



OUR Common

Inaction

Meeting the Call for Institutional Change

BY DAVID RUNNALLS

This year, some of the foremost environmental thinkers of our time have articulated their visions of a sustainable future in books that are all very different but share a common theme: the world is running out of time to deal with a set of seemingly overwhelming environmental threats.¹ Reading these books over the summer made for a somewhat depressing holiday, especially when one of the most articulate leaders in environmental governance, Gus Speth,² proposes nothing short of an economic and political revolution to get us out of the mess.

Although the rapid economic growth of the twenty-first century has made the situation even worse, many of us have heard all this before. There has been no shortage of books over the past 30-odd years warning us of the dire problems we face and calling for change. (Remember the 1990s as the “turnaround decade”?) Yet we have failed to measure up to the threats that seem about to overwhelm us (see the box on page 20). Why is this? There are plenty of reasons, most of which are articulated in these books: the lack of political champions, inadequate financial resources, the lack of vision, and the sheer scale of

the challenge itself. Others can be found in the voices of the scientists who make up the Intergovernmental Panel on Climate Change (IPCC) or the Millennium Ecosystem Assessment. But our failure to dramatically reform our domestic institutions and create an international architecture to respond to the challenges of sustainable development must rank at the top of the list. Sustainable development is not for the faint of heart.

Calling for Institutional Change

The writings of scientists like Rachel Carson,³ the spread of forest death from acid rain in Europe, and the early works of Paul Ehrlich⁴ and Barry Commoner⁵ in the United States, as well as Rolf Edberg⁶ and Max Nicholson⁷ in Europe, prompted the environmental revolution of the latter part of the twentieth century and led the Swedish government to propose a world conference on the environment. The conference took place in Stockholm in 1972.

As the United Nations (UN) proceeded with the preparations for this meeting, it became evident that the majority of developing countries perceived environmental degradation at best as predominantly a problem for wealthy countries. At worst, they suspected that environmental measures would be used against them, slowing their desperately needed development programs and placing obstacles in the path of their attempts to expand their trade with the wealthy. These fears were reinforced by the publication of *Limits to Growth*,⁸ the Club of Rome study launched with great fanfare before the conference. The book's emphasis on running out of resources worried those developing countries exporting many of these commodities. And the hints of either no or slow growth implied by the book set off alarm bells among developing country officials. They feared that the trickle of foreign assistance would be redirected to the environmental problems that preoccupied the wealthy. Variations on this theme can still be heard from many developing countries 35 years later.

HUMAN IMPACTS ON THE BIOSPHERE

- Evidence for global warming due to human production of carbon dioxide and other greenhouse gases is now unequivocal.
- Three-quarters of the habitable surface of the Earth was disturbed by human activity by the end of the twentieth century.
- People represent 0.5 percent of animal biomass on Earth, yet, on average, human appropriation of net terrestrial primary production is estimated to be 32 percent. Locally and regionally, impacts are much greater.
- Forty to sixty percent of the nitrogen in the human body is comprised of industrially produced ammonia.
- Human activities are now the most significant force in evolution.
- Human activities have increased previous "background" extinction rates by between 100 and 10,000 times.
- Between five and 20 percent of the approximately 14 million plant and animal species on Earth are threatened with extinction.
- Between 1970 and 2003, the Living Planet Index (LPI) fell by about 30 percent.
- The terrestrial index (695 species) fell by 31 percent, the marine index (274 species) by 27 percent, and the freshwater index (344 species) by 29 percent.
- In 2005, some 60 percent (15 out of 24) of ecosystem services evaluated by the Millennium Ecosystem Assessment were being degraded or used unsustainably.
- The population of large predatory fish is now less than 10 percent of preindustrial levels. Overharvesting has devastated both ocean and inshore fisheries.
- More than two million people globally die prematurely every year due to outdoor and indoor air pollution and respiratory disease.
- Per capita availability of fresh water is declining globally, and contaminated water remains the single greatest environmental cause of human sickness and death.

Source: W. M. Adams and S. J. Jeanrenaud, *Transition to Sustainability: Towards a Humane and Diverse World* (Gland, Switzerland: IUCN–The International Union for the Conservation of Nature, 2008), Table 3.1, 16. Reprinted with permission.

The conference began to look like a looming disaster for the UN. The secretary-general at the time, U Thant, turned to Maurice Strong to redefine the agenda and to bring the developing countries on board. Strong was the first head of the Canadian International Development Agency, had extensive experience in the development field, and had an excellent rapport with many developing country leaders. He set about to change the terms of the debate through the creation of a number of meetings bringing leading thinkers from the developing world to the table⁹ and engaged the economist and writer Barbara Ward to write one of the first books relating environment and development. *Only One Earth*¹⁰ went on to become a Book of the Month Club selection and an international bestseller.

Stockholm was a media success. More journalists attended the conference than were present at the Munich Olympics later that year. Developing countries

attended in large numbers, and Indian Prime Minister Indira Gandhi made perhaps the most powerful speech of the event when she pointed out the direct relationships between poverty and the environment.¹¹ For a time, it looked as if environmental issues were now on the developing world agenda.

