

S



U
T
H

B
U
L

L
L
E
T

T
I
N

I
N

The focus in this issue is on the World Summit on Sustainable Development (WSSD), being held in Johannesburg (26th August - 4th September, 2002).

REPLICABLE TECHNOLOGIES & LIFESTYLES: THE ESSENCE OF “SUSTAINABLE DEVELOPMENT”

GAMANI COREA

The words “sustainable development” are widely used these days - in the press, at conferences and elsewhere. It is the theme of the Johannesburg Conference. Yet, it seems to me that there are major ambiguities associated with the phrase. I have tried to set out below some of these that come to my mind.

Clearly, the concept attracts universal endorsement since nobody wants “unsustainable development”. Yet, one must ask why the concept of sustainability is linked, almost inseparably these days, with the concept of development alone i.e. the common goal of the developing countries? It is true that the development process as we have known it puts pressures on the environment and the ecological system. It is even possibly true that if the developing countries, even only the major ones with their large populations, attain the present development levels of the industrialised countries by replicating their living standards and technologies the planet will collapse!

But what does this imply? There are no alternative models they could pursue that could still wipe out the gap in living standards between the two groups of countries. They could, of course, adopt styles of living that are relatively benign from an environmental point of view. But this would translate into one world with contrasting technologies and styles of living - one for today’s developed countries and the other for the developing countries committed to patterns of development and of living that are compatible with sustainability. This would, however, be an unacceptable result from every point of view. The poor would seek to emulate the rich no matter what advice you give them.

What then is the solution? It must surely be a search for technologies and lifestyles that are both sustainable and replicable

throughout the world — subject only to local adjustments and adaptations. This implies that the whole concept of sustainable development is a major challenge to the industrial countries that must show the way to sustainable and replicable technologies and life styles that could be emulated on a global scale. The developing countries themselves must, of course, follow patterns of development that minimise environmental and ecological pressures. They need to be participants of growing importance in the quest for sustainable development. But today it is the developed countries that largely occupy the limited global ecological space that is available whilst the need now is to provide room for others as well. The poor countries cannot be told to largely remain where they are and manage as best they can because “the boat is full”. Sustainable development must translate, as said earlier, to sustainable and replicable technologies and patterns of living that are relevant universally. This is the essence of the global challenge presented by the concept.

The observation is often made that the developing countries must be encouraged to minimise the pressures they put on the ecological and environmental carrying capacity of the planet that arise out of both development and underdevelopment against a background of a growing population. This is certainly a valid and necessary task. But its objective cannot largely be to minimise further pressures on the status quo, on the carrying capacity of the planet that has already been largely pre-empted by the historical model of development pursued by the industrially advanced countries. Therefore, a more appropriate theme of the Johannesburg Summit would have been “appropriate and replicable technologies and lifestyles”.

INSIDE PAGES

Rio To Johannesburg: Backsliding & Hardening Positions.....	2
Developing Countries, Population and the Environment.....	3
Exporting ‘Enron Environmentalism’.....	5
Governance and Human Development.....	8
Bring Big Business To Account.....	9
Restructuring Taxes To Protect The Environment.....	11
Renewable Energy, Small Businesses And Rural Development.....	12
Global Water Crisis - More Than Taps And Toilets At Issue.....	14
UN Green Light To GM Food Aid.....	16
Zambia Remains Firm Against GM-Maize Aid.....	17
American Food Gift To Africa - Another Poisoned Chalice?.....	19

RIO TO JOHANNESBURG: BACKSLIDING & HARDENING POSITIONS

*The results achieved over the past ten years since the Rio Earth Summit or the United Nations Conference on Environment and Development (UNCED) in 1992 are worrying, says **Fernando Henrique Cardoso, President of Brazil**. In the following piece, which he contributed to the UNEP publication 'Our Planet', President Cardoso maintains that a number of Rio commitments have yet to be realised. The world does not seem ready yet to pay the price for sustainable development options, the Brazilian President points out.*

"The world has changed since the Rio Earth Summit in 1992 – but unfortunately, in many respects, not for the better.

Some countries are reluctant to incorporate the concept of sustainable development into their strategic government planning, or to fulfil the commitments of Agenda 21. They are even delaying their contribution to international efforts to alleviate the impact of human activity on the environment.

The results achieved over the past ten years are worrying. The Convention on Biological Diversity, which broke new ground through envisaging an international system of access to genetic resources, has not yet succeeded in bringing about fair and equitable sharing of the benefits of exploiting biodiversity.

The Kyoto Protocol, which we hope will finally come into force this year, has not been ratified by large countries chiefly responsible for greenhouse gas emissions.

There has been no structural change to unsustainable models of production and consumption in the developed world. The throwaway culture still prevails, producing unsustainable levels of residues and waste.

The principle established in Rio that all nations have common but differentiated responsibilities for preserving living conditions on the planet has not been translated into additional resources, nor has it led to the transfer of clean technologies to developing countries.

On the contrary, we are witness-

ing the predominance of ideas that are more conservative than those of ten years ago. Concerns about the price to be paid for sustainability, and about sacrifices that might have to be made in economic growth in order to guarantee future living conditions, now determine attitudes towards environmental issues.

As if it were possible to measure the well-being of a society only by such criteria as national earnings or gross domestic product! An increase in a country's revenues or GDP does not always automatically translate into a better quality of life for its citizens. Many areas of development depend on suitable public policies, on responsible and ethical business practices, on greater social awareness, on voluntary work and philanthropy. Indeed, development depends on all sectors of society working together to achieve sustainability.

Progressive governance

Such development is part of what is commonly called 'progressive governance'. This aims to present an alternative to predatory development, which destroys nature and even threatens the survival of the human race. Broadly speaking, it depends on democracy and the participation of the population in the decision-making process.

It is not easy to carry through a paradigm change of this magnitude. Large-scale mobilization is needed to counteract the hardening positions of some actors and the timidity of others.

This is what we hope will happen at the World Summit on Sustainable

Development in Johannesburg in August, which will take stock of the decade since the Rio Summit and try to overcome the obstacles that prevent the full implementation of its decisions.

It will be a unique opportunity for countries that are key players on environmental issues to attend in force, so as to raise awareness among the international community. Organizations representing civil society also need to be there in significant numbers. Public opinion has advanced further than that of conservative governments or environmentally irresponsible companies and can play a part in moving things forward.

Responding to challenges

We need to guarantee that the Johannesburg Summit will launch innovative initiatives for sustainable development. Without losing sight of concerns traditionally associated with the battle to save the environment – like conserving the rainforests – it is imperative that we respond to the new challenges of our age. We need to promote the sustainable use of water, to find new sources of renewable energy, and to clarify the link between poverty and the depletion of natural resources. An increase in a country's revenues or GDP does not always automatically translate into a better quality of life for its citizens

Africa, a continent dear to us all, symbolizes how much people can suffer because the world has failed to find an alternative way of achieving development.

I am pleased to be able to say with certainty that Brazil has made some progress in this direction over the past ten years. Partly because we hosted the Earth Summit in 1992, Brazilians are now very conscious of the importance of sustainable development to their future.

It was gratifying to see the Kyoto Protocol recently receiving the approval of our National Congress in response to strong public demand. Brazil has made an enormous effort in combating poverty. It is already reflected in changes in such social

indicators as infant mortality and schooling and, before long, it will certainly be reflected in economic indicators as well.

Brazil is not in a position to provide economic resources to help other countries fight poverty, but we can contribute with our experience, through examples of successful social welfare or personnel training programmes, or even through the participation of Brazilian companies in such sectors as infrastructure and sanitation. We realize that a healthier, better educated population means

higher and better productivity within a virtuous circle of sustainable development.

Brazil is aware of its responsibility to preserve the 'Rio legacy' and will bring a constructive approach to the Johannesburg Summit. Ours is the approach of a nation that understands that sustainable development means including and integrating global, national and local aspects. Above all, it is the approach of a nation pledged to the vision of the whole of humanity joined in universal solidarity as citizens of our planet."

DEVELOPING COUNTRIES, POPULATION & THE ENVIRONMENT

*Ignorance, racism and prejudice permeate the debate on population and the environment, contends **Julio Cesar Centeno, Professor at the Graduate School of Forestry, University of the Andes, Venezuela.** What is more important than the sheer number of human beings is the consumption of resources and the production of waste and pollutants, he argues. Prof. Centeno has been the Executive Director of the Latin American Forestry Institute (1981-1991). He has also served as forestry advisor to the Secretariat of the United Nations Conference for Environment and Development (UNCED 92). Prof. Centeno contributed the following article to the South Bulletin recently.*

Much has been said about the need to control the population of developing countries. The human population is reaching such proportions that it is feared it will exceed the capacity of the planet to sustain it.

Nearly 80 per cent of the human population is in developing countries. Population growth is also concentrated there. Of over 90 million people who engross the human population every year, about 90 per cent is expected to live in developing countries. The problem seems clearly to be in the developing world.

The solution is then, it would seem, to control, through whatever means possible, the population of these countries. The massive and free flow of contraceptives, mass sterilisation, cultural disruption, and even genocide has been proposed to achieve this goal. All in the name of the environment and "sustainable development".

However, most of these arguments, as well as most of the pro-

posed solutions, are only a reflection of the ignorance, racism and prejudice that permeate the debate on population and the environment.

