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Resilient nations.*

UNDP'S SUBMISSION TO THE RIO+20 PREPARATORY PROCESS

1 November 2011

United Nations Development Programme

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UN SYSTEM PREAMBLE

UNDP has been pleased to have worked with its fellow agencies in the UN system to prepare a joint preamble, approved by the United Nations Chief Executives Board for Coordination (CEB) on 29 October 2011:

UNITED NATIONS SYSTEM



SYSTEME DES NATIONS UNIES

29 October 2011

Common statement by the UN System Chief Executives Board for Coordination (CEB) on the Outcome of the United Nations Conference on Sustainable Development

1. We, members of the United Nations System Chief Executives Board, recognize the historic opportunity provided by the United Nations Conference on Sustainable Development to reset the world on a sustainable development path.
2. We affirm that sustainable development is a top priority for our organizations, and reaffirm the continuing validity of the principles in the 1992 Rio Declaration on Environment and Development and of Agenda 21, including the principle of common but differentiated responsibilities. We recommit to a renewed system-wide effort, in partnership with the full range of governmental, civil society and private sector stakeholders, to support the realization of these principles.
3. Despite substantial improvement in many key areas of development and environment, the world has not made the progress towards sustainable development aspired to in the outcomes of the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992, and in subsequent related world conferences.
4. Over the past twenty years, the world has witnessed strong economic growth and significant progress toward attaining a number of the Millennium Development Goals (MDGs). It is of grave concern, however, that these positive trends have been accompanied by increasing disparities and inequalities, persistent gender inequality, social inequity, a growing deterioration of the environment, and recurrent economic, financial, energy and food crises.
5. At the United Nations Conference on Sustainable Development (or Rio+20), renewed commitment and urgent action are therefore needed to lay a firm foundation for a longer-term process of redressing imbalances, agreeing on priorities, and reforming institutional arrangements at all levels, to bring about coherence and the integration of policies across the economic, environmental and social pillars, with human beings and their wellbeing at the centre. The Conference must also address the means of implementing outcomes, through the provision of resources, including for technological transformation and capacity building.
6. Charting the way forward to eradicate poverty and promote sustainable development must start with the recognition that the world has changed in fundamental ways. Climate change is significantly altering the physical and human geography of the planet. There are major differences in population growth, age, sex structures, spatial distribution and patterns of movement; resource consumption has increased, and production patterns are more unsustainable. But there has also been wide-ranging technological progress, from renewable energy and energy efficiency, to innovative measures for adapting to climate change impacts, and new and efficient means for social networking, dialogue and participatory engagement, providing opportunities that were not available twenty years ago.
7. Against these changing parameters, Rio+20 must acknowledge that economic, social and environmental objectives are not independent variables, but are mutually supportive, with progress in each area facilitating advancement in the others. Our objectives should be to enhance equity, revitalize the global economy, and protect the planet and its ecosystems that support us so that all people, women, men and children, can live in dignity.

UN SYSTEM PREAMBLE

8. The sustainability of future growth and development will rely critically on innovation, improved economic, energy and natural resource efficiency, an open and supportive multilateral trading system, better fiscal policies providing incentives for sustainability, comprehensive wealth accounting and valuation of ecosystem services, equitable access and inclusive political processes and the capacity to create sufficient decent work. Growth must lead to strengthened resilience – of households, ecosystems, and economies, and improved water, food and nutrition security.
9. Economic growth must be of high quality and inclusive. It should occur hand in hand with relevant efforts to accelerate progress in global health, gender equality and women’s empowerment, the realization of human rights, greater equity, improved access to and quality of social protection and the rule of law, and the fair distribution of the benefits of development. Policies must avoid trade protectionism and negative impacts especially on the poor and vulnerable groups such as refugees and internally displaced persons. These objectives are all key elements of the green economy approach, and we pledge the support of our organizations to Member States as they engage in this critical and transformational transition.
10. The shift to sustainable development presents challenges, but also offers opportunity for substantial investments, both public and private, in productive infrastructure, technological transformation, science, education and human capital development. The UN system stands ready to assist Member States as they formulate and implement the enabling policy and regulatory frameworks that are essential for such investment to take place, and to continue to strengthen its work at the country level.
11. In the current fragmented system, institutional reform is unquestionably needed at national, regional and international levels, to integrate the dimensions of sustainable development, improve effectiveness in implementation, urgently scale-up activities, and bring about further coordination and coherence of policy.
12. The UN system is determined to do its part on institutional reform, by improving system-wide coordination mechanisms, and by reviewing and improving policies and programmes, including through joint programming. But this may not be sufficient, and Rio+20 should consider continued efforts on broader reforms within the UN system, for example, the strengthening of institutions, mandates and regulatory frameworks, or making structural changes.
13. At a more specific level, from a range of priority issues, a number have emerged that warrant particular attention in the context of sustainable development at Rio+20. Among these are: energy, water, oceans, green jobs, sustainable cities, sustainable agriculture and food security, disaster risk reduction, and investing in health, education, youth, gender equality and women’s empowerment.
14. These issues require a coordinated approach by the UN system, stakeholders from government, civil society and the private sector, to find joint innovative and lasting solutions. The organizations of the UN system have been intensifying efforts and cooperation to address the challenges of the water, energy and global food security crises. Rio+20 will provide an appropriate platform to support selected initiatives, such as the Sustainable Energy for All initiative, which illustrate a collective renewed commitment to sustainable development.
15. At Rio+20, we must build upon and scale up the achievements, best practices and lessons of the MDGs, and lay strong foundations for the post-2015 development agenda. We must chart a course for measurable progress towards sustainable development goals, using milestones that integrate the economic, environmental and social dimensions and a new generation of metrics to measure our achievements. The UN system stands ready to support the world’s nations and peoples to make sustainable development a reality.