Stockholm was also notable for the emergence of nongovernmental organizations (NGOs) as a major force at international events. Previous UN conferences had relegated what are now called civil society organizations to a subsidiary, rather formalistic role. But at Stockholm, the NGOs organized photo ops, held demos, and published a very professional newspaper, *The Stockholm Conference Eco*, which succeeded in holding delegates' feet to the fire, as well as providing fodder for the mainstream press. Strong had found a way to appeal directly to citizens without going through their governments.

The conference adjourned, having passed 109 resolutions, issued a declaration, and laid the foundations for the establishment of the United Nations Environment Programme (UNEP). Headquartered in Nairobi, UNEP was created the following year as the first UN agency to be located in a developing country.¹²

The years following Stockholm led to a flurry of environmental activity around the world. Environment ministries were created in almost every country, and a torrent of new legislation poured forth. But in another example of the importance of science to the environmental debate, the alarm bells began ringing again within 10 years.

The Global 2000 Report to the President,¹³ produced by Jimmy Carter's Council on Environmental Quality, pointed to the rapid deterioration in the Earth's environment and highlighted the threat to the Amazon and other tropical forests. *The World Conservation Strategy*, produced in 1980 by the International Union for Conservation of Nature and Natural Resources, World Wildlife Fund, and UNEP, reiterated the threats to the world's biodiversity and the need for urgent action.¹⁴

This prompted Canada to propose the creation of a commission to study the relationship between the environment and development and to propose solutions to the problems unearthed by the scientists. Just as the two-week UN conferences were the vogue of the 1970s, world commissions led by former politicians tended to be the solution of the 1980s. But given the poisonous nature of developed and developing country relations of the time, most of these commissions produced either bland or divided reports.

The World Commission on Environment and Development (WCED, or the "Brundtland Commission" after its chair, the Norwegian Prime Minister Gro Harlem Brundtland) was a notable exception to this rule. The commission began its work in 1984 and reported three years later.

The commission was geographically balanced; it included a pre-Glasnost Russian, a pre-Deng Xiaoping Chinese, and an American Republican.¹⁵ Despite all

these political handicaps, the unanimous report of the commission, *Our Common Future*,¹⁶ stands as one of the most influential documents of its time.

The report begins with the usual recitation of the environmental horrors facing us. Given these scenarios and the political realities of the time, the commissioners would have been forgiven had they simply thrown up their hands. Instead, their solution was to greatly broaden and breathe life into the concept of sustainable development, which had been pioneered by the World Conservation Strategy in 1980.¹⁷ Rearranging the deck chairs on the Titanic simply would not do. The world's economy and its institutions needed fundamental changes.

Our Common Future brought together several critical insights that helped to articulate this vision:

- The environment agencies established after Stockholm were given narrow mandates to concentrate on the symptoms of the problems, not the sources. The sources were to be found in fiscal, tax, budget, trade, energy, agriculture, and other policies. But the agencies respon-

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sible for these policies were left with their mandates untouched. The resulting "react and cure" approach was both very expensive and unlikely to be any more successful in the future than it had been up to that point. The WCED called for fundamental changes to policy and governance that would make it possible to anticipate problems before they happen and to get at the root causes.

- The planet was very close to crossing many critical environmental thresholds. We had reached a point where our environment and our economy were so closely interconnected that policies in one sphere that ignored the other were bound

to fail. Yet much like at the international level, national environment ministers sat at the foot of the table—or perhaps even at another, less influential table—and were left to cope with the consequences of bad economic decisions of the central agencies, such as finance, energy, and industry departments. A shift from unsustainable to more sustainable forms of development would require heads of government to accept responsibility for this new concept, making their key ministers accountable for ensuring policies that support a transition to sustainable development. With sustainable development the driving concept, the government's annual budget would become its most important environmental statement. In the words of Jim MacNeill, the commission's secretary-general and the main author of the report, "If we change the way we make decisions, we will change the decisions we make. Conversely, if we don't, we won't."¹⁸

- If changing the way decisions are made was one of the keys at the national level, it was also important internationally. The commission called for

the strengthening of UNEP as well as the other components of the system of international environmental governance. It also called upon international aid agencies and development banks to make sustainable development the ultimate goal of their activities. It displayed a mastery of realpolitik in calling for a high-level international conference by 1992 to assess progress made in the implementation of its recommendations.

- The commission pointed out the central importance of international equity. Sustainable development cannot be achieved while the enormous gaps between developed and developing countries continue to exist.

• The WCED understood the importance of transparency in environmental policymaking. The commission held public hearings in Indonesia, Brazil, Canada, Zimbabwe, Kenya, the then USSR, and Japan. The commissioners were able to hear first hand from indigenous peoples, environmentalists, and the private sector. MacNeill maintains that these hearings helped to make the environmental problems real to the members.¹⁹ This realization was the principal reason for their emphasis on transparency and the engagement of civil society and the corporate sector as crucial components of sustainable development. This was too important to trust to governments alone.

The release of the report triggered a lively debate about sustainable development. People discussed its definition, meaning, and practicality and asked whether it was merely a hoax designed to allow economic growth to proceed with only a modicum of safeguards. It also triggered preparations for the next major environmental conference in 1992.