Some effective measures against population growth in developing countries have been rhetorically supported in international negotiations, such as badly needed improvements in education, health care and nutrition; the creation of productive jobs; the diversification of economic output, and the export of processed or semi-processed products instead of raw materials.

But in practice, such measures have been taken with a considerable dosage of apprehension. It has been argued that they would imply improved standards of living for the people affected. This might in turn lead to higher levels of consumption of resources, as well as to the production of larger amounts of waste and pollutants.

The environmental argument has thus been used to strengthen the

already mighty interest in avoiding any disruption of the established international economic order.

The result has been a dramatic collapse of education, health and nutrition indicators throughout Latin America, and other developing regions. In the last 20 years; the massive growth of unemployment; further dependence on the export of raw materials, and growing masses of people living in extreme poverty.

In the mean time, the gap between the standard of living of industrial and developing countries has reached staggering proportions.

The main impact of people on the environment is related to two fundamental variables:

- (a) The consumption of resource
- (b) The production of waste and pollutants.

In the year 2000 there were approximately 6 billion people on the planet, 21 per cent in industrial coun-

tries, and the remaining 79 per cent in developing countries. Nevertheless, industrial countries accounted for nearly 80 per cent of all resources consumed. They were also responsible for the production of nearly 80 per cent of all waste and pollutants.

If we were to measure the environmental impact of human population with a uniform yardstick, such as the amount of resources consumed by the average person in developing countries, or the amount of waste and pollutants produced by the same average person, we would then conclude that while in 2000 there were 4.7 billion people in developing countries, the population-equivalent of industrial countries would amount to 19 billion people.

From the point of view of environmental impact, where is then the real population problem?

If we consider the long history of slavery, abuse, exploitation and misery that, for centuries, have been imposed on developing countries by the main industrial nations, we could conclude in a gigantic environmental, economic and social debt, with which industrial countries have so far gotten away.

The unsustainable growth of the population of developing countries is closely related to the extreme levels of poverty they must endure, partly a consequence of the established international economic order, designed by industrial nations at Bretton Woods to enhance their own interests, and imposed upon the rest of the world.

Environmental devastation is related to international economic and political relationships. Developing countries must play the role of exporters of ever-larger amounts of ever-cheaper raw materials [natural resources], to maintain the industrial output and wealth of the "North". The depletion of resources, and the environmental and social costs involved, are deliberately ignored by the established economic system.

Developing countries are the most affected by the growing social and environmental damages derived from decades of imposition of the established international economic order. Most of their economies are based on the ruthless exploitation of both people and natural resources, to feed industrial processes mainly driven by industrial nations.

Nearly three quarters of all people in developing countries are already below the poverty line. Over 14 million children, under the age of 5, die each year from hunger, thirst, malnutrition, or from easily curable or preventable diseases.

At the same time, nearly 14 million hectares of natural tropical forests are destroyed every year, also in tropical developing countries. A massive and irreversible destruction, mainly due to the expansion of the agricultural frontier, in order to accommodate growing numbers of people in extreme poverty, practising survival agriculture. The growing numbers of people involved are not only due to the increase in population. It is mainly driven by rampant

unemployment and a dramatic economic impoverishment.

Nearly 70 per cent of the accumulated emissions of carbon dioxide in the last 50 years have come from the excessive consumption of energy of industrial countries. Carbon dioxide emissions are among the main culprits of global warming, now threatening the stability of people and ecological processes all over the world, particularly in tropical developing countries.

Population growth is certainly one of the key problems facing developing countries. Decisive and effective action is necessary to address it, with due respect for the cultural, ethical and religious differences between diverse sectors of humanity. The lack of democratic processes of governance, and the profound social inequalities evident in most developing countries, are part of the array of issues where fundamental changes are required.

But the population dilemma should not be isolated from the political and economic context in which it has thrived. The perception of population growth in developing countries as the culprit of worldwide environmental damage is a fallacy that deserves to be eradicated. It is, nevertheless, at the very bottom of foreign policies in most industrial nations, as part of the overall attempt to preserve the established international economic order, regardless of how profoundly unfair it may be to the majority of the human race.

THE WORLD CHARTER FOR NATURE

New Delhi, Aug (DNS) -- The World Charter for Nature, adopted unanimously by the UN General Assembly in October 1982, has been translated in Hindi, the national language, as well as 11 regional languages of India.

The new book, which also carries the original English text of the

charter, is the first attempt of its kind and has been compiled by Mr. Samar Singh, a former head of WWF-India.

"The Charter is a declaration of global importance, at par with the UN Declaration of Human Rights. It sets out the basic principles, which must be observed for achieving the conservation of nature and natural re-

sources, and on which depends the very survival of the human race. It is, in essence, a moral code of behaviour in human relationships with nature," says Dr. Najma Heptulla President of the Inter-parliamentary Council, the plenary policy-making body of the Geneva-based Inter-Parliamentary Union, in the preface to the new book.

EXPORTING 'ENRON ENVIRONMENTALISM'

In contrast to what is generally perceived as a lacklustre US involvement in the Johannesburg Summit, the United States may actually be seriously engaged, according to Victor Menotti, Program Director of the San Francisco-based International Forum on Globalisation. But that engagement is not exactly to achieve the goals of the multilateral environment agreements that the United Nations has promoted, he contends. The International Forum on Globalization (IFG) is an alliance of sixty leading activists, scholars, economists, researchers and writers formed to stimulate new thinking, joint activity and public education in response to economic globalization. Menotti contributed the following article to the August issue of the Bangkok-based 'Focus on Trade' publication.

President George W. Bush's absence will be more than obvious when heads of state and tens of thousand of people converge in Johannesburg, South Africa from August 26 - September 4, 2002 at the United Nation's World Summit on Sustainable Development (WSSD) to mark ten years since the Rio Earth Summit. But present or not, President Bush's vision for the world will be there. In preparation for the summit, there has been much criticism of the United States for "not being engaged" or "not taking seriously" the WSSD process. But a closer examination of the expected outcomes reveals that nothing could be further from the truth.

The Bush plan for Johannesburg shows more strategic foresight than almost anything the president has proposed in international fora to date. What has been revealed on "the road to Johannesburg" is a grand plan which would incapacitate the United Nations as an institution to meaningfully address the twin crises of global poverty and ecological decline.

While some people may believe the UN needs no help in undermining itself, we all must recognize the need for alternative international institutions outside of the World Trade Organization and International Monetary Fund that can put limits on corporate globalization. Indeed, the United Nations has produced many important legal instruments that can protect poor people and natural systems from being plundered by global corporations. And it is precisely

this system of protections, collectively known as the UN's Multilateral Environmental Agreements (MEAs) that the Bush administration seeks to destroy. Pulling out of the Kyoto Protocol was only a tip of the iceberg; what's afoot now is a move to withdraw from and subjugate the whole system.

The Bush proposals not only would transform the foremost inter-governmental forum for addressing global crises into an entirely new apparatus for promoting corporate growth but it could also foreclose even the possibility for real solutions to emerge. Advancing this plan on the road to Johannesburg includes at least three main strategies:

- **Rollback** Rio by withdrawing from key principles and blocking any new government commitments to implement Rio's outcomes.

- **Greenwash** globalization by insisting that the best way for governments to implement sustainable development is by advancing the WTO's new Doha agenda for global free trade.

- **Export 'Enron'** environmentalism by shifting responsibility for addressing the crises to corporations via voluntary, public-private "partnerships" in water, energy, and other areas. As inadequate and in need of reform as they may be, the United Nations and its MEAs embody a legitimate process that has yielded important products that must be defended. In theory and practice, the UN remains the sole international

institution where people-driven ideas can be proposed, approved, and implemented as international law. The integrity of these existing mechanisms for countering corporate globalization, as well the strategic space they occupy in today's international architecture, are "what's at stake in Johannesburg".

Rollingback Rio

The United States is specifically trying to withdraw from at least two key negotiating principles agreed to in Rio:

The Precautionary Principle

This is the idea that governments should err on the side of caution when there is the possibility of devastating and irreparable environmental harm. It is the cornerstone of much public policy-making for the environment and public health. Many technology-based industries (such as biotechnology, chemical, and even communication technology manufacturers) view this principle as hampering the development and deployment of their new inventions. In many ways this is true because it requires that they first "show no harm" before making society bear the risks of their experiments.

The Precautionary Principle has also been the cornerstone of one of Rio's most important products, the Convention on Biological Diversity's "Cartagena Protocol on Biosafety,"

which establishes the rights of nations to regulate the import of genetically modified organisms, or GMOs. However, this concept clashes with the rules of the World Trade Organization, which says that nations need to use “sound science” by presenting conclusive scientific evidence before enacting any measures that might restrict trade. This is the opposite of the Precautionary Principle. The US wants WTO rules to supersede so that its biotechnology industry will not face trade restrictions to its GMO seed exports. Undermining the Precautionary Principle will reverberate into other international policies, such as those addressing endangered species, persistent organic pollutants (POPs) and climate change, among others.

Common but differentiated responsibilities

This is the understanding that those nations who played the biggest role in causing a problem should take the lead in addressing it. It is especially important to poor nations who do not have the financial or technological resources to act. Many developing nations view climate change, for example, as something caused by the industrialized nations and that they should be the first ones to clean up their act. Most want to take the necessary steps and avoid the high costs of burning fossil fuels in the developing economies, but they will not do so if the biggest polluters do not take prior action. Rejecting this principle (which President George W. Bush’s father agreed to in Rio) would undermine years of inter-governmental negotiations to arrive at general agreements on how to approach the problem.