GENERAL CONTENT: UNDP'S EXPECTATIONS FOR THE OUTCOME OF RIO+20

A. UNDP's expectations for the outcome of Rio+20

UNDP attaches the highest importance to Rio+20, both as a process focusing on the challenges and realities of sustainable development and as an opportunity for renewed impetus to the collective global quest for a more sustainable world. UNDP's overall expectations are summarized below, with concrete proposals detailed in subsequent sections of this submission.

Commitment to accelerate poverty reduction in the context of sustainable development

Rio should ensure that we collectively seize the opportunity to accelerate poverty reduction and that we recommit to sustainable development based on socially and environmentally responsible growth and equity. With a world population of seven billion and an expected growth of a further two billion by 2050, Rio must focus on the challenge of securing growth that is inclusive and equitable, and that does not continue to assault our shared planet and the life it sustains. This should include the need to change global consumption patterns, particularly in rich countries and population segments. In short, we have to learn to expand human development and share prosperity more equitably, within the larger web of life, no longer viewing ourselves – humanity - as alien conquerors of our planet. We are part of it. This is the essence of sustainable human development.

Commitment to integrated decision-making as the pathway to sustainable development

The Outcome Document should reinforce a commitment to decision-making at all levels that balances and integrates the three dimensions of sustainable development. All decisions and recommendations coming out of Rio+20 should fully reflect and contribute to an integrated approach. UNDP's has experience to offer from its work over the past two decades as its mandate includes all three pillars of sustainable.

Commitment to a multilateral approach

A commitment is needed to resolving the global "common goods agenda" through a strong and vigorous multilateral approach. With strong commitment and support from all of you, the UN development system can play a pivotal role, including at the country level with the UN RC system and its convening power as the central pillar. A One UN, delivering and working under the shared banner of sustainable development, is a powerful tool of transformational change.

GENERAL CONTENT: UNDP'S COMMENTS ON EXISTING PROPOSALS

B. UNDP's comments on existing proposals

Many proposals have been put forward, which would all help in bringing about the integrated approaches that are required to set the world on a course for sustainable development. UNDP would like to highlight four of them and offer comments and practical suggestions for advancing them.

Sustainable Energy for All

Access to energy is essential for achieving sustainable human development and accelerating progress on the MDGs. We can no longer accept a situation where more than a billion people lack access to electricity and three billion to clean facilities for cooking and heating. Universal access to modern energy services is achievable by 2030. Proven and innovative solutions exist. Political leadership and commitments, investment in capacity development and scaling-up field-proven and innovative business-led models are the actions that are needed. **UNDP is fully committed to a global partnership for achieving universal access to sustainable and affordable energy by 2030 in line with the Secretary General's initiative on Sustainable Energy for All.** This should be a sectoral priority as well as a contribution to the integration of the three dimensions of sustainable development.

Wherever there is a demand from governments UNDP will capitalize on the RC's convening power and help bring key actors together in order to bring policy work, financing, technology and capacity development together to create conditions for major scaling up. We have learned from experience in many countries that off-grid, decentralized solutions are just as important as large centralized generation and transmission projects, and we now know that renewable and clean sources are often the most cost-effective.