Once again, the evergreen Maurice Strong emerged, as secretary-general of the UN Conference on Environment and Development. Wary as always of falling into the trap of simply replicating past successes, Strong was determined to up the ante. Instead of the usual meeting of environment ministers, he persuaded the UN and his Brazilian hosts to have the meeting at the heads-of-government level. And to make sure that there would be something for the leaders to sign when they were in Rio, he urged the negotiators of what would become the Conventions on Biological Diversity and Climate Change to accelerate their negotiating timetables so that the agreements would be ready for signature.

Thus the lessons of Brundtland were applied. (Strong was a member of the WCED.) If sustainable development was to be achieved, the transition needed to be driven by the heads of government and not environment ministers. But on the road to Rio, governments balked at following an agenda focused on sustainable development, built around the headings in the Brundtland report. Despite Strong's

efforts, most developing countries still perceived of Stockholm as a meeting on the environment, and they were determined to prevent a recurrence of what they felt had happened in the years following Sweden. They resisted the new integrated agenda. So the Rio Earth Summit effectively followed two agendas: the developing country agenda of trade liberalization, debt relief, poverty reduction, and an increase in foreign assistance; and the Organisation for Economic Co-operation and Development (OECD) agenda of climate change, biodiversity loss, deforestation, and the decline of the world's marine fisheries.

The conference produced mixed results. The parallel agendas were eventually bridged by an implicit deal between the developed and developing world. Developing countries felt that they had been promised a concerted effort on debt relief, increased access to the markets of the developed world, and a major increase in development assistance. In exchange for these concessions, they agreed to deal with the OECD agenda under the contentious principle of "common but differentiated responsibility." This is a UN code phrase that puts the onus on developed countries to assist developing countries financially to deal with problems such as climate change that have largely been created by the wealthy, developed countries.

This "deal" subsequently fell apart. Although progress eventually was made with the Enhanced Heavily Indebted Poor Countries Initiative to relieve the debt burdens of the poorest countries, the Uruguay Round of trade negotiations failed to deliver significant benefits to many developing countries. And the levels of foreign assistance in fact declined throughout the 1990s. This decline has only recently been reversed following the Monterey Conference of 2003 and adoption of the Millennium Development Goals.

The failure of the Rio bargain has continued to undermine international progress on issues such as climate change, where developing countries remain suspicious of the sincerity of wealthy-country commitments. And the institutionalization of sustainable development within the

international environmental governance system has been a signal failure. The Rio Conference called for the creation of the UN Commission for Sustainable Development. The commission was to meet on an annual basis to assess national and international progress toward sustainable development. It was to be innovative in nature, involving civil society in its deliberations, and the delegations attending each session would be drawn from ministers responsible for economic and energy departments, as well as environmental officials. It continues to meet; however, it has no authority. It has never attracted significant representation from anywhere other than environment departments, and it really should be taken out of its misery and abolished.

We have, therefore, three main events that placed sustainable development firmly upon the international agenda. The UN attempted to make it four by repeating the Rio formula at the World Summit on Sustainable Development in Johannesburg in 2002, with very limited success. In fact the summit had all the hallmarks of an event searching for a purpose other than to remind participants that 10 years had passed since Rio and 20 since Stockholm, with only limited achievements to celebrate.

In *Our Common Future's* final chapter, "Towards Common Action: Proposals for Institutional and Legal Change,"²⁰ the Brundtland Commission articulated the need to make heads of government and major corporations responsible for driving sustainable development. It also exhorted these leaders to ensure that the environment and economics are integrated in decisionmaking. What has become of these recommendations?

Private-Sector Steps toward Sustainability

Much progress is to be found in the more enlightened parts of the private sector. After watching NGOs make the most out of Stockholm and the Brundtland Commission, the business community decided to play catch up. The emergence of the

Business Council for Sustainable Development (now the World Business Council for Sustainable Development, WBCSD) before Rio and the publication of its landmark report, *Changing Course*,²¹ moved industry from the periphery to the center of the sustainable development debate. WBCSD represents more than 200 CEOs from some of the world's largest companies. Industry went on to provide one of the highlights of the Johannesburg meeting with an entire day devoted to business and the environment. This meeting spawned a series of civil society–industry partnerships throughout the developing world and gave encouragement to the emerging corporate social responsibility (CSR) movement.

There are many reasons for the emergence of CSR, but there is no doubt that Rio, Johannesburg, and the debate on climate change have been among the major drivers moving companies in this direction. And sustainable development has been one of the keystones of CSR.

The last two decades have seen an explosion of thought about the social and environmental role of business. Here one thinks of concepts such as the triple bottom line, pioneered by John Elkington, cofounder of SustainAbility,²² or environmentalist Paul Hawken's concept of natural capital or the Natural Step.²³ The Global Reporting Initiative,²⁴ which developed voluntary standards for reporting on sustainable development, now attracts more than 1,000 people to its annual conferences, and hundreds of companies use its formula to produce annual sustainability reports.

Companies subscribe to voluntary standards such as the Equator Principles,²⁵ which set specific criteria designed to make the lending practices of major banks more sustainable. The Extractive Industry Transparency Initiative²⁶ encourages its members to publish the amounts of royalties paid to host governments in an effort to combat corruption. An increasing number of companies that manufacture forest products have moved to have their operations certified by the Forest Stewardship Council,²⁷ an NGO originally established through an initia-

tive by the World Wildlife Fund. And there are many more of these initiatives and many more NGOs set up to minimize the amount of "greenwash" involved.