The United States is also actively blocking attempts by other governments to advance, in Johannesburg, any of the products from Rio. Already scuttled are plans by signatories of the Kyoto Protocol

to hold a ceremony that would bring the treaty “into force” in Johannesburg, thereby embarrassing the US who recently withdrew from it. The US has also undermined efforts to fund poor nations’ implementation of Rio agreements. Explaining to NGOs in Bali why the Bush administration is so determined to thwart any new action, the head of the US delegation, Jonathan Margolis, said that timetables and targets are “theater” that “don’t work”. It was suggested he consult with his colleagues in the US Trade Representative’s Office, who never fail to use them in negotiations for new free trade deals.

Greenwashing globalization

The United States is leading the charge to “greenwash globalization” in Johannesburg by presenting its free trade and investment agenda as synonymous with sustainable development. Negotiators from the US Trade Representative insisted in Bali that advancing the WTO’s new Doha work program is the best way for governments to address poverty and the environment. But the US claim ignores the fundamental fact that free trade agreements, by design, diminish peoples’ ability to use their governments to guide economic activity. Removing controls on corporate conduct is exactly the opposite of what governments need to do to “change economic course” toward sustainable development.

Dissatisfaction with Doha and deep divisions over the impacts of globalization are being played out in several paragraphs of the “Draft Plan of Implementation for WSSD”, including:

45: “It is a matter of great and increasing concern that not all countries are reaping the benefits of globalization, and that some may even be falling behind.” This is the language desired by poor nations to register their dissatisfaction with

globalization. The US does not want to allow any official acknowledgement that the global economy causes harm.

82: “establishment of an international mechanism to stabilize commodity prices for coping with the instability of commodity prices and declining terms of trade.” This language is desired by poor nations that reveals a key fight with industrialized nations. After following IMF/World Bank advice, many nations focus on exporting only two or three commodities. But because so many nations followed IMF policies, an enormous over-production has created a glut in global commodity markets, resulting in continually diminishing earnings for nations that produce commodities. When combined with WTO rules that prohibit governments from limiting exports to drive up prices, deregulated global commodity markets are a social and ecological disaster. A new round of international commodity agreements needs to be put back on the global agenda and WSSD is one place where that fight is being taken up. The US strongly opposes any reference to such mechanisms.

87: “imbalance and inherent asymmetry in WTO Agreements” This language is also advocated by poor countries suffering under current trade rules, but against this the US wants to avoid any negative references in official outcomes that may require them to change WTO rules.

88: “implementing the WTO TRIPS (intellectual property rights) Agreement to address public health problems affecting many developing and least developed countries” is what the US wants to reaffirm the global patent regime that makes essential medicines unaffordable for poor nations dealing with HIV/AIDS, tuberculosis, malaria, and other epidemics.

122: "ensure coherence and mutual supportiveness between rules of WTO rules and the rules of MEAs" is proposed text. The US says "coherence" implies that the MEAs would be subordinate to WTO. This is a central issue of governance at play in Johannesburg, where the world's environment ministers must declare that the fate of the MEAs not be decided by the WTO alone (See "From Doha to Johannesburg," www.ifg.org).

Exporting Enron environmentalism

Needing to present some "deliverables" in Johannesburg, the US is trying finalize a package of voluntary, public-private "partnerships" for WSSD. The summit's Secretary General Nitin Desai has said "partnerships should not be a substitute for new government commitments," calling them "coalitions of the willing". But the question Johannesburg is ignoring is what to do with the "unwilling". That is, the rogue corporations and governments who flout public opinion and international law. They are the real problem and WSSD has shown no political will or meaningful discussion about what to do with them.

The US narrowly defines the problem as "not enough people having access to essential services, therefore we must deliver them to raise standards of living". While this is an important part of the equation, it falls way short because: it views the solution as being more "growth" of the kind that is already testing social and ecological limits; while ignoring the wasteful over-consumption of resources in the industrialized nations.

One of the most striking elements of the US delegation's rhetoric is their belief that the problems facing the world are indeed enormous, although their prescriptions may only exacerbate the very problems they seek to resolve. In fact, what they propose as solutions are the same policies that are currently proving disastrous the world around. The Bush

Vision is to accelerate, with taxpayers' dollars, the privatization of essential services like water and energy, through partnerships with no mechanisms for accountability. Call it "Enron Environmentalism".

Historians may look back at the inscrutable contradictions of this moment: just as corporate corruption has engulfed American financial markets and politics weeks before the global summit (with accusations of personal fraud charged against top Bush administration officials), US negotiators still manage to dominate the WSSD proceedings with lectures to other nations about the need for "good governance" and by insisting that the world should trust unregulated corporate initiatives. But if you can't trust them with your pension, how can you trust them with the planet?

By prioritizing partnerships in Water, Energy, Health, Agriculture, and Bio-diversity (WEHAB), the Bush team is vowing to deliver more "services" via an agenda that can best be described "Cochabamba Plus", referring to the Bolivian city where the privatization of water delivery services increased prices by as much as 300 per cent, igniting a popular uprising that has become a global flashpoint against privatization. The proposed "energy deliverable" would aim to "by 2015 significantly reduce the number of people without access to secure, reliable, affordable, and cleaner energy services". Although this may sound laudable, it would be achieved by privatizing energy services, which is entirely in line with US proposals to open up energy services worldwide in the WTO.

While some of these initiatives may be market development opportunities for US corporations, pursuing some of them may not be so profitable. To ensure that the private sector does profit from them, the US is establishing what President Bush is calling his version

of a "global Marshall Plan" - the Millennium Challenge Account. The MCA would increase US overseas development assistance by nearly 50 per cent, but conditioning that aid only to those nations that first open their economies to unregulated US trade and investment.

To institutionalize a shift in UN functions, the US wants the CSD to focus on new partnerships by making it the "convenor" business deals with the UN's seal of approval. Partnerships are not new, and they have never required official government involvement. So there is no reason to use the world's only inter-governmental forum to sponsor them. Unless the intention is to ensure that the CSD does not undertake something that addresses corporate power.

What's at stake in Johannesburg?

Corporate greed is decimating our future security, and that of generations to come. Just as privatization and deregulation has allowed CEOs to swindle billions from small investors, so too has it allowed them to steal the natural capital upon which all life depends. As critics of corporate globalization increasingly get asked the question, "what are your alternatives?" they are finding that key elements of an alternative international system are being attacked in WSSD. In the emerging international system, which is today dominated by institutions that favour corporate rights, the Bush Vision is a stealth strike on the few structures that can protect people and the planet. If one can recognize that the UN process (originating with its 1972 Stockholm meeting to the 1992 Rio summit to the 2002 Johannesburg summit) and its numerous products (the MEAs) are existing international instruments to counterbalance corporate globalization, then it is easy to see that the survival, and future prospect of, real alternatives are what's really at stake in Johannesburg.

GOVERNANCE AND HUMAN DEVELOPMENT

The United Nation Development Programme's (UNDP) annual Human Development Report for 2002 focuses on "Deepening democracy in a fragmented world." A critical analysis of the report has been done by Professor Norman Girvan, Secretary General of the Association of Caribbean States (ACS). Prof. Girvan is also a member of the Board of the South Centre. The views expressed are not necessarily the official views of the ACS.

The UNDP's Human Development Report for 2002 focuses on democracy and good governance. The justification is that these are necessary for the enlargement of human choice and capabilities that lie at the heart of human development. Eradication of poverty, the Report argues, also requires the exercise of political power by the poor.

These are hardly contentious propositions. What may prove to be more controversial are the indicators and methods employed by the Report and the "scores" assigned to different countries in the governance game.

Governance has become an important element in the package of conditionalities applied by the developed world in granting financial aid, debt relief and trade concessions to the developing countries. It would not be surprising if the governance indicators in the UNDP Report are quoted by the North in future international conferences and negotiations.

The performance of countries of the Greater Caribbean by the UNDP indicators, therefore, may well have widespread implications in their political and economic relations with donor countries and trading partners. They would be well advised to study the numbers carefully.

There are three kinds of problems that arise with the UNDP indicators. The first is that of cultural and political bias. There is an implicit assumption that western multi-party political systems are the ideal by which all countries should be measured. Hence, most of the OECD countries get perfect scores in the indicators of Polity, Civil Liberties and Political Rights.

Well-known phenomena in the perversion of these political systems by powerful financial groups and vested interests are inexplicably omitted. This would require examining factors such as the transparency of campaign financing, limits on party political funding and the impact of vested interests on economic decision-making, for example in the area of trade policy.

The developed countries also score highly in Press Freedom - notwithstanding the domination of the media by huge conglomerates and the slanted nature of much press coverage of North-South issues - and in Legal Impartiality - although it is well-known that the wealthy are much better equipped to utilise the justice system than the poor and ethnic minorities.

A second kind of problem relates to the UNDP's sources. The subjective indicators of governance rely for

the most part on the so-called "In-house expert opinion" of two institutions: the US-based Freedom House and the World Bank's Governance Indicators Dataset. Supplementary data come from a dataset at the University of Maryland, from Transparency International and from the International Country Risk Guide.

