

Key messages

- **A transformative green economy** does not act as an anti-competitive brake on development. Rather, it lifts people out of poverty through better use of the natural resources and associated local knowledge that are the main assets of the poor.
- **The urban poor face a** daunting struggle for development that is played out in a complex political battlefield. Locally controlled funds can help shift the balance — not only in enabling people to organise their way to better homes and livelihoods, but also to get them taken seriously by other local actors.
- **There are many ways in** which the private sector can promote sustainability: across all of them, enabling communities to be involved in decisions is critical, as is ensuring adequate levels of benefit sharing, transparency and accountability.
- **Sustainable Development** Goals offer one way of focusing global efforts on reducing inequality and unsustainability. They could chart a course to a fairer and more sustainable world, but only if they are taken seriously at all levels and promote innovation and action.

Sharing solutions for a sustainable planet

Against today's backdrop of dwindling resources, changing climates, gross inequality and financial crisis, the need for sustainable development — development that delivers for people, planet and profit — has never been greater. Governments, businesses, researchers and civil society organisations all agree that 'business as usual' cannot overcome the challenges we face and that maintaining the status quo is not an option. But how do we shift course? What must be done to secure a fairer, more sustainable planet? During two days of discussion and debate, a diverse range of sustainable development actors have explored effective solutions to pressing social, environmental and economic challenges, and considered the barriers to adopting these approaches more widely. From providing glimpses of a green economy to sharing innovative approaches to urban growth, and from reflecting on alternative business models to presenting tried and tested policies that reduce inequality, participants at the IIED-led Fair ideas conference in Rio de Janeiro shared solutions for a sustainable planet and signalled the way forward.

Evidence and experience

In 1992, the original Earth Summit in Rio de Janeiro ignited the search for solutions for a sustainable planet. Twenty years later, the world has changed: economic power has shifted, corporate influence has grown and political will has faded. There is a real need to take stock of what we have learnt and to examine how this can be most usefully applied to new contexts.

That is why the International Institute for Environment and Development (IIED) and the Pontifícia Universidade Católica do Rio de Janeiro (PUC-RIO) co-hosted a two-day event, Fair ideas, during a weekend between the final preparatory negotiations for the 2012 Earth Summit (Rio+20) and the summit itself.

Fair ideas brought together nearly 1,000 practitioners, policymakers, activists, business

representatives, researchers and community actors to share their perspectives on the key contexts in which significant change is possible, and on what it will take to achieve it. Over the two days, the event saw more than 40 organisations lead discussions and debates to address four broad themes centred on: transformative economic systems; urbanisation; business models; and sustainable development goals.

What insights have been gained from this event? Within each theme, speakers and participants used evidence and experience to throw light on what is happening now to overcome pressing social, environmental and economic challenges; and to highlight the barriers to implementing or adapting these approaches more widely. In short, they came together to share solutions for a sustainable planet.

“Brown economy has hit the wall and failed... Inclusive green economy is not only a way to go, it is the only way to go. Green economy is not about limiting growth — it is about enabling growth”

Ida Auken, Environment Minister, Denmark

Transforming economic systems for people and planet

From global to local levels, we face increasing challenges in achieving stable and resilient ecological systems while also improving the lives of poor people. Fair ideas showcased experiences in transforming systems to both reduce ecological footprints and more equitably distribute benefits.

The name of the game for transforming economic systems — at the Rio summit and beyond — is ‘green economy’. But setting the rules has proved contentious. For many of the participants at Fair ideas, a successful green economy must fulfil three basic criteria:

- First, it must improve the lives of the poorest people and countries — providing jobs, increasing access to food, energy and other resources, and reducing vulnerability to shocks and competition.
- Second, it must reduce the gulf between the richest and the poorest, both within and between countries: a green economy must shift us towards a fairer, more efficient allocation of limited resources.
- Third, it must be owned and developed principally at local and national levels, building on existing institutions and expertise: it cannot be imposed from outside but must take root in what is already there.