In addition to the banks that have adopted the Equator Principles, there has been a huge increase in the number of pension plans, other institutional capital pools, and even individual investors now regularly scanning potential investments for such things as carbon liabilities and other components of socially responsible investments.²⁸ These investors are now starting to use their capital in more sustainable ways. For example, more than one-third of global electricity investments last year went to the wind energy sector, and private investors and foundations are now leading the battles against AIDS, malaria, and tuberculosis.

It is a real challenge to begin to involve the new centers of economic decisionmaking in Brazil, Russia, India, and China in subscribing to principles or codes of conduct they have taken no part in developing.

Finally, a number of initiatives—such as the Global Compact, established by former UN Secretary-General Kofi Annan and involving more than 1,000 participants—bring companies together voluntarily to adopt certain operating principles to encourage sustainable behavior, and others combat AIDS or other infectious diseases.

Despite these promising initiatives, not all is rosy on the corporate front. These initiatives still involve relatively few companies. Furthermore, they are often associated with a senior executive or CEO. When that person passes from the scene, it is often difficult to maintain the momentum. The programs are all voluntary, and experience with a number of voluntary initiatives shows that they are often too

easy to flaunt or abuse, and the signatories do not scrutinize each other's performance against the criteria. And it remains to be seen how many of these good works will survive the current recession, when the cruel realities of the bottom line begin to bite. Those companies that firmly believe that there is a strong business case for sustainable development and have built it into their core business models will probably stay the course. But they are a small percentage of the small percentage of all companies that have taken these concepts to heart. And these are large corporations with substantial intellectual and financial resources; the majority of jobs worldwide are provided by small and medium-sized enterprises for which these concepts are foreign. Finally, it is a real challenge to begin to involve the new

centers of economic decisionmaking in the BRIC countries (Brazil, Russia, India, and China, the fastest-growing emerging economies)²⁹ or the sovereign investment funds in subscribing to principles or codes of conduct that they have taken no part in developing.

Instead, market-based solutions are all the rage nowadays. Cap-and-trade systems, as well as carbon taxes, are seen as the answer to the challenges of climate change. Carbon markets will facilitate the flow of investment capital into energy projects in India and China and the rest of the developing world through new, complex financial products. Even those worried about biodiversity loss are touting the new concepts of valuation and purchasing of ecological goods and services. Nicholas Stern, in his report for

the British government on the economics of climate change, has pointed out that the costs of doing nothing are far higher than the costs of changing market signals to deal with the problem.³⁰ Voluntary actions, such as those outlined above, can be of enormous value to sustainable development. But the real action will only happen when market signals and environmental signals both point in the same direction. Stern's report is full of examples of how this can be made to happen.³¹

But recent events on Wall Street have reminded us of the need for both caution and regulation to correct market failures and fully understand the new financial products that the market constantly creates and that now threaten to bring it to its knees.

The private sector and private capital must be a large part of the solution to sustainable development. But we will need to develop transparent processes for mobiliz-

ing that capital and for providing private investors with the necessary incentives to invest for the longer-term solutions that help to bring about sustainability. The more enlightened companies realize this and have indeed called for well-drafted and implemented regulation.³²

researchers from the International Institute for Sustainable Development, Stratos, Inc., and the Environmental Policy Research Center at the Freie Universität of Berlin looked at 19 countries with somewhat regular sustainable development reporting³³—and here the record is very mixed.

Both the Brundtland report and the commitment to sustainable development have been taken far more seriously in Europe than in the rest of the world, and even there the record has been spotty. The European Union itself has built sustainability into its basic documents. Starting with the Maastricht Treaty, sustainable development has become one of its main goals, and its policies are measured against sustainable development criteria. The European Union routinely subjects even its trade commitments to sustainability analysis.

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National Policies and Institutions

What about national governments? Have they prepared the national sustainable development strategies recommended by the Brundtland Commission—most importantly, integrating environmental considerations into economic policies and shifting toward “green” taxes? A group of

Sweden and Switzerland have also built sustainable development into their constitutions. The Swiss constitution imposes a binding commitment on all levels of government to act sustainably.

Many European countries have used fiscal policy to encourage sustainability. The European Union has established an emissions trading system involving more than 8,000 installations throughout the member states. It has succeeded in turning carbon into a commodity that must now be accounted for on balance sheets and provides real incentives for those companies who are prepared to invest in efficiency and renewables. The Scandinavian countries have used economic incentives to change behavior through remodeling their tax and expenditure regimes to shift the

burden of costs to the “bads” rather than the goods. Sweden began tax shifting in 1991 when they raised taxes on carbon and sulfur emissions and cut income taxes. Ten years later, they increased taxes on diesel fuel, heating oil, and electricity and cut income taxes. More than 6 percent of all government tax revenue has been shifted in this manner.

Germany has established 21 measurable “hard targets” in its sustainability plan, including a target of doubling the share of renewable energy in the electricity sector by 2010.