The issue here is whether private or quasi-public institutions with limited or no accountability to a generally accepted system of international governance and whose procedures are not easily accessible to the global public, may legitimately be granted such huge powers of judgement over countries, populations and systems. The procedure itself may not meet the test of good governance.

A third kind of problem lies with the construction of the numerical indicators. The maximum and minimum scores vary widely for different indicators. And in some instances a higher number is better while in others a lower number is better.

For example, in Polity (degree of democracy) the range is from a maximum of +10 to a minimum of -10, while in Press Freedom the range is from 0 (full freedom) to 100 (not free). This is confusing and makes the indicators difficult to read and interpret.

BIODIVERSITY LOSS

Nairobi, 1 Aug (DNS) — At current extinction rates of plants and animals, the Earth is losing one major drug every two years, according to the United Nations Environment Programme (UNEP). It is estimated

that less than one per cent of the world's 250,000 tropical plants has been screened for potential pharmaceutical applications.

The first 'World Atlas of Biodiversity:

Earth's Living Resources for the 21st Century', launched today UNEP-World Conservation Monitoring Centre (WCMC) shows how humankind is dependent on healthy ecosystems for all its needs.

BRING BIG BUSINESS TO ACCOUNT

The need to have some kind of international regulations on the operations of transnational companies has been long debated. But that has not been enough to garner political support for controlling certain practices of the multinationals. Martin Khor, Director of Third World Network, based in Penang, Malaysia, makes the case of why business corporations must also be held accountable so as to ensure sustainable production and consumption patterns globally. The article is taken from the UNEP's 'Our Planet' magazine.

The behaviour of big companies, and the need to make them more accountable, has captured public attention and interest like no other issue in recent discussions on sustainable development. Many citizen groups have made corporate accountability their prime concern in the process leading to the World Summit on Sustainable Development (WSSD). They want the Summit to establish a global system to regulate the practices of corporations – to prevent them further damaging the environment; from manipulating currencies, profits and markets; and from violating the human rights of their workers or local communities.

Dubious practice

In the past few months, the issue has sprung into the forefront of public consciousness through the revelations, one after another, of fraudulent or misleading accounting practices in big-name companies. It is now clear that several companies had been 'dressing up' their bottom lines to show healthy profits when they were in fact making losses. When the true situation was exposed, confidence plunged both in these companies and in the stock markets generally. Investors doubt the accuracy of the corporations' accounts, undermining the basis of investing in stocks. Thousands, even millions, of workers and investors lost much of their life savings as the value of stocks fell. Overnight, the stature of many corporate chief executives descended to record low levels. Once lauded as icons and role models, they are now seen as grossly overpaid, manipulative and even plain crooked.

This has very significant implica-

tions for sustainable development. Maximizing short-term profits had been the most important corporate operating principle in many developed countries. Companies' announcements caused their stock price to rise or fall dramatically and, to avoid being taken over, they had to show high profits. But the rise of 'shareholder capitalism', and its obsession with short-term performance judged by profitability, has led the entire market system to the brink of worldwide economic slowdown. Some analysts even predict financial meltdown.

The recent financial scandals are only one facet of the crisis in corporate accountability. The dominant trend of deregulation and liberalization has increasingly allowed companies to do much as they like, as already inadequate controls over them are lifted. Perhaps the 1992 Rio Summit's biggest error was its decision not to create a mechanism to regulate corporations. Even then, non-governmental organizations (NGOs) like Third World Network and Greenpeace had identified the leading role of transnational companies (TNCs) in damaging the environment, pointing out that:

Their activities generate more than half the greenhouse gases emitted by industrial sectors with the greatest impact on global warming.

They dominate trade in – and often also the extraction of – natural resources and commodities, thus affecting forests, soils, water and marine resources. They dominate mining, for example, and control about four fifths of the land cultivated worldwide for export crops.

They similarly dominate global and national industry and transport,

and their activities result in pollution, industrial and occupational hazards, toxic wastes and unsafe products.

They are major transmitters of environmentally unsound production systems and hazardous materials to the South – including unsafe pesticides, polluting industries and hazardous wastes. They also promote unsustainable consumption patterns in both North and South.

The Earth Summit, however, decided that these companies could be trusted to change themselves and failed to place obligations on them to behave in an environmentally or socially responsible way. Since then, the trend of handling TNCs with kid gloves has accelerated. They are seen by the United Nations Secretariat not as powerful forces that need to be brought under control, but as responsible partners who would actually lead the world to sustainability. The UN now treats companies as part of 'civil society', as partners in a 'Global Compact' with the UN itself, and as a vital component in the so-called Type Two Partnerships that are supposed to be a major part of WSSD. These increasingly close links are bound to bring embarrassment to the UN if, for example, many of these 'partners' turn out to have engaged in fraudulent accounting and other unethical practices.

The record of the last ten years has confirmed that sustainable development loses when governments give up their task of regulating companies. The accounting scandals have again exploded the myth that voluntary action or self-regulation by industry will take care of corporate responsibility. Case studies of the performance of many TNCs show

that there has been little change - despite public relations claims of greater corporate responsibility, and more voluntary industry codes of conduct - as they continue with environmentally harmful activities. Environmental concerns have fallen down many notches on national and international agendas as globalization has placed each country and company under intense pressure to compete.

Urgent task

WSSD thus has the urgent task of placing the regulation of corporations back onto the international agenda. It is impossible to expect self-regulation by companies in the present highly competitive economic circumstances. Public regulation is needed, through setting industry-wide standards backed up by law and effective enforcement.

Individual governments, however, cannot be expected to control TNCs on their own. Faced with the fierce competition between countries, governments will be reluctant to legislate standards higher than those of their competitors. Besides, TNCs are now so huge in terms of assets, turnover, employment and investment that they dwarf many countries.

Most governments, by themselves, are unable even to begin adequately to monitor - let alone regulate or control - the TNCs operating within their territories, due to lack of information, absent or inadequate corporate disclosure, and their sheer lack of clout or influence in the face of immense TNC power. Sustainable development loses when governments give up their task of regulating companies

Thus monitoring and regulation of TNCs is at least as important as at the international or multilateral level as at that of individual governments. Without it, there would be no adequate or effective means to monitor and check the environmentally harmful activities of the world's major economic agents - and there would be no movement towards effective solutions to the global environment and development crises.

WSSD should thus begin a process towards a binding framework on corporate accountability. This should contain provisions for public regulation and monitoring such matters as public disclosure of information, health and safety, environmental effects, and social and developmental implications. It should set up activities to monitor, to analyse, to develop criteria and principles for ethical and environmentally sound

behaviour, and to regulate the activities of TNCs. Among the areas to be covered are: environmental, health and safety aspects; social and developmental aspects; and restrictive trade and business practices that deprive states and the public from gaining their full benefits. TNCs should also be made liable for compensation for the harmful effects of their operations on the environment, safety and health.

The WSSD and post-WSSD process should reaffirm the principle that states have the right to regulate the entry, establishment and operations of TNCs - and that TNCs have the duty to respect national sovereignty, to respect the public's health and environmental rights, and to refrain from financial, pricing or technological activities that cause socio-economic difficulties to the host countries. These principles were contained in the draft Code of Conduct on TNCs that unfortunately was abandoned in the early 1990s.

WSSD should send a clear message - that the rights and freedoms of TNCs and other businesses must take second place to the rights of the public and states to subject them to regulations, laws and guidelines that can reduce the environmental and development problems threatening to engulf both Earth and humanity.

GEF PLEDGES

NAIROBI, 8 Aug (DNS) - Donor countries agreed in Washington DC to increase their support to the Global Environment Facility (GEF).

According to the head of the United Nation Environment Programme (UNEP), this is an important boost for the World Summit on Sustainable Development. Thirty-two governments have agreed on a US\$ 2.92 billion replenishment of the GEF to fund its operations over the next four years, 2002-2006.

The GEF has, over the past 10

years, committed more than US\$ 4 billion and mobilised some US\$ 11 billion for more than 1000 projects in 160 countries. The GEF was officially established in October 1991, for a three-year pilot phase. Core contributions to the Trust Fund for the pilot phase amounted to US\$ 841.64 million. Additional contributions to the GEF Pilot Phase, provided under co-financing arrangements, amounted to US\$ 223.79 million.

In 1994, in the first replenishment of the restructured GEF, thirty-four

nations pledged US\$ 2.023 billion. In 1998, thirty-six donors agreed to a second replenishment of the GEF to the amount of US\$ 1.991 billion. On 7 August 2002, agreement was reached among 32 donor nations on the third replenishment of the GEF to the amount of US\$ 2.92 billion in new funding.

Currently, UNEP runs a portfolio of GEF projects and other activities valued at approximately \$ 0.5 billion.

RESTRUCTURING TAXES TO PROTECT THE ENVIRONMENT

*Tax restructuring can help direct the market towards more eco-friendly behaviour, argues **Bernie Fischlowitz-Roberts, Staff Researcher at the Washington-based Earth Policy Institute.** In a recent article, he recounts the experience of some of the European countries in managing such tax shifts. He also makes the point that eliminating subsidies to environmentally destructive industries will also help the market send the right signals. Worldwide, environmentally destructive subsidies exceed \$500 billion annually. As long as government subsidies encourage activities that the taxes seek to discourage, the effectiveness of tax shifting will be limited. The article can be accessed at www.earth-policy.org.*

Many countries have implemented taxes on environmentally destructive products and activities while simultaneously reducing taxes on income. The scale of tax shifting has been relatively small thus far, accounting for only 3 per cent of tax revenues worldwide. It is increasingly clear, however, that countries are recognizing the power of tax restructuring to reach environmental goals.