Sustainable Development Goals

It is crucial to remain focused on achieving the MDGs. Despite recent shocks and setbacks, many countries are making impressive progress. There is still time to achieve the goals globally by 2015, by implementing the commitments made at the 2010 MDG Summit. However, sustaining MDG progress and making further progress in the fight against poverty beyond 2015 will be challenging. Rio+20 must address this challenge head-on by agreeing on an ambitious development agenda for the future where progress will not be undermined by unsustainable policies and practices, but where we can accelerate poverty reduction through a more inclusive, equitable, and environmentally responsible development model. Agreeing to expand access to sustainable energy for all would be a key building block.

Rio+20 represents a unique opportunity to lay a strong foundation for the post-2015 global development agenda, which must be an agenda of sustainable human development for all. UNDP is fully committed to this process—recently launched by the Secretary General—of working towards an updated and upgraded set of global goals by 2015 that build on the current set of MDGs while reflecting current global challenges and the imperative of sustainable development. A new set of goals would need to encompass developed and developing countries alike. In this context, Rio+20 can help establish a roadmap that may include specific or broad sustainable development goals—such as in the area of energy—as well as a definition of critical themes and principles that can give clear direction to the process. **From UNDP's perspective, such principles must include equity and inclusion, as well as environmental sustainability. One key strength of the MDGs has been their focus on people, of measuring progress in terms of enhancing human dignity and capabilities. This should not be lost as we move to 2015 and beyond.**

New Ways of Measuring Progress

The current means by which progress is measured serve the cause of development poorly. Efforts in the 21st century require measurement standards that capture sustainable development in all its dimensions and help to ensure that environmental imperatives and human well-being are no longer trade-offs to short-term economic growth. As such, Rio+20 should be the beginning of the end of measuring progress and prosperity mainly by GDP. This will require new tools as well as new policies. **UNDP proposes that Rio+20 requests the UN system and the BWIs to jointly develop proposals for a set of measurements that, combined, could lead to a**

GENERAL CONTENT: UNDP'S COMMENTS ON EXISTING PROPOSALS

new Gross National Income for Sustainable Development (GNISD) or a Sustainable Human Development Index to be considered initially by the UN Statistical Commission in 2014 and to feed into the discussion around the post-2015 agenda.

Private Sector and Corporate Responsibility

The corporate private sector accounts for the bulk of economic decisions and investments – also across borders - and therefore has a decisive role to play in advancing sustainable development. The United Nations Global Compact, with its voluntary approach, has made considerable headway in encouraging businesses to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. However, today's environmental and development challenges call for a greater contribution from the corporate sector to sustainable development. To this end, Rio+20 could agree to developing an **international agreement on corporate responsibility that would, for instance, require all corporations listed on stock exchanges to report on their corporate social and environmental sustainability measures.**

Rio+20 could also agree to the development of an **international accounting standard that would require multinational companies to report sales, profit and taxes on a country-by-country basis in all the jurisdictions in which they operate.** Such a standard could, along with other measures such as systematic exchange of tax information between governments and capacity development for national authorities, help prevent illicit financial flows from developing countries and prevent tax havens from undermining developing countries' efforts to mobilize domestic resources for sustainable development.

A currency or financial transaction tax

To help close the funding gap and adequately and fully finance sustainable development Rio+20 could consider innovative sources of financing, including existing proposals for a currency or financial transaction tax. At a very minimal rate (0.005%) and without any additional administrative costs, a currency transaction tax could yield annual revenues of about \$40 billion. A broader financial transaction tax of for instance 0.05% on domestic and international financial transactions could raise an estimated \$600-\$700 billion annually. With today's more organized, centralized and standardized infrastructure both taxes are administratively feasible. A currency transaction tax is argued for by UNDP's 2011 Human Development Report (HDR) and the idea has increasingly been gaining support as a practical policy option. The recent financial crisis underscores the relevance and timeliness of these proposals.