For developed countries there’s a simple message: your footprint is too large in a crowded world, so reduce consumption and decouple growth from resource use. For developing countries the discussion is more about how to chart the next 20 years of economic growth and development in ways that look very different to 20th century models. Green growth must be overtly inclusive, or it will always arouse suspicions: it has tended to be viewed by developing countries as a ‘can’t-do’ affair, promoted by Northern or international organisations in high-tech, high-cost terms.

A transformative green economy does not act as an anti-competitive brake on development. Rather, it lifts people out of poverty through better use of the natural resources and associated local knowledge that are the main assets of the poor. Much can be learnt from countries such as Costa Rica where natural resource use has already been transformed to support inclusive and sustainable growth.

Indeed, Fair ideas highlighted many examples that can be learnt from, providing ‘glimpses’ of a green economy emerging around the world. Innovative social enterprises in India are already

bringing more value to local resources and much greater connectedness to social institutions — for example through localised financial services, and commitment to building local capacities. These enterprises are creating jobs, protecting environments and alleviating poverty. In short, they are proving highly effective at ‘doing more with less’ and as such could become vehicles of a new economy.

Elsewhere, various payments for ecosystem services (PES) schemes — most notably in Brazil and Costa Rica — are achieving major improvements for people and nature; as are community forestry schemes in countries such as Nepal.

Each of the ‘glimpses’ shown at Fair ideas is in itself cause for optimism. But it is not enough for the sustainable development community alone to have these examples of effective practice or to share a coherent analysis of the need for change. If we are to achieve the transformations required, we must permeate mainstream discourse.

Initiatives such as Ecosystems Services for Poverty Alleviation (ESPA), Wealth Accounting and Valuation of Ecosystem Services (WAVES) and the Poverty-Environment Initiative (PEI) are all trying to do that by strengthening the links between poverty and green development tools, such as natural capital accounting. But there is a long way to go still.

In all cases, the diverse initiatives that provide glimpses of a green economy could benefit from broader visions and frameworks at national level. Brazil may be a hotbed of schemes to reduce emissions from deforestation and forest degradation (REDD) — with advanced satellite systems already in place to monitor forest cover in individual schemes — but there has been little private sector investment to date. In part, this is because there is no coherence or overarching monitoring across the different schemes. Better regulatory and monitoring frameworks at the national and international level would give private investors more confidence and help make the transition take off.

Even with strong broader frameworks, transformation will take time. All economies are highly linked to social and cultural systems, and so transformative aspects of green growth must be viewed as a long-term process of societal change. There will undoubtedly be some quick wins in new green markets and technologies. But the systemic changes needed will be tough and slow. Critically, they must not be entirely government-driven. “Change needs to come from the grassroots, not UN tables,” argued Estebancio Castro Diaz, head of the International Alliance of Indigenous and Tribal Peoples of the Tropical Forests. Business, civil society and other

Research priorities

Across the four Fair ideas themes, participants identified many areas for further research. For example, many LDC governments are willing to explore ways in which a focus on green economy could help deliver their development priorities. For donor countries, the emphasis in the next decade will increasingly be on ensuring development assistance is used effectively and targeted where it can have the maximum impact in reducing poverty and creating stable economic growth. Donors can also greatly improve the coordination across agencies in terms of funding priorities and tools in relation to environment and climate change. A series of rigorous assessments, led by developing country expertise, could provide the clarity needed for government decision makers that green economy is in their interests and constitutes an effective means to achieve development objectives.

Beyond this example, four key questions emerged that could be used to set cross-cutting research priorities:

What works and why? There was a strong call for more evidence of effective approaches, centred on how small producers and entrepreneurs can engage with markets, and establish better relations with larger, more powerful players in their sector. In agriculture, there is a need to understand local and informal provisioning better as well as how to ensure transparency and trust in investment contracts. In forestry, more evidence is needed on much-debated approaches such as certification and markets for forest ecosystem services. In the energy sector, small enterprises want to engage in oil and gas supply chains or establish decentralised energy businesses — but they don't know how to. And in mining, there is a need to understand how artisanal miners can be included as legitimate players.