The market price for a gallon of gasoline, for example, reflects the cost of drilling, extracting, refining and transporting the oil. The market price does not account for the air pollution and acid rain produced by burning gasoline, nor its contribution to climate change as evidenced by rising temperatures, rising sea levels, and more destructive storms. Raising taxes on environmentally destructive products and activities is designed to more closely align the market prices with their actual costs.

Germany, a leader in tax shifting, has implemented environmental tax reform in several stages by lowering income taxes and raising energy taxes. In 1999, the country increased taxes on gasoline, heating oils, and natural gas, and adopted a new tax on electricity. This revenue was used to decrease employer and employee contributions to the pension fund. Energy tax rises for many energy-intensive industries were substantially lower, however, reflecting concerns about international competitiveness.

In 2000, Germany further reduced payroll taxes and increased those on motor fuels and electricity. As a re-

sult, motor fuel sales were 5 per cent lower in the first half of 2001 than in the same period in 1999. Meanwhile, carpool agencies reported growth of 25 per cent in the first half of 2000. Thus far, Germany has shifted 2 per cent of its tax burden from incomes to environmentally destructive activities.

One part of the United Kingdom's environmental tax reform involved a steadily increasing fuel tax known as a fuel duty escalator, which was in effect from 1993 until 1999. As a result, fuel consumption in the road transport sector dropped, and the average fuel efficiency of trucks over 33 tons increased by 13 per cent between 1993 and 1998. Ultra-low sulfur diesel had a lower tax rate than regular diesel, which caused its share of domestic diesel sales to jump from 5 per cent in July 1998 to 43 per cent in February 1999; by the end of 1999, the nation had completely converted to ultra-low sulfur diesel.

The Netherlands has also shifted taxes to environmentally destructive activities. A general fuel tax, originally implemented in 1988 and modified in 1992, is now levied on fossil fuels; rates are based on both the carbon and the energy contents of the fuel. Between 1996 and 1998, a Regulatory Energy Tax (RET) was implemented, which taxed natural gas, electricity, fuel oil, and heating oil. Unlike the fuel tax, which was designed principally for revenue generation, the RET's goal was to change consumer behavior by creating incentives for energy efficiency. To maintain competitiveness, major energy users were exempted from the

taxes, so this tax fell mainly on individuals.

Since sixty per cent of the revenue from these Dutch taxes came from households, the taxes were offset by decreasing income taxes. The 40 per cent of revenue derived from businesses was recycled through three mechanisms: a reduction in employer contributions to social security, a reduction in corporate income taxes, and an increased tax exemption for self-employed people. This tax shift has caused household energy costs to increase, which has resulted in a 15-per cent reduction in consumer electricity use and a 5 to 10 per cent decrease in fuel usage.

Finland implemented a carbon dioxide (CO₂) tax in 1990. By 1998, the country's CO₂ emissions had dropped by almost 7 per cent. Finland's environmental taxes, like those in most countries, are far from uniform: the electricity tax is greater for households and the service sector than for industry.

Sweden's experiment with tax shifting began in 1991, when it raised taxes on carbon and sulfur emissions and reduced income taxes. Manufacturing industries received exemptions and rebates from many of the environmental taxes, putting their tax rates at half of those paid by households. In 2001, the government increased taxes on diesel fuel, heating oil, and electricity while lowering income taxes and social security contributions. Six per cent of all government revenue in Sweden has now been shifted. This has helped Sweden reduce greenhouse gas emissions more quickly than anti-

pated. A political agreement between the government and the opposition required a 4-per cent reduction below 1990 levels by 2012. Yet by 2000, emissions were already down 3.9 per cent from 1990-in large measure due to energy taxes.

The myriad exemptions given to energy-intensive industries in existing tax shift programs, created out of legitimate competitiveness concerns, slow the creation of more effective tax systems. Using border tax adjustments - where companies have environmental taxes rebated to them upon export and have domestic environmental taxes added to imports - can ensure international competitiveness without tax exemptions.

Eliminating subsidies to environmentally destructive industries will also help the market send the right signals. Worldwide, environmentally destructive subsidies exceed \$500

billion annually. As long as government subsidies encourage activities that the taxes seek to discourage, the effectiveness of tax shifting will be limited.

If properly constructed, tax shifts can help make markets work more effectively by incorporating more of the indirect costs of goods and services into their prices and by changing consumer and producer behavior accordingly. The emergence of a world-leading wind turbine industry in Denmark, for example, is one result of Danish taxes on fossil fuels and electricity, which are among the highest in the world. These measures have also spurred sales of energy-efficient appliances and encouraged other energy-saving behavior.

Expanding the tax base to encompass more products and services with deleterious environmen-

tal impacts would greatly enhance the effectiveness of tax shifting. Aviation fuel, for example, is currently tax-free worldwide, despite airplane emissions causing 3.5 per cent of global warming. However, recent European discussions of imposing taxes on jet fuel are a promising development. Such taxes might slow the projected growth in worldwide air travel and encourage manufacturers to make efficiency improvements that lower jet fuel consumption.

The goal of tax restructuring is to get the market to tell the ecological truth. Thus far, tax shifts have been limited in scope and have produced positive, if modest, results. Creation of an eco-economy calls for tax shifts on a broader scale, and of much larger magnitude, in order for prices to incorporate environmental costs and to produce the requisite changes in individual and collective behavior.

RENEWABLE ENERGY, SMALL BUSINESSES AND RURAL DEVELOPMENT

*Despite their known virtues as 'clean' sources of energy and important pillars in sustainable development, 'modern' renewable energy sources account for only about 4.5 per cent of total global energy production, up from 3.2 per cent in 1971. Hydropower is the largest renewable energy source, but large-scale hydropower can have major adverse environmental and social impacts. Modern biomass and geothermal energy are the other major renewable sources and have substantial growth potential. Wind and solar energy, while growing relatively rapidly, provide only about 0.02 per cent each of the total global energy supply. In the following article, **Sir Mark Moody-Stuart, the former Chairman of the Royal Dutch/Shell Group of companies and co-chairman of the G8 Task Force on Renewable Energy** with Corrado Clini, outlines practical steps to bring renewable energy to a billion people in developed and developing countries at the end of this decade. Sir Moody-Stuart is currently the Chairman of Business Action for Sustainable Development. The article is taken from the UNEP publication 'Our Planet.'*

Renewable technologies must first be used in the developed world, if they are to help bring benefit to the 2 billion people who have no access to modern energy. This was one conclusion of the G8 Renewable Energy Task Force, a multi-stakeholder group with members from government, the private sector, non-governmental organizations (NGOs), the World Bank Global Environment Fund, G8 nations, and non-G8 countries from

China through India to Brazil and the Caribbean.

The Task Force's recommendations can be grouped into four main themes, addressing the questions: How do we bring down costs? How do we create the capacity necessary to install widespread renewable systems? How can we meet the unique financing needs of renewable energy? And, lastly, the issue of policies and subsidies.

The cost issue is fairly straightforward. The cost of every technology - whether mobile phones, gas turbines or farm technologies - comes down with experience. The more we make, the more ingenuity and creativity finds ways of doing things better with less. This involves developing the market - and the only energy markets big enough for this to be done cost-effectively are in the developed countries. Almost every one of these countries has

already set itself targets or aspirations to generate, say, 10 per cent of its energy from renewables by 2010.

Channelling creativity

The creativity of the market has to be channelled to achieve this. There are many examples of how this can be done from all around the world. One is from Texas which, prudently, wanted a small percentage of renewable energy in its electricity supply. Under its system, suppliers can either generate the energy themselves or trade it in – or be fined more than the market clearing price. The low percentage and some federal tax breaks mean this has a negligible impact on costs. Renewable energy is already very often the most economic means of supply in rural areas

Bringing renewable energy to millions of rural families in the developing world is a massive task. It will require thousands of small businesses capable of installing and maintaining systems. This may be a huge training and capacity-building requirement, but it is also a major source of employment and business creation. The franchise system that can build this kind of capacity is well known from traditional distribution and retailing - the systems which distribute gasoline and diesel in retail outlets or distribute and sell bottled or canned beverages or detergents. We need similar networks for solar home systems.

But increased capacity is not just needed in the developing world. The capacity to do proper integrated economics on the whole energy system before making decisions is needed in export credit agencies and international finance institutions. Renewable energy is already very often the most economic means of supply in rural areas if the costs of generation and of installing

grids to villages are taken into account.

Packaging finance

This leads into the question of finance. A consumer buying a solar home system normally has to pay the full cost up front; the savings from avoiding fuel costs only come later. By contrast, a consumer connecting to the grid does not bear a share of the capital cost of either generation or the grid itself. These costs are either borne by governments or are spread over larger consumers elsewhere.

We have to find similar methods of breaking the concessionary finance available in large tranches down into small packages for individual consumers. E+Co have found methods in both Latin America and Africa of combining the financing and capacity-building challenges and are successfully delivering renewable energy systems to thousands of rural households. It can be done, and done commercially, but this requires changes to our usual current approaches. Without them, the default solution will be the well trodden path of conventional energy. Discounted cash flow analyses in the G8 report suggest that, on a global basis, a policy of aggressively supporting renewables could cost a maximum of 3 per cent more initially; this would become cheaper on a running basis after some 15 years, making it, overall, the more economic solution.

