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ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

20th Consultative Meeting with Industry Associations

Union Internationale des Chemins de Fer Building, Paris, 9 – 10 October 2003

Meeting Report

UNEP's 20th Annual Consultative Meeting with Industry Associations in Paris was opened by Executive Director Klaus Töpfer, who introduced incoming UNEP DTIE Director Monique Barbut. The over one hundred participants included representatives of 46 mainly international industry associations, eleven non-governmental organisations, three labour organisations, eleven centres working in the field of sustainability and corporate responsibility, as well as UN bodies UNDESA, ILO, OHCHR and UNIDO. Töpfer described the historical background as the meeting followed almost twenty years after the first **World Industry Conference on Environmental Management (WICEM)** was held at the Palais des Congrès in Versailles during November 1984. Initiated by UNEP, WICEM was sponsored by world industry and UNEP in co-operation with the International Chamber of Commerce (ICC). Over 500 participants from 71 countries gathered to discuss environmental management, industrialisation models, pollution control, standards, voluntary codes and the role of multinational companies. At the time participants agreed that the UNEP office in Paris should serve as a “clearing house for information and technology transfer”.

The 2003 meeting started with a discussion on new developments in the climate change debate, chaired by *Mark Radka* of the Energy Unit in UNEP DTIE. On the eve of COP9 of the Climate Change Convention in Milan, panellists discussed the latest developments in research and legislation as industry is seeking new innovations to reduce greenhouse gas emissions. *Geoff Jenkins* of the Hadley Centre (UK Meteorological Office) gave an update on global climate change predictions. He underlined that the global climate has changed significantly, and that over the last 50 years this has been mainly due to human activity. Added to this, climate change over the next 40 years is already “locked in”. *Colin le Duc* of the Sustainable Asset Management (SAM) Group discussed the impact of emerging legislation as companies prepare different strategies for managing carbon risk. He highlighted conclusions from carbon screening and analysis of companies, noting the industries most affected and most / least prepared for the introduction of an emissions trading system in the EU by January 2005.

The following session on urban planning and sustainable cities management was chaired by *Steve Halls* of UNEP's International Environmental Technology Centre (IETC). Panellists addressed building, construction, water and waste management in the urban environment. *Geoff Levermore*, chair of a CIB working group on Climate Change and the Built Environment, argued the case for triple bottom line accounting in an approach that entails both adaptation and mitigation. He reported that on average buildings consume 47 percent of energy in a European country. The importance of the built environment to sustainability lies in its major use of energy, materials and waste outputs. *Peter Jones* of Biffa described new innovation in landfill operations and how his company is investing to develop data on mass balance resource flows for geographic regions, specific materials and specific industry sectors. He argued that the technology for new solutions is available, but the next hurdle remains public regulation and awareness. Linking with

the current debate on water and sanitation, *Ralf Otterpohl* of the International Water Association presented new solutions in ecological sanitation. These are possible thanks to a fundamental paradigm shift in wastewater technology that involves decentralised water supply and treatment in urban areas. World-wide most water with human waste remains untreated, often with disastrous implications for human health and the environment.

Discussion after lunch facilitated by *Peter Knight* of Context focussed on WSSD follow-up. **The session “Building capacity and mapping the future”** examined a proposal from UNEP on new activities to build on the two year process of developing 22 industry sector reports for Johannesburg. The proposal suggested three activity areas, namely (i) stakeholder dialogue on a sector basis, hosted by UNEP, (ii) capacity building through the organisation of regional consultative meetings, and (iii) reporting in the form of sectoral assessments on selected issue areas such as water and sanitation. The proposal was developed in response to initial feedback representatives gave on the sector reports process during the 2002 consultative meeting. During group discussions at the 2003 meeting association representatives received the proposal with mixed feelings. *Questions raised* related to fears of duplication, whose capacity to build and whether consultative meetings in the regions will manage to do this in the developing world, misgivings about again doing a reporting process, the value added of a process facilitated by UNEP, links with the CSD process and finding ways of addressing common themes in order to pool resources. Discussion developed into agreement that the suggested framework was necessary but not sufficient. Participants suggested that UNEP consider focussing on a cross / multisectoral approach, helping industries to partner with each other and thereby establish clusters of mutually reinforcing and learning interests. It was felt that UNEP should retain and use its convening authority for this purpose. Its involvement should also continue to support and facilitate the involvement of labour and non-industry players such as NGOs, with the intent of having stakeholder impact added to the impact of bringing industries together world-wide. During the concluding plenary discussion it was agreed that *UNEP will circulate within the next two weeks a summary one-page proposal on how to proceed, in terms of both process and content. Participants will be invited to comment by year end and to suggest specific activities they would like to undertake with UNEP.*