C. Implementation and how to close the implementation gap

What will be required to close the implementation gap will in many ways be similar to what is proposed later in this submission on actions to assist countries advance IFSD internally, supported by a coherent UN Country Team which engages all international actors active at the country level. In UNDP's view many of these actions are relevant for developed and developing countries alike:

- 1) **Strengthening inter-ministerial coordination** inter alia through the lead of a high-level government office with substantive authority;
- 2) **Institutionalized processes ensuring meaningful participation** of private sector, civil society actors, parliamentarians and other national actors, including underrepresented groups of society, and representatives at sub-national level in the full development programming cycle – ideally these processes could be institutionalized through legislation and partially funded by state budgets.
- 3) **An integrated development planning process and document** tied more directly to Medium-Term Expenditure Frameworks, to ensure that integrated strategies and policies are funded. Sustainable development should no longer be left to parallel processes and documents. This implies:
 - a) The application of **integrated assessments** that help understand where synergies between growth, poverty reduction and environmental sustainability exist and where they do not.
 - b) **Measuring progress differently**. Support to integrated decision-making and priority-setting by better and in some cases different measurements and indicators such as well-being. This implies strengthening of monitoring and evaluation systems linked to well-funded national statistics agencies, as well as line ministry reporting. A range of household, environmental, gender and economic data as well as survey data is needed to capture a fuller range of sustainable development indicators.
- 4) **Progress in sustainable development requires effective integrated engagement, planning and implementation at the subnational and local level as much as at the national**. This is in part an issue of awareness raising and capacity development locally, and of putting in place effective local governance, policy and implementation frameworks and processes for effective local participation and civic engagement. It is equally an issue of building sustainable development into the criteria for distribution of power and resources between national, subnational and local levels of governance.
- 5) **Increasing public awareness** on links between governance, environment, economic growth and poverty reduction.
- 6) **Strengthening national capacities for aid effectiveness in line with the Paris Declaration and Accra Agenda for Action**, and for better harnessing the catalytic potential of ODA for sustainable development.
- 7) **Ensuring that adequate and predictable international and domestic financing is available for developing countries** through:
 - a) Developed countries meeting the ODA target of 0.7 % of GNP;
 - b) Identification and exploitation of innovative sources of financing (see Section 2.b);
 - c) Policy space for developing countries to be able to fully commit domestic resources to achieving sustainable development;
 - d) Elimination of harmful subsidies;
 - e) Reform of competition and anti-trust policies;
 - f) Appropriate domestic taxation;
 - g) Regulation to fight tax evasion and other forms of illicit funding flows, such as corruption;

GENERAL CONTENT: IMPLEMENTATION AND HOW TO CLOSE THE GAP

- 8) **Ensuring that green technologies are developed and that they are accessible to developing countries as a global public good with low cost and short time lag.**
- 9) **Putting in place adequate regulatory frameworks and safeguards for the private sector and other drivers of development,** and monitoring by other stakeholders, including civil society organizations and parliaments to ensure inclusive development.
- 10) **Addressing the needs of groups of countries with particular vulnerabilities, such as the Small Island Developing States (SIDS), who are facing particular risks and challenges in their pursuit of sustainable human development.**

SPECIFIC ELEMENTS: PRO-POOR GREEN ECONOMIES

A. Pro-Poor Green Economies

UNDP is aware that the term green economy is problematic for some. As there is no agreed definition as of yet, we focus on what we believe is needed to make a green economy work for everyone, including the poorest, and how to develop a box of tools and approaches that could support countries' national sustainable development objectives.

There are still significant gaps in perception, knowledge, and evidence of how this concept can be translated into action at the country level. UNDP believes that the central answer to this question lies in building national and sub-national capacities to redirect public and private investments toward economic activities that are both socially and environmentally sustainable.

Many activities to promote a green economy are already taking place. For example, investments in clean energy and reducing GHG emissions have been rising significantly. However, many of these investments are still focused on “low hanging fruits”—that is, activities that make economic sense and sit below the marginal cost abatement curve. While encouraging, such green economy investments are mainly the result of economic incentives that do not necessarily contribute to poverty eradication or to the attainment of other social goals unless inclusiveness and poverty reduction are explicitly pursued as a core objective and strategy, addressing fundamental drivers and factors that interconnect environmental degradation, poverty and social inequity.

Special attention must be paid to key sectors such as agriculture, extractive industries, fishing, forestry, and informal sector activities such as in waste-picking in urban areas, on which the poor and local communities depend for their livelihoods and income-generation and that can be significant multipliers for poverty reduction. This requires capacity development, strengthened institutions and enhanced governance. **To extend rising investments to the more challenging activities—and those that have social and environmental dividends—strong enabling frameworks are required. These frameworks put in place institutions, policies, and regulations that internalize social and environmental costs, regulate activities at safe levels, and redirect investments toward the greener and more pro-poor options across key economic sectors.** In this regard, the lessons and experiences of the UNDP-UNEP Poverty-Environment Initiative (PEI) can be important.