How to invest in climate resilience, particularly in urban areas? Further research is needed to learn from those urban areas that have recognised climate change and have planned accordingly. This includes studying models of community organisation and control that have had most success in strengthening climate resilience and ensuring that investments respond to local realities.

How can SDGs be developed to reduce inequality? This could draw on existing evidence of the impacts — and indicators — of increasing inequality, poverty and environment to inform how targets are set and monitored. The potential contribution of Oxfam's doughnut model of a safe and just operating space for humanity could also be explored. And it will also be important to track the implementation of the UN Sustainable Energy For All initiative, which is seen as a precursor to the SDGs.

How can the principles of an inclusive green economy be met? Researchers should help create a better understanding of the value of natural capital in the context of planetary boundaries, and provide evidence on how incentive mechanisms such as payments for environmental services work for sustainability and equity.

developing country actors all have a role to play in developing and implementing a green economy. Emphasising their perspectives can in itself kick-start a process of changing mindsets and behaviours.

Green economy is just one tool for achieving sustainable development, and is clearly still interpreted in widely divergent ways. We won't get a single definition at Rio+20 but we might get goals to aim for. Further debate and discussion is badly needed, informed both by evidence and by greater public engagement — otherwise the 'agreed' definition of a green economy may end up being narrow, exclusive and incapable of delivering the transitions wanted and needed.

Urbanisation that improves lives

Around 95 per cent of global population growth over the next 20 years will take place in cities in Asia, Africa and Latin America. This presents major challenges, but also opportunities to shape a process of rapid change in ways that move these urban centres and their populations towards more efficient use of resources and a fairer distribution of

assets. Fair ideas identified examples of good practice and highlighted ideas for promoting wider change.

Draft text suggests that the Rio Agreement will acknowledge the positive role that cities can play in promoting sustainable development, and highlight the importance of seizing the opportunities and addressing the challenges associated with demographic change, including urbanisation.

But given the sheer scale of the challenge ahead — the urban population of Asia and Africa is projected to grow from 2.4 to 4.1 billion by the early 2040s — it is perhaps not surprising that most governments in rapidly urbanising countries (except China) are implementing policies to reduce urbanisation.

At Fair ideas, participants pointed to the dangers of ignoring urban growth and neglecting informal residents and workers. They showed how it is the poorest groups that bear the burden when cities fail to plan for their growing populations, or actively try to discourage migrants from gaining a foothold. The ill-served informal settlements where many of the urban poor live are in part a testament to this failure. Their income poverty is greatly exacerbated by the environmental conditions in these settlements, and



“Donors will come and go; NGOs will come and go; but urban poor communities and the government remains.”

Maria Sonia Vicenta Fadrigo,
Western Visayas Regional
Coordinator, Homeless Peoples
Federation, The Philippines

the difficulties they face gaining secure access to land, homes and livelihoods.

But if we heard about the challenges, we also heard many examples of how different stakeholders are using innovative approaches to break the reliance on city planners and boost lives and livelihoods for themselves. Representatives from urban poor federations in the Philippines and Zimbabwe — where people have organised themselves, typically starting with women’s saving groups, to make neighbourhood improvements — stressed the importance of getting local authorities and decision makers to listen to the practical ideas proposed and often implemented by the homeless and the informally homed.

Providing such residents with the space and incentive to organise themselves, along with the sort of support governments can provide, is key to negotiating the urban transition. “Communities in informal settlements will not make the economy green if they are excluded,” said Maria Sonia Vicenta Fadrigo, of the Homeless Peoples Federation, The Philippines. The scale at which these federations operate is still too small for the size of the challenge, and their efforts are all too often resisted rather than welcomed, but this model is spreading, not only within countries, but internationally.

