all, but

only create the conditions needed for people to learn. They can offer information, but learners have to acquire knowledge for themselves.

From partnerships to ownership and beyond

These key ideas – development as transformation, the need for greater balance in the donor-recipient relationship and helping people to acquire knowledge – have profound implications for technical co-operation. All three are already being addressed to some degree these days, through greater focus on partnerships, local participation and empowerment. There is increasing call as well for greater "ownership".

Political, financial and planning pressures inevitably lead to demands for quick results. Yet transformation is a slow process and capacity development efforts need to recognise this. And developing countries need to "own" this transformation, own their technical co-operation programmes if they are ever to have the commitment needed to make such programmes work. National agents should not be just "active participants"; they should control the design, planning and implementation processes. While governments are no longer the sole partners for development initiatives, failure to recognise their legitimate roles can produce tension, confusion and leadership crises. Local ownership requires that accountability processes, for example, also be based on local systems.

There is often a great gulf between donors and recipients, particularly in the world's poorest countries. Many of these "least developed countries" (LDCs) find themselves caught in "no-win" situations, where they need technical co-operation because their institutional and social infrastructures are weak, but this same weakness limits their capacities to effectively determine their country's direction and acquire the knowledge needed to move in this direction. Technical co-operation may also unintentionally undermine development of the needed local capacities through its demands for counterpart budgets and its propensity to lure away the best officers to work on donors' projects.

Innovative ways to address the unequal relationship

The unequal relationship is inevitable because donors will always control their funds to some degree. Though it is not possible to level the playing field completely, at least the gradient can be reduced. Direct donor support to national budgets, for example, helps level the playing field. Integration of external support into national planning and monitoring systems allows governments to really own those funds and to determine how to best address their capacity development needs. An alternative is donor retention of some control by channelling resources into specific technical co-operation funds with a clear general purpose. Groups of donors could also come together to pool funds to be used in a similar way. A variant of this mechanism is autonomous development funds that are public but politically independent and that cater to both government and civil society.

Many ownership problems diminish when development partners are prepared to explore new funding mechanisms. Precise mechanisms should match local circumstances but all need to change existing links between donors and programmes in order to promote real national ownership.

Broad international support for pooled funds is unlikely without stronger accountability systems. Donors typically impose conditions and tighten control mechanisms in countries with weak accountability systems and may disengage from countries unable to meet conditions or maintain controls. This often aggravates the situation of the poorest people. While accountability is critical, it needs to be seen in a broader context that includes accountability not only to the taxpayers of donor countries, but also to the intended beneficiaries in developing countries. Civil society groups, NGOs and the media in recipient countries all have a role to play in helping make sure their governments use their own resources effectively. Recipient countries can use national stakeholder forums to strengthen local accountability, set priorities and monitor progress towards them. These sorts of approaches can also help donors demonstrate to home constituencies that their funds are being used wisely and effectively.

A new paradigm - demand-driven capacity development in the network age

With or without the changes discussed above, old-style linear forms of technical cooperation are being overtaken by events. Globalisation and reactions to it have created multiple new networks and alliances that are changing the ways knowledge is shared. In this context, the idea of being propelled along a linear development path by knowledge hand-delivered from distant countries seems increasingly quaint. New forms of global support for capacity development for sustainable development are already possible and new technologies have created many alternative tools for capacity development. Specialised information on sustainable water or energy management, for example, once accessible only from experts or their texts, can now be summoned instantly through the Internet. New technologies can also bring people together across the world in networks and communities of practice, engaging with each other horizontally, without passing through formal channels. NGOs have already discovered this tool for exchanging information and planning joint activities. Governments can use it, for example, to more independently locate and evaluate available expertise and knowledge.

Expertise itself has also become more widely dispersed. Much of the most relevant and useful knowledge about how to achieve sustainable development in developing and transition countries, for example, now resides in those countries with the most recent records of success. The circumstances of different countries and local areas are unique and distinct and the experience of one is seldom directly relevant to another. All knowledge derived from this diverse experience needs to be gathered, analysed, modified, disassembled and recombined to fit local needs. As suggested earlier, the motto should be: "Scan globally, reinvent locally", an approach that turns networks into powerful tools for capacity development for sustainable development. The rise of

formal and informal networks in almost all areas of life is allowing countless organisations and millions of individuals to share ideas, information and knowledge. These networks offer a striking alternative to the old model of one-way North-South information flows.

New approaches can overcome old constraints and ensure that technical co-operation can develop really lasting capacities for sustainable development. These approaches need to help partners to "scan globally and reinvent locally", using new methods such as networks. They also need to experiment with new donor-recipient relationships, such as pooling technical co-operation funds and sustainable development forums among southern nations.

The biggest obstacles to such innovations are likely to be our old assumptions. These innovations can evolve only with new attitudes and new assumptions about the nature of development, about the relationship between donors and recipients and about capacity development and knowledge. All stakeholders should experiment with these new approaches and seize the new opportunities of the network age. They will need to jointly design innovative institutional arrangements to support capacity development for sustainable development. The proposed Capacity 2015 platform is such an arrangement.

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Book Review

Capacity for Development: New Solutions to Old Problems

edited by Sakiko Fukuda-Parr, Carlos Lopes and Khalid Malik
published by Earthscan Publications Ltd. and United Nations Development Programme, 284 pp., 2002

With contributions from 15 practitioners, academics and policy-makers, **Capacity for Development: New Solutions to Old Problems** represents a growing unease with development and technical co-operation policies and with the inadequacy of the results achieved so far, in the core task of national capacity-building. "Of all the elements of the development cooperation package," the three editors, Fukuda-Parr, Lopes, and Malik, find that "developing national capacity has emerged as the one particularly elusive goal."