A green economy which works for the world's poor would:

1. Maintain growth while reducing greenhouse gas emissions in the economy as a whole, and promote job creation and other economic opportunities in key economic sectors that predominantly employ the poor
2. Generate more public revenues to enable investment in environment-friendly quality services, to which the poor would have equitable access;
3. Retain biodiversity and ecosystem services, while also maintaining the livelihoods of the poor and creating opportunities for local sustainable enterprises to thrive;
4. Promote equitable access to energy and its efficient use;
5. Build resilience to economic, social, environmental and other risks;
6. Empower the poor and marginalized, including women and indigenous peoples, to play an active role in the investment decisions that have an effect on their well-being;
7. Pursue pro-poor environmental fiscal and financial tools, including financing mechanisms that benefit local communities.

There is no one-size-fits-all green economy – each country will transition along its own unique path to a version that balances between the three pillars of sustainable development in a harmonious way. However, such transitions will not be easy as they will call for planning over a relatively long time horizon; understanding and managing risks along the transition path, especially those that directly impact the poor; balancing tradeoffs such as those between certain kinds of biofuels and food prices; fostering and propagating innovations and introducing well calibrated instruments such as taxes and subsidies that can help along the way. National efforts will be key – but cross-national ones, such as through the transfer of appropriate technology or providing appropriate space for developing countries for developing green infant industries and activities, can also play very important roles.

SPECIFIC ELEMENTS: PRO-POOR GREEN ECONOMIES

These changes can only happen if the following are put in place: capacities for integrated decision-making that promote cross-sectoral and cross-stakeholder engagement, coordination and alignment; integrated approach to planning and policies; increased financing; new ways of measuring progress and results; and strengthened implementation capacities.

Key Areas for Action

Within this vision for green economy in the context of sustainable development and poverty eradication, UNDP sees a number of critical areas for immediate action.

Finance

Finance is an essential tool to drive the green economy. A key part of making the green economy work for the poor will be to ensure that all countries and communities are empowered to catalyze the public and private finance they need. Rather than focusing on hardware investments on a project by project basis, the international system must use scarce resources to put in place the policies, regulations, and institutions that redirect existing and projected financial flows away from investments that are harmful or unsustainable and towards outcomes that are economically, socially and environmentally sustainable.

Environmental fiscal reforms (EFR) offer the potential of internalizing the costs of ecosystem degradation and resource-intensive use through the use of green taxes and user fees, as well as removing environmentally harmful subsidies (for example in agriculture and energy). This is particularly important with climate change finance—one of the major new resource flows at the international level. By focusing these resources on technical assistance for EFR-like activities to collect revenue or free up resources, our collective action can ensure that countries, communities and private sector actors are equipped to access and catalyze the finance they require for their pro-poor, low-emission, climate-resilient development priorities.

Energy

Providing access to clean energy is critical for achieving green growth and sustainable human development. It also accelerates progress on the MDGs. Universal access to modern energy services is achievable by 2030, and UNDP will work with partners to apply proven and innovative solutions to reach that goal. Supporting the development of clean energy technologies—and access to these technologies for all—is a critical step. Economic incentives are needed to drive this transformation, and technical assistance must therefore play a major role. For example, support for the development of feed-in tariff systems can generate incentives for decentralized energy production and can promote access and clean options. Wherever there is a demand from governments UNDP will capitalize on the RC's convening power, and help bring key actors together in order to bring policy work, financing, technology and capacity development together to create conditions for major scaling up.

Employment

To address the growing demand for skilled labour in the green sectors there will be increasing shifts in employment patterns at the global and national levels. Labour market policies must support youth, the poor and marginalized groups to acquire adequate skills for new jobs and provide social protections to avoid negative impacts of **labour market shifts through income protection and educational support. Investments to create new green jobs should be accompanied by support for training and skill development, including access to volunteering opportunities.**

Resilience

Climate change presents new challenges to the poor by altering ecosystems and their services with the potential of disrupting growth, livelihoods and food production, changing disease patterns, and increasing vulnerability from natural disasters. The last few years of economic crisis, and rising or volatile food and fuel prices have also taught us the importance of building greater resilience to economic shocks and volatility. Sustainable development and the building of a prosperous pro-poor and green economy will require

SPECIFIC ELEMENTS: PRO-POOR GREEN ECONOMIES

redoubled attention to economic and social policies that can reduce vulnerability to such shocks and uncertainty. **In order for economies to be transformed in a sustainable direction over time, attention must also be given to ensuring that key institutions, regulations, and incentives are resilient to shocks and embed climate and risks into their activities. Such a stable enabling environment in turn promotes economic resilience and moves the focus away from a reactive method of development toward a proactive risk-reduction approach.**