The concluding session of Day 1 revisited the debate on production and consumption from the perspective of life cycle thinking. Against the background of WSSD follow-up activities on consumption and production, a panel discussion examined new trends in life cycle management, including product design, eco-efficiency in production, product information and stewardship. *Luis Alberto De la Torre*, past director of the Peru Cleaner Production Centre, identified barriers to introducing new approaches experienced in Latin America. These include the priority consumers attach to cheapest prices, weak regulatory frameworks and financial systems that hardly include environmental considerations in the definition of risk. *Kevin Bradley*, Executive Director of the Alliance for Beverage Cartons and the Environment, explained the necessity of effective environmental management systems in tracking the life cycle of products. Speaking on behalf of the International Life Cycle Panel, *Lennart Karlson* of ABB reported on the experience of his company with environmental product information. He concluded that environmental product declarations have great value in providing objective information and facilitating product comparison. At the same time this approach needs to be improved by for instance developing more cost efficient procedures.

Coming from an organisation with longstanding involvement in the promotion of eco-efficiency, *Rebekah Young* of the World Business Council for Sustainable Development (WBCSD) gave her perspective on a new approach to consumption and production, including new developments at WBCSD in advancing eco-efficiency. She listed ways of moving beyond eco-efficiency, for example through more informed consumer choice. Ensuring that markets work for every-one requires regulations that ensure the right sales prices. During discussion it was also asked whether companies advertise and make the environmentally friendly content of products fashionable, or whether this will be seen by stakeholders as a form of green window dressing. The session was chaired by *Fritz Balkau*, head of the Production and Consumption Branch of UNEP DTIE. Participants used the discussion to reflect on issues to be addressed with UNEP in the ten year framework of programmes to advance sustainable consumption and production.

Day 2 started with a session on corporate environmental and social responsibility (CESR), as called for in the WSSD Plan of Implementation. A brief update on their activities in support of the UN Global Compact was given by representatives of four core UN agencies involved in the initiative, namely the ILO, OHCHR, UNEP and UNIDO. The latter recently joined the Compact as the core agency responsible for outreach to small and medium-sized companies (SMEs). It reported on initial findings from its mid-2003 survey amongst nearly 200 SMEs participating in the Global Compact.

Following agency updates, a panel discussion provided perspectives from business, labour, the NGO community and management consulting. The panel examined progress made in the Global Compact and the corporate responsibility debate generally. *Lord Richard Holme*, past chair of the ICC Environment and Energy Commission, recalled his experience in the ongoing WSSD debate on partnerships and reiterated the value of a sectoral approach. *Jim Baker* of the International Confederation of Free Trade Unions (ICFTU) gave a labour perspective of the CSR movement. He also stressed that as constituents of governments and intergovernmental organisations, all stakeholders including business and labour must demand good governance. *Steve Sawyer* of Greenpeace International highlighted the feeling at WSSD of a crisis in global governance as a result of failure on the part of governments. He noted new areas of agreement between business and NGOs, an example of which was the joint Greenpeace WBCSD statement on greenhouse gas emissions at WSSD. Sawyer also suggested that there is a need for responsibility standards for industry associations, not only individual companies. Finally, “triple bottom line” author *John Elkington* warned that the “CSR bubble” may burst because the people responsible for CESR within companies do not understand business models. He cautioned that there are Global Compact participants and other “responsible” companies that violate for example the principle of precaution on a daily basis.