European governments have also experimented with changing the way they make decisions by requiring environmental assessments of all policy decisions before they are made and introducing stronger cabinet responsibility for sustainable development. During Prime Minister Tony Blair's era of “joined-up government,” for example, Britain established a Green Cabinet. Each department was required to designate a green minister to represent it on a cabinet subcommittee of other green ministers. Germany established a similar cabinet coordinated directly from the chancellor's office.

Integrating environment and economic decisionmaking has proven to be a tough task, even in Europe, where the politics of these issues is much different than it is in North America or in most of the developing world. Integrating social sustainability is both more difficult and simpler. It has been more difficult because it adds yet another layer of structural complexity to the decisionmaking process and because social sustainability resists definition and methodological clarity even more stubbornly than economics and the environment. It is simpler because all governments have social policies and spend large proportions of their budgets on what most of us would agree are social policies—health, education, income support for the poor, pensions, and the like. Those policies can be judged on their own. OECD publishes reams of comparative statistics for its member countries on their progress in these areas, and the UN Development Programme's *Human Development Report* and the World

Bank's *World Development Report* are at pains to extend some of this analysis to the developing world as a whole. So there are metrics for judging how well or badly governments have dealt with these problems. Regular reporting on progress (or lack of it) on the achievement of the Millennium Development Goals has also provided useful, if depressing, snapshots on how the world is progressing on a subset of these issues.

On the whole, it is fair to say that these policies have been undertaken independently of their importance to sustainable development by governments. Even in the case of those most committed to sustainable development—Germany and the Nordic countries, for example—it would be difficult to isolate social policies that owe their origins primarily to a desire to complete the sustainable development triad of economic growth and equity, natural resource conservation, and social development, rather than for other policy or political reasons.

Change within Aid Agencies

What about the development assistance agencies who were challenged by Brundtland to put sustainable development at the core of their mandates?

As far back as the 1970s, I participated in two major exercises at the International Institute for Environment and Development designed to assess how well the multilateral development banks and the bilateral agencies had incorporated the environment into their mandates.³⁴ They were just starting, with the World Bank and the United States Agency for International Development making the most solid commitments. The other multilateral banks were struggling with the concept, and the bilaterals were all over the place.

Environmental guidelines are now well established in these organizations. All have produced numerous outlines and checklists for their project staffs to follow. Environmental impact assessments are routinely required for large projects.³⁵ Technical staffs are competent and well supported. OECD's Development

Assistance Committee has developed guidelines for Strategic Environmental Assessments, incorporating the environment into country reporting. The World Bank has an independent inspection panel to respond to people directly affected by World Bank projects who complain that the Bank has not followed its own policies and procedures. Many of the other multilaterals have followed suit. And their publications are replete with references to sustainable development.

Sustainable development is an integrative concept that is difficult to incorporate in the sectoral world of the aid business.

But somehow these phrases do not ring completely true. It can be difficult to reconcile the need to dispense large amounts of money quickly and efficiently while building in the appropriate safeguards. This difficulty can be compounded in an era where the emphasis has been on recipient-driven foreign assistance. If sustainable development is low on the priority list of the recipient, it can be difficult for even the most proper donor to insist on another priority.

The World Bank has recently conducted an evaluation of its environmental programs since 1990, and the results are a sobering reminder of how difficult integrating environmental and economic concerns can be:

[T]he institution has not been able to integrate environmental stewardship centrally or integrally into country programs, incorporate them as requirements for sustainable growth, and provide lending for environmental priorities—often because of lukewarm interest from the countries. Environmental sustainability must become a core part of the World Bank Group's strategic directions and receive fuller attention in Regional and country assistance strategies. Operational teams need to collaborate more effectively across sectoral boundaries

*and build stronger skills in vital environmental areas, from pollution control to biodiversity conservation.*³⁶

Sustainable development is an integrative concept that is difficult to incorporate in the sectoral world of the aid business. As a result, the environmental piece of the sustainability puzzle becomes just another sector. Nowhere is this more clearly illustrated than in the Millennium Development Goals, which have had a powerful influence on the

aid agencies. They simplify the world into eight understandable, quantifiable targets. Yet its environmental goal to “ensure environmental sustainability” is almost impossible to quantify and sits alone with very little, if any, connection to the others.

International Regimes for Sustainable Development

To complete our tale of gloom, we need only turn to the subject of international governance of the environment. The good news is that we have been very active in the creation of international regimes for environmental protection. UNEP tells us:

*Today there are over 500 international treaties and other agreements related to the environment, of which over 320 are regional. Nearly 60 percent date from 1972, the year of the Stockholm Conference, to the present. Since 1972, there has been an accelerated increase in MEAs [multilateral environmental agreements]; over 300 agreements were negotiated.*³⁷

The bad news is that most of these agreements are supported by small secretariats with inadequate budgets. They are scattered all over the world and have few economies of scale.³⁸ And none have

effective compliance regimes. They also are cursed by a lack of accountability. Although these are legal agreements, most governments seem willing to sign up to a whole series of commitments with little intent of honoring the majority of them. While membership in the World Trade Organization (WTO) carries with it commitments that are subject to a form of adjudication, and membership in the International Monetary Fund (IMF) involves a close monitoring of domestic financial conditions, belonging

UNEP was also hobbled by two disastrous political decisions. Its executive director initially opposed the creation of the Brundtland Commission and, subsequently, UNEP did nothing to support the work of the commission. It also resisted the creation of an independent secretariat for the Rio conference. Having lost both of those battles, it had a dramatically reduced circle of international friends when it came time to establish the secretariats.