Similarly, approaches to improve the lot of informal sector workers — who often face environmental conditions that are even more hazardous than in their homes — are also slowly but steadily spreading. For example, in Brazil, a movement of resource recyclers have managed to turn waste picking — a long-stigmatised occupation — into a recognised and professionalised contribution to the green economy.

For grassroots organisations that support either informal settlements or informal enterprises, the poorly structured international development system makes accessing aid particularly difficult. But in a session on locally controlled funds, Fair ideas participants showed how some donors are supporting decentralised financing mechanisms to catalyse pro-poor social change. They spoke about how low-income groups are using these funds to demonstrate their capacity to meet the urban challenges they face.

The struggle facing residents of informal settlements is daunting, and played out in a complex political battlefield. But locally controlled funds can help turn the balance — not only in helping people organise their way to better homes and livelihoods, but also to get them taken seriously by other local actors, including the government. “A dollar a month saved for a family means nothing; but a dollar a month per family in a whole community suddenly becomes more meaningful,” explained Sekai Catherine Chiremba of the Zimbabwe Homeless People’s Federation’s Leadership Council.

Turning to more conventional environmental challenges, Fair ideas also included sessions on urban sanitation and on cities and climate change.

In the case of sanitation, Fair ideas participants stressed that we are highly unlikely to meet the Millennium Development Goal of halving, by 2015, the proportion of population without sustainable access to basic sanitation. Inadequate sanitary conditions in many cities create severe environmental health problems for the residents of informal settlements, and can also harm the environment of the city and its surrounding region.

While markets clearly do not solve sanitation problems spontaneously, and sanitation is a public challenge in every sense of the term, markets did play an important role in several of the successes presented at Fair ideas. Marketing simple latrine slabs helped improve sanitation in urban Mozambique. And getting the right sort of partnerships with private companies was key to the success in Jundiá, Brazil, which has gone from being a particularly unsanitary municipality, to one of the best served and most ‘green’.

Ideas with traction

During the two days of Fair ideas, participants shared their thoughts on how to move the world towards sustainability. Some inevitably sparked more interest than others. A few received a particularly enthused response from those in the room and, in many cases, were reiterated by many participants throughout the event.

Get neglected voices heard. Many participants called for bottom-up articulations of what change should look like, asking: how do we use the voices of local people to change mind sets? A growing number of social movements — and the rapid advancement of communication technologies — means that even the most remote communities are increasingly aware of their rights and expectations.

Education and innovation. Many speakers highlighted the role of education and innovation in increasing awareness and engagement of civil society, and in driving political will and business decisions. It means bringing social values into technical disciplines; and finding new ways to transfer knowledge and document learning.

Tackling social issues. Monitoring and delivering social benefits remain a challenge to public and private sector alike. But the use of natural resources and markets are both social constructs; and so can be shaped to deliver what society wants. Oxfam’s doughnut model — the circle of social welfare inside an outer circle of planetary boundaries — creates an inviting model for creative problem-solving.

Talking and acting. The question of ‘how much dialogue is needed and between whom’ attracted some attention. Dialogue without action isn’t worth much. But action without dialogue might well result in ill-informed activities that reflect neither the consensus nor the most marginalised of society.

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Health is often not the right selling point: in some cases environmental concerns — such as for clean beaches or rivers — has helped drive sanitary improvement. In other cases, recycling waste — using sludge on sugar cane plantations, for example — can also serve environmental goals. Either way, care must be taken not to lose sight of the poorest groups, particularly women and children, who suffer less from the unclean beaches and more from the pollution of their homes and neighbourhoods.

Beyond sanitation, participants of Fair ideas also examined how climate change will impact the way cities are developed.

Cities can be especially vulnerable to climate change, but many participants argued that, with the right resources and ambition, there is much that can be done to help cities mitigate and adapt to its impacts. The challenge is to reorient governments, businesses and civil society to increase their awareness of the challenges, build their capacity to respond, and ensure public participation to respond well.

As with sanitation, informal settlement residents and informal sector workers are likely to be most at risk from climate change, making it all the more important to make the ongoing urban transition inclusive as well as green.

