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## Summary

December 5, 2006

### Swedish Environmental Advisory Council

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#### **Summary of Swedish Environmental Advisory Council seminar:**

#### **Growth and the environment in a global perspective – basis for a Swedish programme to improve the state of the environment both globally and regionally in a world of economic growth**

On September 27, 2006, the Swedish Environmental Advisory Council (SEAC), hosted a seminar with the primary aim of discussing the issue of economic growth and the environment. The seminar was organized to initiate a discussion to serve as a base for a Swedish programme to improve the state of the environment, both globally and regionally in a world of economic growth.

Attending the seminar were international reference persons representing various organizations and fields of interest, such as the European Environmental Agency, the World Business Council for Sustainable Development, Ecologic Institute in Germany, The Chinese State Environmental Protection Agency, the Swedish Environmental Institute, the Centre for the Science and Environment in India, and the Gaia Foundation among others. For a full description of attendants please refer to the list of participants.

The seminar was opened by the former Swedish Minister for the Environment, Lena Sommestad. Mrs Sommestad stressed the critical nature of the issue at hand and the need to link the issue of rapid global economic growth to environmental and development policies. She addressed the new situation of the global economy, no longer characterized by mature and industrialized economies on one side and very poor economies on the other, but rather with a number of

previously poor economies undergoing rapid economic transitions with social as well as environmental effects at local, regional and global scales. She pointed to a general gap in the mental maps of many western economies with a tendency to underestimate and misjudge both the possibilities and the risks associated with current industrial take-offs in developing countries, making it more difficult to gain acceptance for radical environmental policies in industrial and developing industrial countries as well as for a stronger integration of environmental aspects in development aid. Mrs Sommestad maintained that Sweden still lacks a comprehensive global policy for sustainable development and urged the seminar attendants to lend their support by uncovering new ideas to tackle the development of environmental policies suited not only for a world of poverty, but also for a world of economic expansion.

The seminar included two plenary sessions divided by two consecutive group sessions (please refer to the Seminar Program for more detail). In the first plenary a number of keynote speakers were invited to address the issue at hand from their respective viewpoint. The second plenary session hosted a brief presentation by each group of their main points of discussion as well as a summary list of potential initiatives Sweden could take to move in the direction of improving the state of the environment, both globally and regionally in a world of economic growth, as urged by the former Minister of the Environment. During the groups sessions the groups were asked to think about environmental challenges that could be solved with multilateral agreements, and others that likely could not. The summaries of these discussions are attached as Appendix I-III.

Below follows a summary of the plenary sessions based on extracted emerging themes, which are presented through a short summary of the related discussion. The various themes are interlinked to various degrees, and an attempt has been made at highlighting these links by making use of examples and ideas provided by participants during the seminar.

A concluding section lists the main points suggested by the seminar as potential initiatives that the Swedish government could take.

#### Key issues emerging from the seminar

A sense of urgency and pending crisis prevailed throughout the seminar and many of the addresses made by participants reflected this. Many addresses concerned the unsustainability of current global development and strong new, visionary leadership was called for. This new leadership should be particularly concerned with developing new mental models to

navigate us through this approaching phase of rapid economic growth and global environmental change.

Mobilizing for such new leadership and change was identified as essential but also as something which is difficult to achieve. However, communication between governments and their citizens is needed to increase awareness, communicate the increasingly short time spans for action and to instigate a critical mass for action and support.

It was also agreed that the global issue of climate change should be of the highest priority, as climate change policies will affect most other environmental issues and initiatives.

*Multilateral Environmental Agreements – Critical factors of success and failure*

One of the underlying questions being challenged during the seminar was the effectiveness of Multilateral Environmental Agreements (MEAs).

The seminar noted that many of the existing MEAs suffer from a lack of tools to monitor implementation and poor sanctioning possibilities.

Some MEAs also have conflicting goals and many conventions are characterized by inconsistencies and overlap in terms of goals and proposed regulations. A need was expressed for a global systematic assessment of all conventions to illustrate synergies and trade-offs, should all conventions be implemented to the fullest.

A number of factors critical for success as well as failure of MEAs were identified.