The weakness of this system, particularly compared to the clout of the

It is unlikely that the calls for a new organization will succeed. The idea is opposed by many governments, including the United States, China, Russia, and India. There is enormous inertia within the UN system itself. And UNEP, under Executive Director Steiner, is exhibiting a new sense of life. The optimists⁴³ hope for a reinvigorated UNEP with a decent, assured budget, perhaps recast as a specialized agency with the multilateral environmental secretariats at least clustered around areas of similarity (for example, biodiversity and species, chemicals, and hazardous substances).⁴⁴

There are no shortages of ideas for fundamental reform. Maurice Strong has proposed that an environmental security council be created to ensure that these issues are dealt with at the highest levels. This could spring either from a rejuvenation of the obsolete UN Trusteeship Council or special sessions of the UN Security Council. He has also suggested a merger between the UN's development and environment programs.⁴⁵ The problem is not a lack of imagination. It is a lack of consistent political leadership.

Much of the blame for the ineffectiveness of multilateral environmental agreements lies in the inability of UNEP to do its job.

to an international environmental agreement often seems to have little effect on national policy. And failure to reform that policy carries no penalties or sanctions. If sustainable development is indeed the central challenge for the next 50 years, this is a curious way to conduct international environmental business.

Much of the blame for the ineffectiveness of these multilateral environmental agreements lies in the inability of UNEP to do its job. Intended to play a "catalytic" role, it is not a specialized agency and therefore has no regular budget. Instead, it is dependent on voluntary contributions from governments and has to go cap in hand every two years. It has nothing like the financial resources needed to support its international environmental mandate. Even today, with the heightened awareness of climate change and the environment in general and under the direction of the young, charismatic leader Achim Steiner, UNEP's annual budget has only reached \$72 million, smaller than that of several U.S. private environmental organizations.³⁹ With a vast mandate and meager resources to carry it out, UNEP began to pay less and less attention to administering or coordinating the activities of these multilateral agreements.

World Bank, the WTO, and the IMF, has led to calls for reform. As early as the 1988 G-7 summit, German Chancellor Helmut Kohl was calling for the creation of a global environmental agency. This would allow a consolidation of the various components of the international environmental system but would also create an agency with enough muscle to stand up to these 800-pound gorillas of the international system.

Periodically, governments and scholars have revived this idea. Former President Jacques Chirac of France took up the cudgels most recently, calling for a global environmental organization in his speech to the 2002 Johannesburg Conference.⁴⁰ At the end of his reign in 2007, he personally took charge of a major international conference at the Élysée Palace, which produced the "Appel de Paris" (Paris Call to Action), promoting the idea yet again.⁴¹

Meanwhile, the UN, which specializes in trying to reform itself, established yet another panel to examine the issue. The latest high-level panel has just delivered its report to the UN General Assembly.⁴² Their report, if adopted, cleans up some of the failures of the current system but does not go to the roots of the problem: lack of money and influence.

A Call for Leadership

Much has happened since 1987. Sustainable development is now part of the international lexicon. It is now incorporated the mandates of many of the world's financial and commerce institutions. Indeed, it is firmly entrenched in the mandate of the WTO and of the now-stalled Doha Round of Trade Negotiations. It has established a strong beachhead among the governments of Europe. Many European countries have adopted policies that use the market to correct market failures. China's leaders have committed themselves personally to put China on a more sustainable, less resource-intensive course over the next two decades. And the leaders of industry have begun to apply their resources and ingenuity to the issue. Civil society has grown exponentially in developed and developing countries and is now an integral part of all international negotiations, along with business.

Despite all this progress, the problems that Brundtland and her colleagues warned us we had little time to solve are much worse now, as we are reminded almost daily by the scientific community. The pleas of NASA climatologist James Hansen⁴⁶ and his colleagues have been met by our political leaders with slow, minimal progress toward the 2009 climate conference in Copenhagen. This gulf became painfully apparent when R. K. Pachauri, chair of the IPCC, and Al Gore, former U.S. vice president, arrived at the UN Climate Change Conference in Bali last December after receiving their Nobel Prizes in Norway. They delivered a crisp, rather frightening view of the Earth's future as its climate continues to change dramatically. The government delegates greeted their addresses with a drawn-out debate about whether to include some reference to the IPCC targets for the period 2015–2020. Urged on by the United States, Canada, and Japan, they decided that the document should proceed without these sorts of targets.

Nicholas Stern has calculated the very real costs of doing nothing about climate change at 5–20 percent of global gross national product and the much more modest cost of dealing with the problem at 1 percent.⁴⁷ Jeffrey Sachs, Columbia University's answer to the Energizer bunny, has stated that we could deal with the problems of climate change, as well as development, for little more than 2.5 percent—again not a huge figure.⁴⁸ But their pleas are falling on deaf ears.