Capacity for Development argues that up to now, capacity-building efforts have mostly focused on individual and institutional development. Capacity building must take root at the societal level in order to generate the social transformation needed to achieve sustainable development. In this context, social capital plays a central role in the development cooperation agenda. Much of Part 1 bears this out with convincing certainty. But what precisely, in an operational sense, is social capital?

In his chapter, "Towards a normative framework: Technical cooperation, capacities and development," Malik concedes that "social capacity, as a concept, is difficult to quantify, and so it is hard to make it an integral part of hard public policies." Lall exemplifies the problem in his chapter, arguing that social capital is key to industrial success in developing countries and is needed in a large number of areas, all of which he defines most impressively. What he calls for, however, amounts to an enormous universe of interventions, and crafting a programme of social capital formation on so large a scale may prove to be a next-to-impossible task. It is not surprising that Lall ends his chapter on an agnostic note. "Which social norms and relationships are the really crucial ones, and what affects their development?" he asks. His own reply: "We do not yet know."

Malik and Wagle, in their chapter on civic engagement and development refer to M. Edwards, in a World Bank draft paper, paraphrasing Ramon Daubon in "likening social capital to the Indian Ocean": "Everyone knows where it is, no one cares where it begins or where it ends, but we know we have to cross it to get from India to Africa."

This is engaging, and in a serious, literary way, conveys a truth that resonates. For purposes of designing a development policy, the statement, however, may provide but a shifting, watery foundation. We need to regain terra firma. One way would be to carry out a pilot intervention or two on broad-based social capital promotion, in order to gain solid, empirical ground.

Another major thesis of **Capacity for Development** is that in technical co-operation, the donor-recipient relationship will always be asymmetrical. "Donors," the editors point out, "will always ultimately control the funds and where they are disbursed." However, as they also argue, "…it is possible to level the playing field, or at least reduce the gradient."

They suggest the following ideas for reducing asymmetry:

First, find a way to reinforce the voice of recipient countries in global debates on aid policy. The developing countries do not presently have a forum such as the OECD's Development Assistance Committee. Similar "southern forums" could be an important platform for balancing the donor-recipient relationship. "A good entry point for such cooperation might be existing regional or sub-regional mechanisms," add the editors. Left unstated is the implication that such mechanisms could prove more fruitful than the more global but also not-so-effective Group of 77. Still, it is curious that the editors do not refer at all to this economic policy forum of the developing countries.

Second, create innovative funding channels. One way — and perhaps the best — is by direct support to recipients' national budgets. The editors believe that this will allow recipient governments to exercise ownership over external assistance and determine how best to feed it into capacity-building efforts.

They also suggest pursuing mechanisms that would "allow donors to retain a degree of control by channeling resources through specific technical cooperation funds… As long as the recipients deployed the funds to achieve agreed overall objectives, they could use them as they saw fit." As an extension of this idea, a group of donors could also agree to pool funds that could be used in a similar way. Another idea is to set up "autonomous development funds – public but politically independent institutions that can cater to both government and civil society."

These ideas are the fruit of timely and innovative thinking. One must hope that the international community, and in particular the donor community, will give them the most serious thought, especially in the wake of the International Conference on Financing for Development (Monterrey Summit), which gave development cooperation a new lease on life.

In his provocative chapter "Should we mind the gap?' Lopes argues that on many levels, achieving national and local ownership may be messy, time-consuming and may not conform nicely to donors' needs for visible and easily verifiable quick results. But if technical co-operation is to achieve its true purpose of societal transformation, there may be no alternative to reducing asymmetry in the donor-recipient relationship.

Whether the ideas put forward for this fall on fertile soil or not remains to be seen. The struggle for them will prove a difficult one, given the resurgence in the West in recent months of ideas advocating a return to realpolitik and even colonialism.

In the circumstances, development co-operation partners need to think more like Mkandawire, whose chapter encourages the African leadership to reduce the negative aspects of aid by being more assertive of their needs and capacities. He asserts that this could only lead to "greater mobilization of their own resources—human, financial and material—before rushing off to aid missions, so that aid is merely complementary to their national efforts, and not the driving force… To tame 'technical cooperation', Africans will have to be selective, and that will involve paying for the services."

Towards the end of their overview chapter, the editors present a matrix spelling out a new paradigm for capacity development. In this paradigm, pride of place is assigned to local knowledge so long as it is "combined with knowledge acquired from other countries – in the South or the North". Again, this is the right approach to take, provided that both policy-makers and practitioners pay heed to what Fukuda-Parr and Hill have to say about knowledge networks and South-South cooperation:

"As southern (knowledge) networks develop through the establishment of regional and national networks, the opportunity for the South to learn from the South also becomes greater. The South holds much relevant development knowledge for other southern countries. The real experts on development are those who live the reality on a day-to-day basis."

It is a pity that this book does not contain a full-fledged chapter dedicated to the topic of South-South cooperation.

Its few shortcomings notwithstanding, **Capacity for Development** is both timely and remarkably good. Space limitations prevent this review from doing justice to its richness and complexity. This is a luminous and illuminating book that merits the widest possible attention.

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