One identified success factor was the existence of strong legally binding instruments for the implementation of MEAs as well as effective administration. Strong institutions were seen as essential for MEAs to work and coordination of policies with multilateral agreements and poverty reduction was also stated as very important. Increased local involvement in the implementation of MEAs was called for, to see that they work as intended and that issues of benefit sharing are addressed. In this context, increased awareness and education for the general public about the conventions was seen as a factor of success and which would increase civic endorsement.

One current problem highlighted, were the trans-national corporations which are not bound directly by MEAs and which have the flexibility to

move operations between countries to avoid regulatory legislation. Harmonization of national legislation was seen as one measure to combat this.

It appeared successful conventions were those that had a scientific language that could easily be translated into political terms. An example was given by the climate convention in which critical loads were discussed in terms of air pollution. There was thus a clear link between science and policy. Lack of such a link was seen as a fundamental factor of failure for some MEAs and the Convention on Biological Diversity (CBD) was brought up as one example; where analytical concepts to bridge signs of changing biodiversity with the politics of biodiversity are lacking.

The CBD was a recurrent example of a convention that has been less successful. Partly because its scientific base was seen as weak and lacking in focus, but also because it incorporates a combination of local and global issues, which are not taken care of well in the convention. This issue of scale was proposed to be dealt with by distinguishing regional and global MEAs. However, which areas need global versus regional MEAs, and which do not, is an issue that needs to be discussed further. In this context, EU could be seen as an amplifier of policy coming out of individual countries such as Sweden, but this requires an understanding of the mechanisms by which European policies have external effects.

Critique against the assumption of self-promulgation of regional MEAs was voiced however, backed by examples from the auto industry, where car manufacturers have not voluntarily transferred new technology to developing countries in spite of strict laws for emissions in e.g. California. It was also cautioned that viewing EU as an amplifier of global policy could also have negative effects on development as European standards are not always directly transferable to developing country contexts. Food was given as an example, where EU standards on food quality for import items has driven many small-scale actors in developing countries from the arena, leaving room for increasing consolidation of market share by large players.

Another perspective was voiced, on the problems related to the current CBD. This was that from a European perspective, the funds allocated to support the implementation of the convention are now completely tied to poverty alleviation, and poverty alleviation, in turn, is very much linked to trade and to economic initiatives for development. However, many local and indigenous communities feel very insulted by being called poor or being labelled poverty stricken and are not necessarily

always looking for purely economic solutions. For many poor people in developing nations the relation between environment and development is not separate. It is very much related but their environmental resources are being severely threatened by the push for economic solutions to poverty. Local implementation should therefore address how communities can receive support to develop while simultaneously protecting their natural resources.

Global climate and carbon reduction was seen as one example of an environmental challenge that could be solved with MEAs. It is likely to succeed because it already has a common understanding to build upon, it concerns a small number of pollutants, and a fairly small number of key countries. However, for it to work a strong legal framework is needed, in addition to compliance mechanisms. There is also a need for technological leapfrogging and transfer of technology to developing countries. Auditing will likely also have to be done on a place-by-place, plant-by-plant basis, in order to obtain coherent implementation.

Chemicals were proposed as another example. This issue is more challenging because of the large number of chemicals. There are also many more key countries. It could, however, be successful if generic principles could be applied and with a strong liability scheme in place. It was suggested that a robust EU chemical policy may be enough to affect chemical use globally by spreading gradually through trade. Thus there would be no need for a global framework in some areas of chemical policy.

Issues that the seminar did not think could be solved with multilateral agreements were those related to unsustainable consumption. It was proposed that we have to look at who and what is driving our lifestyles and demands; opinion leaders and corporate research and development work. We have to focus on the actors in the market place and the perverse incentives and forces that drive the markets. For example, how do we influence the financial institutions that put such high demands on companies that they have to deliver a certain level of profit in order for the pension funds to not leave them?

Finally the areas in which new MEAs are needed were discussed. Transboundary river basins and the field of fresh water use for food and bioenergy production were put forth. The Arctic was also brought up by several participants as an area where new resources are being exposed at increasingly fast rates, and for which governance structures and MEAs are not clearly defined. There are a number of conventions that together

create a legal framework for the Arctic but since the ice is residing a large part of these conventions need to be reinterpreted.

### *Consumption Patterns, International Trade, and Value Chains*

One of the main recurring themes throughout the seminar was the current unsustainability of our consumption patterns, related trade patterns and the value chains associated with the production of the commodities consumed. This was seen as one of the major drivers behind the unsustainable resource use today.