Sustainable development is an issue that is crying out for political leadership. We have developed enough experience over the past 20 years to know what to do about most aspects of the issue. We think that the costs are affordable. We have ideas for reform of the system of international environmental governance. Yet history tells us that these ideas do not move without U.S. leadership. The Nixon administration took a lead role in the successes of Stockholm. The first Bush administration was not a helpful force in Rio. The Clinton administration played a major role in salvaging the Kyoto

Protocol but then did little to aid in its implementation. And the current administration has actively opposed almost every attempt at international agreement on the environment, climate, or sustainable development. Although resolving the U.S. financial crisis will be at the top of the next president's agenda for years to come, climate change and the strategies for sustainable development needed to prevent it will be the major challenge facing President Barack Obama or President John McCain.

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NOTES

1. J. G. Speth, *The Bridge at the Edge of the World: Capitalism, the Environment, and Crossing from Crisis to Sustainability* (New Haven, CT: Yale University Press, 2008); J. Sachs, *Common Wealth: Economics for a Crowded Planet* (New York: Penguin Press, 2008); F. Krupp and M. Horn, *Earth: The Sequel: The Race to Reinvent Energy and Stop Global Warming* (New York: W.W. Norton, 2008).
2. James Gustave (Gus) Speth is one of the cofounders of the Natural Resources Defense Council, former chair of the Council of Environmental Quality under Jimmy Carter, founder of the World Resources Institute, former administrator of United Nations Development Programme (UNDP), current dean of the Yale School of Forestry and Environmental Studies, and author of *The Bridge at the Edge of the World*, note 1.
3. R. Carson, *Silent Spring* (New York: Houghton Mifflin, 1962).
4. P. R. Erlich, *The Population Bomb* (New York: Ballantine Books, 1968).
5. B. Commoner, *Science and Survival* (New York: Viking, 1966); and B. Commoner, *The Closing Circle: Nature, Man, and Technology* (New York: Knopf, 1971).
6. R. Edberg, *On a Shred of a Cloud* (Tuscaloosa, AL: University of Alabama, 1966).
7. M. Nicholson, "The Environmental Revolution: A Guide for the New Masters of the World," *The Geographical Journal* 136, no. 2 (1970): 294–95.
8. D. H. Meadows, D. L. Meadows, J. Randers, and W. W. Behrens III, *Limits to Growth* (New York: Universe Books, 1972).
9. Perhaps the most influential was the 1972 meeting, which led to the Founex Declaration and the term "eco-development." See United Nations Environment

Programme (UNEP), *In Defense of the Earth: The Basic Texts on Environment*, UNEP Executive Series 1 (Nairobi, Kenya: UNEP, 1981).

10. B. Ward and R. Dubos, *Only One Earth: The Care and Maintenance of a Small Planet* (New York: W.W. Norton, 1972).

11. I. Gandhi, "Breakthrough to Action," in *Environment, United Nations Conference on the Human Environment* (Stockholm, June 5–16, 1972) (Geneva, Switzerland: United Nations Centre for Economic and Social Information, 1972).

12. The decision to locate in Nairobi was by no means a unanimous one and pitted the developed countries against the developing countries in a rather nasty debate that reflected the politics of the time. Many have since pointed to UNEP's location off the beaten track in a state run by a kleptocracy as an insuperable obstacle to its success. This is at best only a partial explanation.

13. G. O. Barney, ed., *Global 2000: The Report to the President—Entering the 21st Century* (Washington, DC: U.S. Government Printing Office, 1980).

14. International Union for Conservation of Nature and Natural Resources, United Nations Environment Programme, and World Wildlife Fund, *World Conservation Strategy: Living Resource Conservation for Sustainable Development* (Gland, Switzerland: International Union for Conservation of Nature and Natural Resources, 1980).

15. The Stockholm Conference demonstrated the importance of U.S. leadership. The United States sent a high-level delegation headed by John Ehrlichman (of Watergate fame), took the lead on a number of key issues, and indicated a willingness to provide financial support for the follow up. The World Commission on Environment and Development (WCED) was a different story. William Ruckelshaus, an U.S. Environmental Protection Agency administrator under both Presidents Reagan and Bush, was one of the commission's most active members. Despite his presence, the Reagan administration refused to provide any financial support.

16. WCED, *Our Common Future* (Oxford, UK, and New York: Oxford University Press, 1987).

17. International Union for Conservation of Nature and Natural Resources, United Nations Environment Programme, and World Wildlife Fund, note 14.

18. J. W. MacNeill, "Canada's Response to *Our Common Future*," address to the National Task Force on Environment and Economy, Halifax, Nova Scotia, 17 June 1988.

19. J. W. MacNeill, personal communication, August 2008.

20. WCED, note 16, pages 308–47.

21. S. Schmidheiny with the Business Council for Sustainable Development, *Changing Course: A Global Business Perspective on Development and the Environment* (Cambridge, MA: MIT Press, 1992).

22. J. Elkington, "Towards the Sustainable Corporation: Win-win-win Business Strategies for Sustainable Development," *California Management Review* 36, no. 2 (1994): 90–100; and J. Elkington, *Cannibals with Forks: The Triple Bottom Line of 21st Century Business* (Gabriola Island, British Columbia: New Society Publishers, 1998).

23. P. Hawken, *Natural Capitalism: Creating the Next Industrial Revolution* (New York: Little, Brown and Company, 1999).

24. For more information, visit the Global Reporting Initiative, <http://www.globalreporting.org/Home> (accessed 19 September 2008).