Policies and subsidies

The fourth challenge is to address policies and subsidies. Every new energy source has benefited from subsidies. Conventional energy still receives subsidies estimated at around \$250 billion a year. Much of the export credit finance goes to conventional energy. Meanwhile fossil fuels for transport are heavily

taxed, both at the point of production and, even more heavily, on consumption in many countries; this probably amounts to a trillion dollars a year. It would take only a very small modification of these very large flows to give a major boost to renewable energy.

The G8 report calculates that, if all its recommendations were followed, we could serve an additional billion people – 800 million of them in developing countries – with renewable energy by 2010. This could help address the unacceptable situation where a third of the world's people have no access to modern energy and are hence barred from a means to development. It would also acknowledge that developed economies must learn to use renewable energy effectively. Only through this will technology development be accelerated, costs be brought down - and renewable energy become a more natural choice in developing countries, whether on or off grid.

Although the report was prepared at the instigation and request of the G8, the recommendations require action by many different actors - such as in the G8, the OECD, the multilateral agencies and developing countries. This makes it an ideal issue for the World Summit on Sustainable Development. Here all players can come together in partnership to deliver practical renewable energy solutions to the millions who desperately need energy, while simultaneously beginning the long process of changing the developed world's energy patterns. The Summit can also be used to raise consumer awareness - something already being done in many countries by such programmes as the Body Shop and Greenpeace's Choose Positive Energy Campaign, which aims at encouraging consumers in the developed world to opt for renewable energy

GLOBAL WATER CRISIS - MORE THAN TAPS & TOILETS AT ISSUE

*The UN Secretary-General Kofi Annan has identified water and sanitation as an issue central to the negotiations at the World Summit on Sustainable Development. But the Summit preparations have only focused on water delivery and sanitation, while ignoring the crucial issue of water supply, according to **Jamie Pittock, Director of WWF's International's Living Waters Programme, based in the Netherlands.***

The world is facing a freshwater crisis. People already use over half the world's accessible freshwater, and may use nearly three-quarters by 2025. Over 1.5 billion people lack ready access to drinking water and, if current consumption patterns continue, at least 3.5 billion people - nearly half the world's projected population - will live in water-stressed river basins in just 20 years.

On top of this, contamination denies some 3.3 billion people access to clean water, and 2.5 billion people have no water sanitation services. In developing countries an estimated 90 per cent of wastewater is discharged without treatment into rivers and streams. Each year there are about 250 million cases of water-related diseases, with some 5-10 million deaths.

Not only people are threatened by water shortages and pollution. Freshwater ecosystems, which harbour the greatest concentration of species, are amongst the most vulnerable on Earth. Half the world's wetlands have been destroyed in the last 100 years. Two-fifths of the world's fish are freshwater species - and of these, 20 per cent are threatened, endangered, or have become extinct in recent decades. In North America, freshwater animals are the most endangered wildlife group, dying out five times faster than species on land.

Water is an issue that affects us all. It is vital that world leaders meeting at the World Summit on Sustainable Development (WSSD) come up with a plan to address the world's dwindling freshwater resources. But in a 21st century version of the cargo

cult, it seems our leaders believe that the global crisis can be solved by building more taps and toilets - 750 million and 1.25 billion more, respectively, by 2015 under the draft WSSD Plan of Implementation - without actually ensuring there is any water available to make them work.

Improved water distribution and sanitation services are obviously needed to help combat poverty, disease, and pollution. However, water shortages in many countries are primarily due to poor management: water sources have not been conserved and water is not used efficiently. These problems are not limited to developing countries. The Colorado River in North America and Murray River in Australia are amongst the Earth's major rivers that are regularly sucked dry.

Degradation of water sources leads to less freshwater being available, and is largely due to poor management of river basins. Culprits include deforestation and overgrazing, which lead to erratic water runoff and desertification. Water diversion and inefficient water use are also a problem. Irrigated agricultural systems, which consume 70 per cent of the world's diverted water, lose up to 80 per cent of their water through leakage in earthen channels and inefficient application onto fields. In developing countries, up to half the water delivered to cities is lost in leaking pipes. Water is also lost through unchecked spread of exotic weeds and inappropriate, and often subsidised, agricultural practises such as growing water-thirsty crops in dry areas.

Problems with water diversions

are often exacerbated where ground water or rivers cross political borders, and where there are no effective water sharing agreements. An infamous example is the Tigris and Euphrates Rivers, where the governments of Turkey, Syria, and Iraq compete to use as much water as possible. Although dams can now divert all of the flow of these rivers, 20 more dams are under construction. In the meantime, the Mesopotamian Marshes - which once covered an area nearly half the size of Switzerland and were central to the livelihoods of the half a million Ma'dan or Marsh Arab people - have been all but destroyed.

Conserving freshwater ecosystems through better management would not only help maintain the amount of water available, but also its quality. Streamside forests and wetlands can purify water by trapping pollutants. In addition, a major cause of the spread of malaria and water-borne diseases such as schistosomiasis, for example, is the expansion of dams and irrigation schemes.

Healthy freshwater ecosystems also enhance food security. In Africa, 21 per cent of the population's protein comes from freshwater fisheries. These fisheries are destroyed by dams, but could be improved through better habitat management. Furthermore, traditional sustainable ways of growing food crops that work with nature, such as planting on floodplains after annual floods recede, are being lost to ineffective irrigation developments.

Despite the many benefits of river basin conservation and efficient wa-

ter use, these have only been mentioned rhetorically in WSSD preparations to date, without any serious commitments by governments to targeted and measurable actions. Nothing in the draft plan will prevent more rivers from being over-exploited. Indeed, two blocks of governments are openly antagonistic to measurable progress in conserving water bodies. The United States, Canada, Japan, and Australia are objecting to the adoption of measurable targets and funding allocations for sustainable water management, while a small group of influential developing countries led by Turkey is seeking to prevent agreements for managing international or transboundary rivers, fearful that they may constrain their plans to fully exploit rivers in their territories.

To further complicate matters, some organizations are arguing that the solution to the world's water problems lie in establishing new agreements and institutions. However, the disputes and legal problems currently slowing implementation of the environmental treaties born at the 1992 Rio Earth Summit do not bode well for a new water treaty, which is not really necessary - there are already existing institutions for sustainable management of freshwater which, if embraced by the international community, could lead to immediate improvements in global water management.

One way to conserve water sources and ensure equitable sharing is to establish and enhance stewardship programmes for managing individual rivers and water bodies. Such initiatives bring together governments and stakeholders to share water and look after the river basin environment in order to sustain water quantity and quality and to conserve fish and other resources. An example is the Murray Darling Basin Commission in Australia, which brings together six state governments and the community. Following growing and unsustainable diversion of water - now at 80 per cent of the river's flow - in 1996 the Commission facilitated a decision to cap water extractions, requiring new commercial water users to be supplied from efficiency savings rather than new diversions.

River basin organizations have the added benefit of promoting international cooperation, peace, and security. There are 261 major transboundary water bodies, many without an effective, or even any, cooperative management organization. These should be a priority for international efforts in establishing stewardship programmes.

Governments should also remember that there is already a successful international treaty for promoting wise use of freshwater ecosystems that includes a framework

for sustainable development, conservation, and poverty alleviation. The Ramsar Convention on Wetlands, which includes 133 nations as members, is a model for transparent and effective multinational action to conserve freshwater habitats. More than most other agreements, it actively engages government, non-government, and multi-lateral agencies in partnerships to enhance cooperation and joint work, and focuses on the importance of engaging local and indigenous peoples in conservation.

Despite embodying all that the WSSD wishes to achieve, the Ramsar Convention receives just one rhetorical reference in the draft WSSD Plan of Implementation. In the same way that other Conventions have been specifically singled out, the mandate of and funding for the Ramsar Convention should also be enhanced in the draft plan to allow it to do even more towards sustaining the vital role of wetlands in providing water for people and nature.

There is still time for government leaders to address the critical issue of conserving the world's scarce freshwater supplies. Hopefully, the final WSSD Plan of Implementation will adopt simple and practical targets for conserving water sources and using water more efficiently.

RISING FOOD DEFICIT IN SOUTH

New York, 13 August (DNS) — In most of the developing world, food imports have been growing, as demand has increased faster than production, according to a new UN report, "Global Challenge, Global Opportunity".

The report, which highlights the disturbing toll of current patterns of development on global living standards and the Earth's natural resources, says net imports of grain in

developing regions increased from 39 million tonnes of grain in the mid-1970s to 107 million tonnes in the mid-1990s, or from 4 per cent of their total grain consumption to 10 per cent.

The historical developing country surplus in agricultural trade has recently turned into a deficit of \$2.5 billion. The agricultural trade deficit of developing countries is expected to increase in the future as consump-

tion continues to grow more rapidly than production. The greatest increase in imports is expected in countries where there is little unused agricultural land or water resources, in particular, North Africa, West Asia and East Asia. It is expected that the growing demand for imports can be met by increased production and exports from developed country exporters, in particular North America and the European Union.