The next session addressed corporate sustainability reporting, chaired by *Chris Tuppen* who is Chair of the Global e-Sustainability Initiative (GeSI). Panellists examined the role and uptake of sustainability reporting, challenges in introducing reporting in small and large companies, and new developments in the GRI process. *Paul Hohnen*, Vice President of Strategy for the GRI gave new statistics on uptake of the GRI Guidelines. The greater number of some 300 self-declared GRI reporters in 2003 came from Europe, Asia and North America. *Geneviève Ferone*, co-founder of the European rating agency CoreRatings, spoke on the usefulness of sustainability reports from the perspective of rating agencies. “The more thorough company reporting, the better we can do rating,” she argued, explaining their use of reports and telephone

interviews. *Jonathan Cohen*, Programme Manager of AccountAbility, focussed on questions related to verification and materiality. He argued how the new AA1000 assurance standard developed under the auspices of his organisation goes beyond a simple rear view mirror exercise of ticking off boxes.

After the panel presentations, three CSR organisations responded and considered the business case for corporate reporting and how one can get more people to use sustainability reports. *Aron Cramer* of Business for Social Responsibility (BSR), *Catherine Rubbens* of CSR Europe and *David Vidal* of The Conference Board gave their perspectives based on the experiences of companies from North America and Europe. Referring to recent litigation in the USA, Vidal stressed the importance of appropriate teaching at law schools since in the USA often lawyers are the ones inhibiting more pro-active company action. Cramer highlighted the central question of trust, and questioned whether reporting by itself can address this. Discussion noted the need for reporting to address different audiences with different needs. In this respect sector supplements developed under the GRI has a key role to play in addressing user needs more directly. Afterwards, group discussions considered the modalities of developing sector supplements to the GRI Guidelines. It was clear that a number of associations have started developing sector specific indicators internally, using the GRI model, after which they approach the GRI – a centre associated with UNEP - to help introducing their draft sets into a multistakeholder process with international recognition.

The collapse of WTO trade negotiations at Cancún was the scene of the closing session. The discussion assessed the latest developments in the trade and environment debate, prospects in the WTO process following Cancún, actions necessary to enhance the contribution of trade and trade liberalisation to sustainable development, and the role of trade measures in the enforcement of international environmental agreements (MEAs).

Charles Arden Clarke of the Economics and Trade Branch of UNEP DTIE examined some of the shifts in the negotiating and institutional dynamics of trade liberalisation post-Cancún, with specific reference to the environment and sustainable development. A common demand from developing countries is more capacity building in this area, enabling their governments to integrate related policies nationally. A business and NGO perspective was given by *Ulrike Schmülling* of the Union of Industrial and Employers Confederations of Europe (UNICE) and *Tom Crompton* of the World-Wide Fund for Nature (WWF) respectively. Crompton believed that the scope of the WTO work programme needs to be re-examined and that full use of sustainability impact assessments needs to be advanced. Schmülling argued that WTO and MEAs are two equal bodies of international law and their rules have to be applied in parallel. She noted that the Doha mandate to examine the relation between WTO rules and trade obligations under MEAs is very narrow in that for example it does not cover the role of non-parties to MEAs. Giving a perspective from the South, *Julia Oliva* of The Centre for International Environmental Law (CIEL) argued that industry must play a fundamental role in ensuring that developed countries live up to promises of making Doha the “development round”.

The meeting was closed by *Monique Barbut* of UNEP DTIE. Making a plea for sensitivity to the special needs of different regions and smaller companies, she encouraged participants to suggest themes for inclusion on the agenda for the meeting in 2004. She also challenged associations to be forthcoming with both critique and new ideas for ways of following up on

WSSD, helping UNEP to work effectively with stakeholders and other UN agencies and bodies such as UNDESA and the Global Environment Facility (GEF).