25. For more information, visit The Equator Principles, <http://www.equator-principles.com> (accessed 19 September 2008).

26. For more information, visit the Extractive Industries Transparency Initiative, <http://eitransparency.org/> (accessed 19 September 2008).

27. For more information, see the Forest Stewardship Council, <http://www.fsc.org/> (accessed 19 September 2008).

28. The Carbon Disclosure Project claims to represent some 385 institutional investors with \$57 trillion in assets under management. See <http://www.cdproject.net/aboutus.asp> (accessed 19 September 2008).

29. I. Trayor, "Haemorrhaging of Western Influence at UN Wrecks Attempts to Push Human Rights Agenda," *The Guardian*, 18 September 2008, <http://www.guardian.co.uk/world/2008/sep/18/unitednations.china> (accessed 19 September 2008).

30. N. Stern, *The Stern Review on the Economics of Climate Change* (Cambridge, UK: Cambridge University Press, 2007).

31. Ibid.

32. See the remarks by Sir Mark Moody-Stuart, former CEO of Shell, in "Sir Mark Moody-Stuart, Chairman, Anglo American, plc, London, United Kingdom," International Institute for Sustainable Development backgrounder, 6 June 2006, available at www.iisd.org/pdf/2006/pr_bg%20sir_mark_moody_stuart.pdf - 2006-06-06 (accessed 22 September 2008).

33. D. A. Swanson, L. Pintér, F. Bregha, A. Volkery, and K. Jacob, *National Strategies for Sustainable Development: Challenges, Approaches and Innovations in Strategic and Co-ordinated Action* (International Institute for Sustainable Development and Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation), 2004).

34. R. E. Stein and B. Johnson, *Banking on the Biosphere? Environmental Procedures and Practices of Nine Multilateral Development Agencies* (Lanman, MD: Lexington Books, 1979); and R. E. Stein and B. Johnson, *Aiding the Environment* (London: International Institute for Environment and Development, 1981).

35. For a comprehensive evaluation of the environmental impact of development projects between 1970 and 2001, see R. L. Hicks, B. C. Parks, J. T. Roberts, and M. J. Tierney, *Greening Aid: Understanding the Environmental Impact of Development Assistance* (Cambridge, MA: Oxford University Press, 2008).

36. Independent Evaluation Group, *Environmental Sustainability: An Evaluation of World Bank Group Support* (Washington, DC: The International Bank for Reconstruction and Development/The World Bank, 2008), <http://go.worldbank.org/0OBMAYWC60> (accessed 19 September 2008).

37. UNEP, *International Environmental Governance: Multilateral Environmental Agreements*, UNEP/IGM/1/INF/3 (Nairobi, Kenya: UNEP, 6 April 2001).

38. The geographic dispersion of the secretariats is a result of international politics. Following the Rio Conference, the Swiss readied themselves to host the secretariats of the agreements resulting from that conference. They were prepared to refurbish the Palais Wilson in Geneva for the bureaucrats of the conventions on climate change, biodiversity, and the new agreement on desertification that followed soon after (many of the other agreements were already based in Switzerland and could also be brought into the fold). But the German government, eager to find a new métier for Bonn as they moved their capital back to Berlin, lobbied for the climate change secretariat and the desertification secretariat (and almost everything else around). The Canadians got the biodiversity secretariat in Montreal. So any advantages of colocation and sharing of staff have been lost.

39. The World Wildlife Fund–U.S. had operating revenues of \$151 million in 2007. Conservation International had revenues of \$196 million in the same year.

40. *World Summit on Sustainable Development—Speech by M. Jacques Chirac, President of the Repub-*

lic, to the Plenary Session, Johannesburg 02.09.2002, <http://www.ambafrance-uk.org/World-Summit-on-Sustainable,5117.html> (accessed 22 September 2008).

41. *Appel de Paris* (Paris Call for Action), <http://www.ecologie.gouv.fr/conference/?Appel-de-Paris> (accessed 22 September 2008).

42. United Nations General Assembly, "Follow-up to the Outcome of the Millennium Summit," draft resolution on Agenda Item 116, A/55/235, 10 October 2000.

43. A. Najam, M. Papa, and N. Taiyab, *Global Environmental Governance: A Reform Agenda* (Winnipeg, Manitoba: International Institute for Sustainable Development, 2006), <http://www.iisd.org/pdf/2006/geg.pdf> (accessed 19 September 2008).

44. This is an agenda for reform of global environmental governance, not for governance for sustainable development. The latter would involve a fundamental remaking of the Bretton Woods institutions, as well as UNDP, and is unfortunately exceedingly unlikely. An effort to bring about reform of this magnitude would not only be destined to fail, it would probably also torpedo the more modest efforts to reform environmental governance.

45. Maurice F. Strong, personal communication.

46. See most recently, J. Hansen, "Global Warming Twenty Years Later: Tipping Points Near," briefing to the U.S. House Select Committee on Energy Independence & Global Warming, Washington, DC, 23 June 2008, available at <http://www.columbia.edu/~jeh1/> (accessed 19 September 2008).

47. N. Stern, *The Stern Review on the Economics of Climate Change* (Cambridge, UK: Cambridge University Press, 2007).

48. See Sachs, note 1.