Europe has to face up to current unsustainable consumption and production patterns. These are driven by world trade and a previously unparalleled globalization force underlining the increasing global interdependence, which links our consumption to other nations by leaving footprints of resource use beyond our borders. Within Europe a large globalization driver is household expenditure.

Looking at supply chains is one way to track and detect unsustainable production with deleterious environmental and social impact. But one must also look at demand chains, because who demands these products that drive the supply? Natural resource accounting systems were suggested as an open and transparent way to highlight unsustainable trade patterns, which are illogical and unsustainable from an environmental point of view because they do not include environmental externalities or even human rights violations, creating social disparities.

Another way in which supply chains could represent a valuable tool is as a mean to detect where in the chain weak institutions are located, from both environmental and human rights perspective. As mentioned earlier, one of the underlying questions being challenged during the seminar was the effectiveness of Multilateral Environmental Agreements (MEAs). One suggested reason for the failure of some of the existing MEAs was the persistent lack of strong institutions in many countries. Using value chains to detect weak institutions was believed by some to be the next major step in international efforts to improve the environment, but will potentially also bring about conflicts with existing MEAs.

### *Redefining nation sovereignty*

A recurring theme throughout the seminar was the potential challenge to nation sovereignty by new approaches to environmental and development policies.

It was suggested that not only are MEAs failing because of lack of strong institutions, they are also fundamentally weakened by the fact that they are based on the Westphalian system of nation states, non interference in domestic affairs, and ultimately nation sovereignty. Failure of many MEAs is to some degree the result of these constraints since they have their roots in that system of international diplomacy.

Global environmental change is causing increasing social mobilization and displacement through large-scale environmental degradation. A new phenomenon of environmental refugees is emerging. In combination with an increasingly ageing European population Europeans need to take a profound new look at how we approach sovereignty in the face of these new challenges.

Thirdly, monitoring supply and demand chains spanning national and regional borders will pose challenges to national sovereignty. International efforts to protect the environment and human rights (as outlined above) may in fact go contrary to nation sovereignty in some cases.

### *Moving in circles*

The view was put forth that in many ways, in spite of our strive to develop innovative approaches to deal with economic growth and its environmental impacts, we have come full circle. By improving material and energy efficiency we have pushed the environmental problems ahead of us instead of addressing the root cause – consumption. Consequently there is a need to revisit the idea of ‘Limits to growth’ and face the fact that these are real. We also need to revisit the issue of unsustainable subsidies and how they create unsustainable patterns of supply, demand and trade.

Dialogue with indigenous and other local communities has also revealed the critique that many of the solutions of our western societies come from the same line of thoughts as our problems did and stems from the fact that we ignore that nature’s law dictates the boundaries for development. Many of the assumptions that underlie our discussions on sustainable development are based on Western industrial thinking, a thinking in which we have moved from an understanding of human beings as part of a living system to an understanding of human beings as dominants, super intelligent, and able to manage the complex natural system.

This is also reflected in many of our institutions, which arguably are more concerned with reactive measures as opposed to addressing root causes. An example is given by one participant;

*“I believe that the environmental movement of the north came at a time when you had created a lot of wealth and you were generating waste. So in some senses the environmental movement was never able to push the envelope as far as it needed to because, if I can use a very crude and simplistic term, it was essentially waste managers who were sort of leading the environmental movement.”*

#### *The importance of involving younger generations*

Work with communities worldwide suggests that young people across the globe, spanning countries and cultures, are experiencing an existential crisis and searching for a deeper meaning. At the same time, the average age of members in various green movements across Europe is increasing, indicating that younger generations are not searching for this meaning in existing forms of environmental organizations.

Consequently, there is an urgent need to build a new social bargain for young people, and create a sustainable agenda based on a mental model which all, including younger generations, can buy into and support.

#### *Capacity building/Partnerships between North and South*

Partnerships for research between industrialized and developing countries were called for. Communication and partnerships between governments in the form of compliance mechanisms, regulations and MEAs were also called for, as well as an open dialogue between countries in the ‘rich’ North and countries in the South regarding equal partnerships in the strive toward environmental sustainability.