Community institutions and local management

Local solutions must be fully incorporated into green economy policies and programmes to harness the untapped potential of local actors including farmers, women, indigenous peoples, communities and local businesses. One key challenge lies in establishing effective governance mechanisms for the poor to play a role, and in making the links between national and sub-national planning, and in decentralizing budgets to empower local authorities to contribute to sustainable development. Equally important is building on the strengths of community-based organizations to unleash local innovation. This can be accomplished by creating an enabling policy environment for the realization of local rights, facilitating local access to environmental finance, promoting practitioner-driven learning and knowledge sharing, and enhancing community voices in policy processes.

Land and natural resources

Clear land and property rights are critical to ensure poor people are not marginalized and lose their access and rights to use land and resources. The increasing volume of agricultural investments and international land deals underline the importance of securing the resource rights of poor rural people. Secure resource rights also provide important incentives for local ecosystem management and sustainability of local initiatives. While a majority of the poor today live in rural areas and depend on farming for their livelihoods, about 70 per cent of the world's population is estimated to be living in urban areas by 2050. Low-carbon, sustainable agriculture has the potential to promote growth, employment and food security for rural and rapidly urbanizing populations while assisting with nutrient cycling and maintaining ecosystem services. This potential can only be realized if poor men and women farmers can access knowledge, technologies and green markets. Similar examples exist for sustainable ecosystems management (fisheries, forest) with the potential for growth, employment and poverty reduction.

Biodiversity

The sustainable management of biodiversity and ecosystem services is essential for realizing a green economy. Particularly for poor and economically marginalized communities, biodiversity and ecosystem services are a lifeline; they are the foundation of local livelihoods, the basis of local food security, and the source of local health and wellbeing. **Just as biodiversity loss can be a driver of deepening poverty, biodiversity conservation and sustainable use can be a vehicle for delivering inclusive, climate-resilient development and economic growth.**

Commodity supply chains

Agriculture and commodity supply chains are the largest employers in low-income countries, accounting for 60 per cent of the labour force and producing 25 per cent of GDP. Commodity supply chains are also a significant cause of environmental degradation worldwide in terms of GHG emissions and deforestation. Green commodity supply chains deliver commodities that are harvested or produced to ensure maintenance of the ecosystem functionality and ensure social inclusion and sustainable livelihoods of workers and communities. **The main challenge for sourcing the world with primary products of low ecological and carbon foot print is to scale up sustainable harvesting and production practices. This requires countries to move beyond sustainability standard adoption and certification by some producers to satisfy niche markets, to wider private sector, government and civil society collaborative action so that the entire sector improves environmental and social performance.**

SPECIFIC ELEMENTS: PRO-POOR GREEN ECONOMIES

Participation and social mobilization

Participation in the development planning and investment decision making process is essential for inclusive sustainable development. This is particularly important for groups of people that have traditionally not benefitted equally from economic growth, including women and indigenous peoples. In particular, sustainable development must support women's, youth and low skilled workers' empowerment and employment. There is a great need to further strengthen women's property rights, access to capital and natural assets and their participation in economic and investment decision-making processes.

Social protection

If implemented well, programmes such as broad-based social security, labor guarantee schemes, provision of crop insurance and targeted cash transfers, can boost resilience among the vulnerable, enable them to invest in their future and take moderate risks, and ultimately drive productivity gains and inclusive growth. Even with all the above measures to develop a pro-poor green economy, there will be marginalized vulnerable groups who would not be able, because of their specific situations, to participate in the economy or share the benefits of the development outputs. These groups would include segments of the informal sector, persons with disabilities, the elderly, indigenous and other disenfranchised populations and poor women. **A system of social protection would be needed to ensure that these groups at least share the benefits of the outputs of the pro-poor green economy.** Through carefully selected programmes and deployment of appropriate instruments this can be achieved.

Gender equality and women's empowerment

Greater efforts are needed to promote gender equality and women's empowerment within development and particularly around the green economy. With targeted support from governments, development agencies and private investors, women can contribute to and benefit more from opportunities created by the shift to greener economies. This also requires a strengthening of capacities to integrate gender perspectives into economic policy, including the design of subsidies, taxation, pricing, transfers, compensation and benefit sharing. Women's informal and care work has to be recognized and valued in economic policy making; and the gender-defined roles of women and men as consumers and producers must be recognized. **Ensuring that women and other traditionally excluded groups have greater access to credit, training and benefit sharing will mean broader sustainable development progress.**

SPECIFIC ELEMENTS: INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

B. Institutional Framework for Sustainable Development (IFSD)

Overall functioning of IFSD

Experience since Rio92 has shown that unless the institutional framework for addressing sustainable development in a fully integrated manner exists and is supported comprehensively, there is little hope of the fundamental change needed to achieve sustainable development.