Business models for sustainability

The private sector is pivotal to social progress and stability in most of the world — from multinational companies to informal economic structures. But there is much in the dominant models for businesses that fails to promote sustainability or treats environmental and social issues as peripheral to profit generation. Fair ideas pointed to examples that break the mould from a range of sectors, which can be replicated and learnt from.

Delegates to Rio+20 have high expectations of the private sector to deliver sustainable development; be that through 'inclusive business models' that link small-scale producers to modern markets, PES schemes that protect ecosystems, or market-based systems that deliver basic services to the poor, notably in the context of the UN Sustainable Energy for All Initiative (SE4ALL).

Participants of Fair Ideas challenged and debated the private sector's ability to live up to these expectations: "Let's question our faith in markets and the institutions behind them," challenged Steven Stone of UNEP. Key topics discussed included the balance between private and public

sector responsibilities; understanding the nature of the private sector itself — from major corporations to social enterprises and the informal sector; and the support systems required, including public policy, financing mechanisms, and accountability frameworks.

It is clear that markets can deliver some goods and services to the poor and can provide income-generation opportunities. But Fair ideas participants stressed the equally important role of the public sector, social enterprise and corporate social investment. Should we focus on improving corporate practice, engaging medium-sized enterprises, which have some capital and the flexibility to innovate, or supporting community-owned models such as cooperatives? There are many possible approaches with diverse sets of stakeholders. All offer some value, as long as communities are involved in decisions, and there are adequate levels of benefit sharing, transparency and accountability.

Examples from across the world show how models of private sector involvement can promote sustainability. Some Fair ideas sessions highlighted the great potential of social enterprises to produce economic and environmental gains; and emphasised the role of women and young people in driving their innovation.

Others showed how PES schemes can incentivise conservation and deliver social benefits. Both the National Costa Rican PES scheme and Brazil's Bolsa Floresta project are protecting ecosystems while also leading to additional cash income, investment in value-added processing, and enhanced living standards for local communities.

The role of government in subsidising essential public services, including energy services, was debated in other sessions. The pros and cons of project-based delivery were also discussed, including how donor funding can leverage private investment.

In all cases we need to shift from isolated projects to more replicable models and scalable approaches: "We need to move from pilots to platforms," stressed Gib Bulloch of Accenture Development. To do that, appropriate finance is crucial. Governments and donors can provide 'enabling finance' to get a project off the ground; but it takes private investment to upgrade commercial businesses into the mainstream economy. And the high risks and low returns associated with investing in low-income markets means such investment is hard to come by. Hybrid or 'not for profit' business models need new finance models — for example, the portfolio investment model being developed by the Rockefeller Foundation, which brings together a number of social enterprises to spread the risk for investors.

“Organised communities can engage the government as equal partners.”

Patience Mudimu, Director of Programmes, Dialogue on Shelter for the Homeless in Zimbabwe Trust, Zimbabwe



“Social enterprises combine the strengths of business with the objectives of government to address social problems.”

Shrashtant Patara, Vice President, Development Alternatives, India

The need for alternative finance models is matched by a need for greater measurement and evidence of impact. To identify business models that work for sustainable development, we must measure for sustainability. “Don’t measure what’s easy but what’s important,” urged author of *Corporation 2020* Pavan Sukhdev. It’s not about how many people are hooked up to the grid but how their lives are improved by electricity access — for example, through better health, education and enterprise opportunities.

Discovering the true impacts of standards and initiatives often requires evidence from within individual communities — of the type that IIED’s Shaping Sustainable Markets programme is trying to collate. In some cases it also requires the hard-to-come-by evidence of impacts in the supply chain. Most impacts of Unilever, for example, are in its supply chain. The impacts of contractors and suppliers should be reported by companies with major supply chain impacts, including the extractive industries.