Capacity building was also suggested for empowering the civil community, which today has a low profile in many countries. This is needed to boost civic society’s engagement and endorsement of environmental issues to make environmental solutions more permanent. Technological transfer and technological leapfrogging in countries undergoing rapid economic development is also crucial, to avoid the slow incremental process by which environmental progress came about in industrialized countries.

Other issues of importance

*Adaptation* to coming crisis, particularly in terms of infrastructure planning, was also brought up as a pressing issue that needs to be addressed by all governments.

Within the global *business community* there is *growing tension over energy and climate* issues and this has substantial differential financial impact on companies depending on e.g. geographical areas of operation and industry sector.

*What initiatives are needed at a global level?*

During the discussion a number of suggestions for initiatives emerged which should be taken, at a global, general level, to secure a sustainable development. These are listed below in bullet form. Initiatives that the assembly recommended suitable for Sweden to instigate are presented under the following heading.

- Climate change is an overriding issue that will determine other environmental outcomes globally. Therefore to resolve a sustainable way to tackle this should be of highest priority.
- Increasing social cohesion and creating a mental model of the state of the world that all can buy into is essential if we are to achieve a sustainable path forwards. This common agenda needs to include the ideas and visions of the younger generation.
- There is a need to redefine the measures of success, such as economic growth, development indices and measures such as the GDP.
- There is a need for new, visionary leadership.
- There is a need for leaps of technology and technological transfer from the North to the South, so that countries in fast economic transition avoid the slow, incremental route historically taken by the North.
- Partnerships between the North and the South are essential to allow for technological transfer and an open dialogue free of accusational atmosphere and true honesty about the global effects of consumption.
- There is a need to shift consumption towards one of ‘sustainable vices’.

- Some parts of our oceans are still white spots with respect to governance and multilateral agreements. This needs to be addressed.
- The issue of access to genetic resources needs to be addressed.
- There is a pressing need to systematically assess the inconsistencies among conventions and address the lack of workable concepts for valuation of natural resources and ecosystem services.

#### *What can Sweden do?*

Several windows of opportunity were identified, where Sweden could play a significant role to promote issues of concern. These included the Swedish EU presidency in 2009, the Swedish up-coming presidency of the Arctic Council, as well as opportunities that may present themselves in the wake of the US election in 2008.

It was suggested that during the EU presidency Sweden could initiate the following issues:

- Bring the issue of governance and regulations in the Arctic up on the agenda, urging for initiation of the process of reinterpretation of existing conventions and legal frameworks, to be prepared when the predicted changes occur.
- Put transportation on the EU agenda.
- Propose the initiation of an Environmental Impact Assessment for EU.

Other suggested initiatives Sweden could take were:

- Initiate a 'One World Commission', as a follow-up on the Bruntland report.
- Revisit the Marrakech process and assess the development of the 10-year framework of programmes on sustainable production and consumption patterns.
- Take a lead in the development and incorporation of a Natural Resource Accounting System.
- Work towards tightening the compliance mechanisms in conventions.
- Work to refocus attentions on the Polluter Pays Principle.

- Lead by example.

Together with other countries, work towards being a model country in areas of sustainable development such as e.g. the Swedish environmental quality objective system, and energy efficiency. Scandinavian countries are generally seen as being role models in terms of social equity, economic development and the environment. These issues should therefore be made use of to more forcefully push the global agenda.

- Sweden should take a leading role in the work for capacity building, sharing of knowledge and best practises, and also in involving the youth in this leadership.

- Sweden should continue to work with global targets for CO<sub>2</sub> emissions, and aim to take the lead once more with respect to energy efficiency. In addition, if it is not possible to obtain global targets then EU targets or regional Scandinavian ones should be pushed for.

- Sweden could take a leading role in the work to link accounting with an assessment of the cost of policy inaction; supporting research to develop operational measures and valuation techniques for natural capital and ecosystem services, which also address the issue of insecurity and surprise.

- Revisiting EU legislation.

Article six of the EC treaty concerns requirements for environmental protection. Requirements are integrated into the definition of implementation of all other EU policies. However, at the moment the article is being ignored and all the mechanisms put in place in order to drive this process forward are currently inactive. Sweden started a campaign some time ago revisiting laws and looking at where environmental aspects have to be integrated into them. Sweden should partner with other EU countries to continue this work and share the experience with other member states.

## List of participants

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