As such, IFSD is about strengthening co-ordination, institution building, and strategy development at and between all levels to ensure a balance among economic development, social development and environmental protection as interdependent and mutually reinforcing dimensions of sustainable development. UNDP believes that the better this balance can be achieved, the better we will be able to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. Against this background changes made to the current national and international institutional framework in pursuit of IFSD should serve to:

- Enhance a sustainable development governance architecture that promotes greater convergence and provide greater parity between the economic, social and environmental dimensions of sustainable development;
- Enhance integrated and thereby better informed, decision-making and priority-setting at all levels;
- Ensure interaction at all levels across institutions and bodies including those that do not interact (sufficiently) today;
- Reinforce the loop between the operational country level and the normative global level and vice versa;
- Foster stronger dialogue and partnerships with civil society and the private sector at all levels;
- Empower people to participate and have their voices heard.

The country level

Functions to be performed by countries' own institutional framework

The country level is the key level to achieve integrated decision-making and priority-setting. Decision-making designed to facilitate integrated consideration of national development priorities will, in all countries, improve implementation, including, where relevant, by providing a stronger foundation for international partners, such as the UN, to rely on in planning their support. It would also enhance coherent messaging from different parts of member states governance structures into different parts of the international system thereby contributing to system-wide coherence at the national as well as at the regional and global levels.

How this may happen

See points 1 through 6 under 'closing the implementation gap' on page 11.

Functions to be performed by the UN framework at the country level

The functions to be performed by the UN development system at the country level are, at the same time, to help develop, match, mirror, and support integrated policy approaches and government decision-making developed through cross-sectoral, cross-ministerial and multi-stakeholder country ownership at all levels.

How this may happen

In light of the timing of the QCPR, Rio+20 may wish to recommend that the QCPR takes the outcome of Rio+20 into account and ensures that the UN development system on a "no one size fits all" basis will be able to cater for:

- **A dialogue with the Government that has support for sustainable development, especially integration of the three pillars, as a key starting point and objective at the outset of the UNDAF process;**

SPECIFIC ELEMENTS: INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

- **Strong UN support for building country capacity for sustainable development; and**
- **Delivery in support of countries' own sustainable development objectives.**

In addition, Rio+20 could recommend that:

- Sustainable development is embedded in the performance criteria of Resident Coordinators and all senior UN representatives at country level;
- Resident Coordinators are authorized to drive the process forward from UNDAF to country programme implementation;
- IFIs are invited to participate on a more committal basis in the work of UNCTs including UNDAF roll-outs.

The global and regional level

Functions to be performed by inter-governmental bodies at the global and regional level

At the global and regional inter-governmental level the institutional framework for sustainable development and the conduct of its work should lead to more effective coordination, coherence and enhanced synergies and cooperation across the international system, e.g. the UN as well as the BWIs/IFIs. It will be important to:

- Elevate sustainable development to an appropriate level in the UN intergovernmental structure;
- Enhance interaction among institutions both within each of the three dimensions of sustainable development and across the three dimensions;
- Ensure that environment is dealt with as a system-wide cross-cutting issue at par with the way other issues are handled;
- Identify and close potential gaps in the structure of functional commissions, standing committees, and expert bodies at the global level;
- Overcome the fragmentation and, in many cases, weak interaction between existing; intergovernmental bodies, such as the socially related functional commissions under ECOSOC;
- Enhance the role of the regional level subsidiary bodies and the interaction between these bodies and the global parent body to further a coherent normative framework;
- Ensure that the normative work at the global and regional level is properly linked with and informed by priorities and experiences at the country level;
- Enhance interaction with UN inter-agency coordination mechanisms.