UN GREEN LIGHT TO GM FOOD AID

*For now, the United Nations does not want to stand in the way of genetically modified food being eaten by the famine stricken in Africa. The consumption of these foods, it says, "is not likely to present any human health risks." At the same time, however, it places the "ultimate responsibility" and "decision" on the shoulders of the recipient governments. While the UN agencies are to evolve a long-term policy with respect to use of genetically modified foods, it appears that their present decision is guided by "national information from a variety of sources and current scientific knowledge." One thing is clear, it does not appear to be on the side of the Precautionary Principle, one of the major achievements of the Rio Earth Summit. **The UN Secretary-General's Special Envoy for the Humanitarian Crisis in Southern Africa, Mr. James T. Morris**, who heads the World Food Programme, released the following joint statement, along with the heads of the UN Food and Agriculture Organization and the World Health Organization on 23rd August.*

The United Nations is extremely concerned about the unfolding humanitarian crisis in southern Africa. The Food and Agriculture Organization (FAO) and the World Food Programme (WFP) estimate that 13 million people will need food assistance in the coming months to avoid widespread starvation and a dramatic deterioration in health and nutritional status of the population in the affected countries. The World Health Organization (WHO) believes the health of these 13 million people may well be seriously damaged as a result of the current food crisis. Stocks of food in the region fall far short of estimated needs and food aid, along with medical and other assistance, will be critical to avoid a catastrophe.

The World Food Programme has received donations of foods for use in southern Africa, some of which contain GMOs. Several governments in southern Africa have accepted these donated foods without reservation and GM maize varieties are grown in the region. However, other Governments have expressed reservations on receiving food aid containing GMOs and have sought advice from the United Nations.

There are no existing international agreements yet in force with regard to trade in food or food aid that deal specifically with food containing GMOs. It is UN policy that the decision with regard to the acceptance of GM commodities as part of food aid transactions rests

with the recipient countries and that is the case in southern Africa. It is WFP policy that all donated food meet the food safety standards of both the donor and recipient countries and all applicable international standards, guidelines and recommendations.

With respect to GM maize, soy flour and other commodities containing GMOs, FAO and WHO are confident that the principal country of origin has applied its established national food safety risk assessment procedures. FAO and WHO have not undertaken any formal safety assessments of GM foods themselves. Donors to the WFP have fully certified that these foods are safe for human consumption.

Based on national information from a variety of sources and current scientific knowledge, FAO, WHO and WFP hold the view that the consumption of foods containing GMOs now being provided as food aid in southern Africa is not likely to present human health risk. Therefore, these foods may be eaten. The Organizations confirm that to date they are not aware of scientifically documented cases in which the consumption of these foods has had negative human health effects.

Concerns have been expressed in southern Africa about the unintentional introduction of GM maize varieties into the region as a

result of plantings or spillage of whole kernel maize provided as food aid. Any potential risks to biological diversity and sustainable agriculture resulting from the inadvertent introduction of living modified organisms used for food, feed or processing have to be judged and managed by countries on a case-by-case basis. Maize is known for its propensity to outcross, but this is less of a concern in southern Africa where there is no large genetic diversity of this crop. In the specific case of maize, processing techniques such as milling or heat treatment may be considered by governments to avoid inadvertent introduction of genetically modified seed. However, it is not UN policy that GM grain used for food, feed, or processing should necessarily require such treatments.

The United Nations agencies involved will seek to establish a long-term policy for food aid involving GM foods or foods derived from biotechnology. The ultimate responsibility and decision regarding the acceptance and distribution of food aid containing GMOs rests with the governments concerned, considering all the factors outlined above. The United Nations believes that in the current crisis governments in southern Africa must consider carefully the severe and immediate consequences of limiting the food aid available for millions so desperately in need.

ZAMBIA REMAINS FIRM AGAINST GM-MAIZE AID

Despite severe international pressure at a critical time of food shortage, Zambia has held steadfast in its refusal to accept genetically modified foods as aid. President Levy Mwanawasa has taken a clear stand, as the news story, taken from the Daily Mail of 23 August, shows. Earlier, Zambia's Minister of Information and Broadcasting Services, Newstead L. Zimba, made a statement on the food security situation in the country and on the issue of genetically modified foods on 16th August, 2002. The news story and the statement, which show a clear leaning towards adopting the Precautionary Principle, are reproduced below.

President Levy Mwanawasa has said Government's rejection of Genetically Modified maize does not warrant a smear campaign from some donors who are now exaggerating the extent of hunger in the country.

Mr. Mwanawasa said contrary to assertions by some donors, it was not true that 2 million Zambians face starvation now that Government had rejected the GM maize. Speaking in Sinazongwe at the start of his tour of Southern Province yesterday, the President warned that Government may be forced to give matching orders to such donors if reports that 2 million Zambians may die of starvation persist.

"If these people think we have committed a sin to reject the GMOs, then they should go before we give them marching orders," the President said when he addressed Sinazongwe residents yesterday.

Mr. Mwanawasa said if the donors had information that some people in areas they know were dying of hunger, they should go to his office where upon he would give them relief food.

"If these people know who is starving because of lack of food, let them come to me and say so and so is starving. We will give them relief food to give those people," Mr Mwanawasa said.

The President said the government's decision to reject the GMOs did not mean that the country undermined the people who offered her food.

He said the decision was made in the interest of the public and he did not have any regrets for taking such a stance.

Mr. Mwanawasa stated that no one would die of hunger for as long as the MMD government remained in office.

Mr. Mwanawasa underscored Government's decision to provide for the hungry when he announced that 100 metric tonnes of maize had been supplied to Sinazongwe while 150 tonnes were destined for Choma.

The President wondered how else the country could have accepted GMOs when in fact these foods had been rejected in Europe.

"If Europe has rejected the GMOs why should we accept them just because we are poor," asked Mr. Mwanawasa .

Mr. Mwanawasa said if Zambia produced GMOs, Europe would have been the first to reject the items.

He said Zambia should be proud that her agriculture products were accepted in Europe because they were not genetically modified.

Mr. Mwanawasa urged the people of Sinazongwe to work hard and ensure there was food throughout the year to feed themselves.

He said it was a shame that despite having been independent for the past 37 years, Zambia depended on food imports.

Mr. Mwanawasa said the winter

maize project going on in the area should be supported because it would create employment and ensure food security.

He warned the people not to steal the produce from Agriflora because doing so would frustrate investors who may end up leaving the area.

Mr. Mwanawasa said he was impressed with the performance of the winter maize project in Sinazongwe.

The Minister's Statement

"I would like to take this opportunity to convey to the nation on behalf of cabinet and as directed by his excellency the president of the republic of Zambia, Mr. Levy Patrick Mwanawasa SC., the government's position on the issue of genetically modified foods particularly in relation to maize and the current food shortfall.

As you are all aware, the President recently informed the nation that genetically modified foods (GMFs) would not be allowed to be brought into the country and further that such maize already in the country should not be distributed until further notice and until the government has taken into account the outcome of consultations with stakeholders. Such consultations have been carried out and these have culminated into a national public debate on genetically modified foods. The consultations have been with Zambian farmers, academicians and researchers, seed suppliers, traders opposition political parties,

government technocrats, civil society, churches, chiefs and the general public.

I wish to inform the nation that government has finally decided not to accept genetically modified foods even in our current food deficit situation. In light of uncertainties surrounding the likely consequences of consuming gm foods, government has decided to take the precautionary principle on this matter. In the absence of a national biotechnology and biosafety policy framework as well as inadequate national capacity to deal with GMOs it would be risky for the country to receive GM products. The acceptance of GMO maize in the light of absence of evidence of its safety on human health would pose a danger to the lives of our citizens and environment. The immediate possible threat of contaminating local indigenous and hybrid seed stocks would also be another serious risk posed by GMOs.

In this regard, all genetically modified food stuff including maize that is already in the country should not and will not be distributed. Relevant instructions will be issued to the institutions that are handling the genetically modified food stuff that is already in the country. I would also like to use this opportunity to instruct all institutions that have a role to play in implementing this

government decision to put all the necessary mechanisms in place to ensure that the country does not continue to receive any genetically modified foods.

Government on its part is putting in place adequate safeguards to make sure that people do not starve as a result of the decision to reject genetically modified foods, particularly genetically modified maize grain.

Government is working with the private sector to bring in 300,000 metric tonnes of non-gm maize that will be made available for sale on the market. A memorandum of understanding has already been signed with the private sector to bring in 300,000 metric tonnes of non-GM maize. Furthermore, government is putting in place adequate mechanisms to monitor and to ensure that there is sufficient supply of maize to last until the next harvest. Besides the 300,000 metric tonnes that will be brought in by the private sector for commercial supply, an additional 156,000 metric tonnes will be brought into the country by government to be used as strategic reserve under the food reserve agency.

I wish on behalf of government to thank all cooperating partners who have assisted Zambia in the past by importing maize and other food stuffs

into the country and distributing to vulnerable communities during the critical shortages of food in many areas of the country. Government still appeals to cooperating partners including the World Food Programme (WFP) to assist in the sourcing and distribution of non-GM food grains or availing us the funds to facilitate the importation and distribution of non-gm foods especially maize and other grains particularly for relief in place of GM-maize that is being withdrawn.

