

THE INTERNATIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT AND GLOBAL ORDER

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Framing the Issue

In the past 20 years, hundreds of millions have been lifted out of poverty and into the ranks of the middle classes. Positive changes in Africa herald the potential for more progress, and over time, the Arab Spring may create still further opportunities to integrate hundreds of millions more citizens into productive economic activity.

With success comes new challenges. Central among them is a global governance question: how can we make sure the emerging economies and the next wave of developing economies reach their potential while not reaching past the basic physical limits our planet? Many of these countries do not sit at the top tables that deal with climate negotiations (the G-20, the Major Economies Forum), and yet have vital stakes in their outcomes. This is a sweeping, inclusive challenge that will help define international order in the coming era.

Policy Considerations

When the scale of this challenge is understood, it becomes evident why this is the global governance chal-

lenge *per excellence*. Two governance proposals have dominated discussion in the lead up to Rio+20—the creation of a new Council on Sustainable Development at the U.N., or adaptation of the U.N.’s Economic and Social Council. Both have their adherents, and some versions of either could add value to the U.N.’s work. But both are, at best, at the margins of the problem.

The major problem the U.N. faces in this arena is the inconsistency in which parts of government pay attention to its decisions, and the extent to which the public and the private sector are affected by signals sent or decisions made in the U.N. This varies from body to body and issue to issue. Decisions by the U.N. Security Council carry the force of international law, and carry political weight in most capitals. While many General Assembly decisions are but dust in the wind, the body does have the advantage of universality and well-prepared outcomes can have a deep normative impact, especially when leaders are involved—as illustrated by the Millennium Development Goals. ECOSOC and the U.N.’s various Commission’s enjoy neither advantage.

Their decisions generate attention only in development and environment ministries of capitals, and even then, only to a modest degree. Finance ministries, energy ministries, and trade negotiators rarely pay attention to ECOSOC outcomes. Many private sector actors have never heard of it. The public barely knows it exists. Yet most of the decisions that will shape pathways towards or away from a sustainable future will be made by primarily by individual citizens, private economic actors, and the economic arms of government.

This is an uncomfortable reality for countries that hold dear the notion that the U.N., not just the Bretton Woods institutions, should have a major voice in international economic issues. But even in those countries—Brazil and India have traditionally been at the vanguard of this argument—their own ministries of finance are far more focused on getting better representation at the IMF and in shaping the decisions of the G-20 and the Major Economies Forum. There is no reason to believe that any U.N.-based intergovernmental mechanism would have any different impact on the core financial and planning tools of the major emitters and major economies, established or emerging. Of course, an adaptation of ECOSOC's mechanisms could do a better job than is currently done at coordinating a sustainability agenda across U.N. agencies. However, the U.N. agencies themselves are only minor or modest players in all of this, except in the smallest economies whose activities matter least to global sustainability.

Recommendations for Rio+20

There are two other approaches to address this challenge: one the U.N. is unlikely to embrace, but may hold genuine answers; and one where the U.N. itself is carving out an important lead.

For years, some countries have explored the idea of a World Environment Organization, inspired by the early General Agreement on Tariffs and Trade (GATT). In most proposals, this has been viewed as an all-inclusive body; a concept that has moral merit, but is unlikely to get off the ground. A more practical version has been explored by Brookings Institution's Strobe Talbott and William Antholis: the idea of a General Agreement on

Reduction of Emissions (GARE). While drawing on lessons from early GATT negotiations, Talbott and Antholis' proposals for a GARE mechanism bridges inclusion with focus, by starting with core economies but being open to all countries as they meet criteria on standards and performance. With careful design, this could create real incentives for countries to coordinate their efforts to cut carbon.

The second is a bottom-up, multi-stakeholder process to align norms, regulation, technology and investment—a process the U.N. has used in its High-level Panel on Sustainable Energy for All (SE4ALL.) There are some flaws in the SE4ALL process, and some participants have questioned the feasibility of some of the initial ideas—but it's early days, and the process is being worked on with a shoestring budget. With sustained, creative engagement, well supported by government and industry, processes like SE4ALL could make a substantial difference in charting new pathways, and driving bottom-up goals, which could then be taken up in authoritative ways.

In this as in many areas, we need an iterative process. The largest economies (essentially the G-20) have to be able to negotiate a credible deal to govern the 80-plus percent of global economic activity they control, through a GARE mechanism or similar measure. But they should do so transparently and maintain an information flow to wider bodies like UNFCCC and the General Assembly. Those more inclusive bodies can articulate broad principles, and give voice to smaller economies and those paying the price of environmentally unsustainable growth. Informal mechanisms like SE4ALL can shape pathways in ever more intensive consultation with the energy sector and the financial community. The most influential and committed states can forge connections between these processes where necessary.

The U.N. can play a useful normative role in all of this. Rio +20 could do a power of good by calling attention to informal processes like SE4ALL and making more space for them in the international arena. Well-crafted goals for sustainable development could send an important normative signal—but only if they are carefully prepared and developed from the ground up through genuine

interaction with the private and public sector. Rio +20 can't conclude that process, but it can kick start it.

The search for effective governance shouldn't push us to static inter-governmental forums, especially not ones that link parts of government that have weak roles in economic activity. Rather, we need flexible networks for interacting with the public and the private sector, to drive credible standards, knowledge production, and investment. This isn't what the U.N. is known for, but it's what it's going to have to learn if it's to make a genuine contribution to the most complex global governance challenge of our time.