How this may happen

Establish a sustainable development intergovernmental body at the global level:

- ECOSOC could be revamped to fulfill the role of premier UN body addressing sustainable development. A more realistic option may be to establish a Sustainable Development Council (SDC), modeled on the structure and operational flexibility of the Human Rights Council (HRC). Such a body would essentially replace the Commission on Sustainable Development, which could either be discontinued, or turned into an Environment Commission under ECOSOC.
- In either case, **the sustainable development body should be mandated to work across the entire UN system and BWIs/IFIs and connect bodies and issues including subsidiary bodies under ECOSOC that do not interact today**, such as the various socially related functional commissions and the Commission on Science and Technology.
- The sustainable development body could be equipped with a **Universal Periodic Review for Sustainable Development (UPR-SD) mechanism**, again modeled on the HRC where countries review each other on a voluntary basis. Through such UPRs the sustainable development body would establish important links with developments on the ground, serving to both help countries advance towards sustainable development and to inform the global sustainable development body of challenges and solutions on the ground.

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- **Where relevant, these UPRs could include reviews of the international support provided through the UN/IFIs for each country reviewed and thus provide links to the UN development system on the ground. At regular intervals, e.g. when a sufficient number of countries and the international support provided has been reviewed, the intergovernmental sustainable development body could meet with the UN Development Group to distill lessons for future work of UNDG in guiding the work of UN Country Teams.**

To ensure political clout and cross-ministerial and cross-sectoral membership and participation:

- The sustainable development body should meet periodically at the highest level possible to ensure its political clout. In addition, meetings at ministerial level and technical levels should always be designed in a way that attracts ministers, civil servants and NGOs from different portfolios.
- It could be considered to award permanent membership to some Member States and/or Chairs of Groups
- A UPR mechanism would itself provide a strong impetus to ensure cross-ministerial participation and clout.

To ensure that subsidiary bodies fully reflect the three dimensions of sustainable development and that gaps are closed:

- **Other potential gaps in ECOSOC's subsidiary bodies could be looked into. One example is the expert body on taxation.** With the increased focus on fiscal reform, subsidy reform, etc. embedded in, among other things, the thinking around a green economy, an upgrade of this expert body to a higher level body could be considered.
- Consider whether institutional arrangements for handling disasters and for disaster risk reduction are adequate to ensure proper integration of disaster risk reduction measures into mainstream development;
- Ensure stronger interaction with regional subsidiary bodies. Regular sessions focusing on work in the regions could be part of the work programme of the sustainable development body.

To ensure stronger interaction with civil society and private sector:

- While participation of civil society and the private sector will be important in regular sessions of the proposed intergovernmental sustainable development body, **there may be a need to zoom in on the particular contributions that these actors can make in promoting sustainable development including through partnerships with governments. Therefore, a tripartite sustainable development subsidiary body could be established under ECOSOC.** This body could be modeled over the Permanent Forum on Indigenous Issues which has equal membership of government and indigenous peoples' representatives.

UN inter-agency coordination mechanisms at the global and regional level

The current system of UN inter-agency coordination mechanisms has evolved over the past 10-12 years as a response from the UN system to the increasing need for ensuring coherence and coordination across a broad and multi-faceted system of secretariats, funds, programmes and agencies with particular mandates each in their field and governed by different mechanisms. These inter-agency coordination mechanisms will need to reshape/adjust to reflect the outcomes of Rio+20. UNDP welcomes the discussions that are already on-going within the inter-agency system in this regard, including concerning more frequent interactions between the UNDG and HLCF. The functions to be performed by the inter-agency system at the global and regional level should include:

- Making effective sustainable development integration and coherence a core task for coming years, with a strong focus on building an optimal enabling framework for UN Country Teams and member states in their pursuit of sustainable development;
- Enhanced integration of work across the three dimensions of sustainable development;
- Enhanced participation by the IFIs on a committal basis in inter-agency mechanisms at all levels;

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- Application of the issues based approach to the substantive work in all three dimensions of sustainable development (this approach is currently applied to environmental or environmentally related issues only);
- Stronger links between the normative and the operational parts of the inter-agency system;
- Strengthened participation, not least by non-resident agencies, in regional inter-agency coordination mechanisms;
- Strengthened interaction between inter-agency coordination mechanisms at the regional level to ensure stronger support for integrated delivery at the country level;
- Better synchronized coordination at the regional level.

How this may happen

- Rio +20 could encourage the further development of the Framework for Advancing Environmental and Social Sustainability in the UN as a means to enhance system-wide coherence and strengthen linkages between the normative and operational work of the UN;
- Introduction of an integrated and possibly shared budget system and shared knowledge management system by given deadlines;
- Through a review of the geographical coverage of their regional divisions, UN agencies could synchronize their organizations at this level.
- Rio+20 may consider commissioning an independent review of the UN inter-agency coordination mechanisms and system.



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