Oxfam-WWF Breakfast discussion under Chatham House rules

20 September 2012, Residence Palace, Brussels

## MEETING DEVELOPMENT GOALS IN THE FACE OF GLOBAL ENVIRONMENTAL PRESSURES:

#### HOW WILL THE EU RESPONSE TO THE COMPLEXITY OF THESE CHALLENGES?

#### **SUMMARY of the discussions**

Introduction and moderation: Simon Maxwell, Overseas Development Institute

Kate Raworth of Oxfam. A presentation – Fair shares in a safe and just space for humanity. Encapsulates the challenges of facing planetary boundaries while meeting human development needs. Examines resource scarcity and equity issues and suggests some policy implications.

James Mackie of ECDPM. A presentation – the *European Report on Development 2012*. The water, energy, land nexus. Transformational action needed to manage demand, increase quantity and quality of supply, increase efficiency and improve resilience with a focus on the poor.

How to bring these two agendas together? How do environment, biodiversity, fish stocks, etc come into the conversation on the future development agenda? At the UN level, how can we ensure that post MDGs and SDGs are discussed jointly? This is likely to be difficult to resolve, highly political and there will be trade-offs. What should be the European process? Several key processes provide opportunities to address these issues holistically – MDGs/SDGs, Climate Change negotiations, Multiannual Financial Framework.

## **KEY MESSAGES**

- A danger that sustainable development and green economy survive only as slogans.
- Green economy thinking has to be integrated throughout the economy
- Progress can often be made on a bilateral level when stuck at an intergovernmental level
- EU aspirations to leadership role and norm-setter have to be backed up by "walking the talk"
- EU needs to speak with one voice and risks being hampered by long internal processes
- Avoid silo mentality
- Universality is important for future SDGs and MDGs. The two agendas must be brought together
- Widen the debate beyond development and environment to much broader community to include for example jobs and livelihoods.

# **Discussion on the concepts**

Many developing countries reject the concept of planetary boundaries and made this clear during the discussions of the High Level Panel on Global Sustainability pre-Rio+20. However on an individual level, it is felt that China, for example, does recognise the problems of resource scarcity including land shortages. In terms of environmental tipping points and planetary boundaries, we are also dealing with uncertainties: there is unpredictability in complex systems.

Currently statisticians and economists have no way of pricing externalities. There are nine planetary boundaries but so far only a proxy for carbon.

Discussions on equity risk getting bogged down in circular arguments. It was suggested that a better approach is to encourage leadership and take responsibility for actions at national level.

What happened to sustainable development integrating the three pillars – economic, social and environmental? The green economy/green growth agenda appears to ignores the social dimension and the term growth focuses on GDP when the picture is much more complex. Some people felt that sustainable development became no more than a slogan and its real meaning was not really grasped. There is a danger that the terms green growth or green economy might go the same way. A green economy is not just about producing solar panels but integration throughout the economy. It will require a transformational agenda on resource use and efficiency. We are doing stuff domestically but production and consumption issues not limited to Europe. Even if we change consumption of rich countries, upward trends continue elsewhere so it is not just the responsibility of Europe.

## **Discussion on the international responses**

We are facing many global challenges, not least planetary boundaries and poverty. Global challenges and the protection of global public goods have to apply to all countries and should be addressed by all countries. Sustainable Development Goals will take a universal approach. Rio+20 was in many ways a disappointment because the challenges are still here, still waiting to be addressed and some of the bigger OECD countries were not interested in an ambitious outcome.

There is a lack of political leadership to take charge and move things forward. Instead of race to the top, we have the lowest common denominator. We also need good science as a common basis for agreement. If we cannot agree on the data, very difficult to have a political outcome. Will be interesting to see reaction to IPCC report 2014.

Is G20 is an appropriate forum where these issues can be moved forward? There has been some thinking about global public goods but jobs and economic agenda will continue to dominate the discussions.

OECD has been developing green growth scenarios and policy recommendations for several years and working cross-departmentally. However, it was felt that even there green growth is seen as an environmental issue and thus the silo mentality prevails.

In a world context, China has similar strategic problems as EU in sense of resource constraints whereas Brazil is in a very different position and has a completely different view. This will affect their future positions and roles in assemblies such as UN and they may become more susceptible to global solutions. It was suggested that the Brazilian people are highly concerned about the impacts from climate change which is not necessarily reflected in the government's position.

## <u>Discussion on the EU role and EU responses</u>

Have to recognise EU is less important then 10-15 years ago and draw lessons from experience, for example at Rio+20. Is the EU still playing a leadership role and as a norm-setter? Some felt that EU

is a very long way from speaking with one voice and acting as one. That internal processes are cumbersome and slow. EU must be less inward looking. We discuss the positions of others very late in the day because we spend so much time developing our own positions. Is the EU just a *caisse de resonance* for like minded communities?

Others believe that if this was indeed the case, EU would have had an easier time in Rio where in fact it tried to show some ambition and make things uncomfortable for the rest. Indeed in Durban, the EU pushed for ambition and this had a positive effect with many LDCs finding common ground with EU. Similarly, others pointed to China's current interest in working with EU on pilot projects on climate trading.

If we want to be norm-setters then we also have an obligation to set the bar high and will only be taken seriously if we take credible action at home. There are few current signs that EU is ready to walk the talk.

In Europe, the longer term agenda has undoubtedly suffered due to political and economic issues – there is a focus on short term management.

# **Discussion on opportunities**

We need a post 2015 framework based on goals and targets – these help maintain political momentum and political attention. The current MDGs are an incomplete framework.

The post MDG framework should cover the core development agenda and the unfinished business of poverty eradicaton, global public goods and values such as human rights and equity.

There is a sense of urgency and we must bring together the SDGs and MDGs. The post development framework should be about more than health and education.

The goals have to be universal – BRICS will not sign up if EU not there and not forgetting growth potential is elsewhere in terms of production and consumption. We have to put floors and ceilings in terms of sustainability.

Intellectually and pragmatically there needs to be a strong European narrative on jobs and green growth. On the domestic political agenda, voters vote for their jobs. They think biodiversity is important but it is way down the list.

Others questioned whether the EU narrative should be about jobs or livelihoods? Income growth or good quality of life?

We should widen debate beyond development and environment to a much broader audience – bring in consumer organisations, trade unions, etc. Reference made to Tim Jackson book – *Prosperity without growth* – which implies different sorts of jobs. NGOs need to change the way they do advocacy and work more with local authorities, regional authorities, cities, actors of change.

A suggestion that it would be useful to look at countries that have made progress in sustainable development and understand how they have done it.

One thing not yet considered – costs of inaction. Look at impact of Stern report and to a lesser extent the TEEB report (*The Economics of Biodiversity and Ecosystems*). We are wrong if we think that argument has yet been understood and taken on board. Arguments on the costs of inaction have to be put back on the political agenda.

Emerging economies do not see themselves as donors but their cooperation is based on mutual interest. Thus EU has to develop mutual interest on these issues with the Chinese and Indians, for example, on water management, on climate, on energy.

At international negotiations, there is a tendency by the BRICs to polarise everything but it is easier to work with them bilaterally. EU should take a two phased parallel approach: keep showing leadership internationally and take action at home but work bilaterally to get things done on ground and through this gain political influence.

Several key conclusions – we need to try and join up EU silos, we need to show leadership and we need to do things at home. The bringing together of the SDGs and post MDGs discussions and decision-making at EU level will be a major step forward in this respect.