Meanwhile, as regards the issue of biotechnology in Zambia, government is putting in place a national biosafety framework to regulate the importation and application of biotechnology and genetically modified organisms (GMO). Furthermore, government will build capacity to detect GMOs and manage unplanned or unanticipated entry of GMOs into the Zambian environment.

Government will also sensitise all Zambians not to acquire, consume or plant or otherwise deal with GM seed, especially GM-maize that may come from neighbouring countries.

Finally let me, on behalf of government, appeal for calm in the country whilst the government is taking all measures to ensure smooth implementation of its efforts to achieve the desired results."

RENEWABLE ENERGY - THAILAND COULD LEAD

Bangkok, 22 Aug (DNS): One-third of Thailand's electricity needs could be met with renewable energy by 2020, even if electricity consumption doubles, according to a report launched by Greenpeace, prepared in conjunction with the Sustainable Energy Network - Thailand.

"The Thai energy development projections strongly demonstrate that a 10 per cent global renewable energy target by 2010, as proposed by Greenpeace, could easily be

achieved if world governments meeting at the Earth Summit in Johannesburg next week commit themselves to switching to a clean sustainable energy path," said Athena Ballesteros, Greenpeace Southeast Asia campaigns manager.

The report "Positive Energy Choices" explains how by 2020, over one third of Thailand's electricity demand could be met from renewable sources. Working on a minimum 35 per cent renewables mix, a quarter (25 per

cent) of the country's electricity could be derived from biomass, 5 per cent from hydro and 2.5 per cent from solar, with the remaining 2.5 per cent divided between geothermal and wind.

Between 2010 and 2015, renewable energy is expected to become as cheap as conventional energy sources, possibly even cheaper. Under this scenario, greenhouse gas emissions would stay at roughly the same level. **continued on page 20**

AMERICAN FOOD GIFT TO AFRICA - ANOTHER POISONED CHALICE?

It is not an easy choice even in normal times. Genetically modified foods have generated a lot of heat in Europe, with marked reluctance on the part of consumers and even farmers who have resorted to violence against GM crops grown in their vicinity. That the controversy should be reopened at a time of mass hunger in southern Africa is unfortunate. The double standards, when it comes to the needy in the developing world, is brought out in the following piece by Dr. Raj Patel, a policy analyst at the Institute for Food and Development Policy, also known as Food First, based in Oakland, California. The article was posted at <http://www.foodfirst.org> on 8 August.

The United States Agency for International Development recently chartered a ship - The Liberty Star - to deliver thirty-ix thousand tons of grain to an estimated 13 million starving people in Southern Africa. Mozambique will not let it cross its soil, and Zambia has decided that it wants nothing to do with it. Why? Because the US cannot guarantee that the grain is not genetically modified.

The Malawian government accepted the donation, and Zimbabwe has just allowed the grain to be imported, as long as it is milled.

This looks like morbid folly, like a dangerous game played with the lives of starving people for political gain. This is precisely true. The US government has been playing this game for well over a decade; the famine in Southern Africa provides merely the latest installment.

An example: ever since the North American Free Trade Agreement in 1995, the US has been exporting unlabelled GM crops to Mexico. Last year, the Mexican Ministry of the Environment found that farmers' traditional maize in two remote Mexican states, Oaxaca and Puebla, had been contaminated with DNA from GM corn. Mexico is the world center of maize genetic diversity, and home to maize varieties developed by farmers for millennia. Africa contains vital sources of genetic diversity for breeding locally adapted varieties - GM seed puts this at risk.

The covert US introduction of GM food into Africa is pernicious, for three reasons. First, there is mounting evidence that GM crops may be unsafe. Researchers working for the British Food Standards Agency discovered

last month that, despite cast-iron guarantees from the food industry, the DNA from GM crops is capable of finding its way into the human gut. Without independent research, the unfettered marketing of this food turns every consumer into a guinea pig. Because of the reasonable suspicion this engenders, the US can't find a market for GM grain in the EU or Japan. The solution: dump it onto the starving in the Third World, thus subsidizing US corporate agriculture, and prying open markets for GM food.

The second reason to be worried is that the GM AID compromises the sovereignty of Southern African countries. These countries want safe and secure access to nutritious food, and don't feel that GM crops fit into this agenda. When India railed against GM food aid, a USAID official responded thus: "Beggars can't be choosers." A little history, please. The reason poor countries now find themselves holding a begging bowl is because of the last gift they accepted from the US and EU: structural adjustment policies. These policies promised financial stability, growth and prosperity. They delivered reduced levels of health, education enrollment, and employment, and increased poverty, inequality and debt- facts that the United Nations and even the World Bank are now, reluctantly, beginning to admit. These adjustment policies demanded a reduction of national grain stockpiles because, the rhetoric ran, the market will provide.

The notion of 'saving lives through food aid' rings a little hollow if we remember this; there were, prior to structural adjustment, ample ways to feed the people, without relying on

frankenfood. Southern African countries didn't have much of a choice about becoming beggars, but they can choose what to do next. History instructs us here too. Images similar to those that accompanied Live Aid are once again on our screens. But these aren't the same starving children. They're Southern African this time, not Ethiopian. In Ethiopia, despite a strong US-led push towards commercialized agriculture, alternatives have been developed in the wake of the famine. Tewolde Berhan Gebre Egziabher won the Right Livelihood Award (the alternative Nobel Prize), by showing that it is possible for Ethiopian agriculture to produce a nutritious and diverse surplus without the intervention of the agrichemicals and 'life science' industries. That these alternatives are being obscured by the debate over GM foods is the third, and perhaps most invidious, reason to resist US aid.

These alternatives hold great promise for the future, but what about here and now? Several options already exist. Governments genuinely concerned about the welfare of Southern Africans should give immediate monetary aid so that food from other parts of the region, or other non-GM polluted parts of the third world, can be brought in. The HIV/AIDS pandemic, which has been immeasurably worsened by the famine, can be quickly addressed by tearing up the World Trade Organization's stipulations on intellectual property rights. So would land reform in the region so that the hungry might feed themselves. There is a gamut of people-centered policies that might be supported in the region. Yet we hear nothing of them from the US government.

News

From Stockholm to Johannesburg: A New South Centre Study

Geneva, August (SDN) – The South Centre brought out a new publication “The South And Sustainable Development Conundrum - From Stockholm 1972 to Rio 1992 to Johannesburg 2002..” on the eve of the Johannesburg Summit.

One of the aims of this publication is to explain the essence of the developing countries' perspective, and to highlight their concerns regarding the manner in which the international sustainable development agenda has been evolving.

According to the report, the process launched by the 1972 Stockholm Conference, including its underlying conflicts, is characterized by a marked continuity and interdependence of issues, which this composite volume aims to illustrate.

To show the continuity of issues over the last three decades, the South Centre publication reproduces, in its annex, several documents, the contents of which are not widely known today, nor are they readily accessible in a single volume. These documents state the basic issues comprehensively and throw significant light even on the current situation. They are:

□ Report of the 1971 Founex Panel entitled “Development and Environment”.

□ Declaration adopted by the 1972 Stockholm Conference on Human Environment.

□ Cocoyoc Declaration adopted by the 1974 UNEP/UNCTAD Symposium on Patterns of Resource Use, Environment and Development Strategies.

□ “Environment and Development - Towards a Common Strategy of the South in the UNCED Negotiations and Beyond”, 1991 publication by the South Centre, which was produced to assist the Group of 77 in its preparations for the 1992 Rio Conference.

(The article on the first page of the current issue of the South Bulletin by Gamani Corea, Chairman of the Board of the South Centre, has been drawn from the above publication.)

Tightening Environmental Law

Johannesburg, 27 Aug (SDN) — An action plan to strengthen the development, use and enforcement of environment-related laws has been drawn up by over 100 of the world's most senior judges, the UNEP reported.

The High Court and Supreme Court judges, whose action plan or “programme of work” was announced at the World Summit on Sustainable Development (WSSD) believe a key to improving the adoption and implementation of environment-related laws hinges on improving the capac-

ity, training, funding and education of legal experts particularly in developing nations.

Boosting the access of the public to public information on environment and development related issues as well as access to the legal system and the courts is also key, the judges argue.

They are also proposing improvements in the way land-mark cases in one part of the world are shared with legal experts in other parts of the world “with a view to benefiting from each others knowledge, experience and expertise”.

The so called Johannesburg Principles on the Role of Law and Sustainable Development were adopted last week at the Global Judges Symposium organized by UNEP.

...Renewable Energy

Continued from page 18

“Governments in Johannesburg must embrace the opportunity of the Earth Summit to support sustainable energy in developing nations. The cost of producing electricity from greenhouse intensive sources like coal will continue to increase, while the cost of clean, renewable energy will continue to fall,” said Ballesteros.

Greenpeace called on the Thai Electricity Generating Authority to embrace renewable energy and immediately overturn existing approvals to build new fossil fuel power stations, which cause dangerous climate change.



AN INTERGOVERNMENTAL INSTITUTION
OF THE DEVELOPING COUNTRIES

Articles from the **SOUTH BULLETIN** can be reproduced provided that the source is acknowledged.
The Bulletin can also be accessed from the South Centre website.

PO Box 228, 1211 Geneva 19,
Switzerland
Tel. (+4122) 791 80 50
Fax. (+4122) 798 85 31
E-mail: south@southcentre.org
Web page: www.southcentre.org

SOUTH BULLETIN

Senior Editor: Someshwar Singh