For some businesses, the biggest problem is not so much measuring social and environmental impacts but achieving them in the first place. Our understanding of the role of business in delivering sustainable development goals has certainly increased over the past 20 years and many companies have extensive social and environmental policies. But implementing these remains a challenge — especially through the supply chain. For participants in the session reflecting on progress since the 2002 Minerals, Mining and Sustainable Development (MMSD) initiative, today’s challenges include: enforcement and sanctions; ensuring that reporting is not merely a tick-box exercise; and establishing systems of third party assurance.

The social challenges faced by mining companies are harder to overcome than the environmental, as they are less well understood and have no ‘technical fix’. A

key emerging issue is that of free, prior and informed consent and how companies ‘maintain’ consent and their social licence to operate. Understanding local cultures and preferences is critical: both in ensuring new technologies are used and in cementing working relationships.

“The most successful partnerships are made through local leaders who understand the social values of farmers. This process is based on informality. There are no contracts, but there is understanding of local values,” argued Bihuniwa Medius of the Kabarole Research and Resource Centre in Uganda.

Of course, ensuring business models for sustainability is not just about transforming individual company practice. Fair ideas participants highlighted the role of national policies, which often benefit the status quo, and called for a re-set of policy frameworks to support greener, more equitable economies. This means designing national policies with people’s development needs in mind. It also means strengthening the capacity of governments to hold business to account.

Shaping Sustainable Development Goals

There is a strong focus on Sustainable Development Goals (SDGs) in the official negotiations as one of the main potential outcomes from Rio+20 — but how can they be framed to serve as a useful guide to action in different contexts and for different levels of governance? Fair ideas aired practical ways in which the goals could work for different countries and sectors.

The world is grappling with three linked crises:

Social. Continuing deprivation and lack of opportunity for more than a billion people plus growing inequality between and within countries.

Environmental. Degradation of natural assets, scarcity and competition in access to finite natural resources, combined with increasing instability in ecological systems, pose growing difficulties for all countries.

Economic. The instability and fragility of financial systems have been repeatedly exposed over the past few years. While it is developed countries that are experiencing direct impacts today, these will have ongoing and growing repercussions on prospects for growth and increased wellbeing everywhere.

“We’ve taken the planet to the brink, while leaving millions of people in poverty and desperation,” said Kate Raworth of Oxfam GB. A globally agreed set of Sustainable Development Goals has the potential to

Cross-cutting concerns

- If the future is to be sustainable, it must be planned collaboratively. That means the world leaders must move away from the current competitive and outdated negotiations to construct a new form of global debate.
- Asking whether the public or private sector should take the lead in implementing sustainable development is a false dichotomy. We need both to move us forward.
- Knowledge equals power and ensuring transparency — in governments and corporations alike — is the first step to strengthening accountability.
- Evidence can show what is possible. Demonstrating approaches that work for people and planet is essential to show what is needed and help decision makers at all levels narrow in on the right options.

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act as the compass to navigate the crises — guiding the broad direction for multilateral cooperation while helping to legitimise and amplify the multiplicity of local to global initiatives that are essential to realise change. As Paula Caballero of the Colombian government explained, SDGs should help in tackling the complex linkages between the environmental, social and financial crises, recognising that poverty eradication and environmental stability should be at the heart of each distinct goal.

How best to realise an effective set of goals is contentious. For some the difficult process ahead might be a distraction from getting on with what we know is necessary and beneficial: by this reasoning we don't need a specific energy SDG to continue existing efforts to increase energy access for all and reduce dependency on fossil fuels. The potential for confusion and overlap between the SDGs and a post-2015 framework for aid needs to be carefully addressed.

But many others feel that we currently lack a strong point of reference that works for all countries and defines a shared direction of travel. It is highly significant that the SDGs concept is most strongly advocated by middle-income countries, which are achieving significant improvements in standards of living and economic growth, but which see the need for a new global compact to reduce the risk of future instability undermining this progress.

Participants at Fair ideas called for a stronger focus on reducing inequality, and understanding the problems it causes for all. There was debate about whether addressing inequality should be a cross-cutting priority or a distinct goal in itself, but most participants agreed that it is a key priority for the future. We do not have to start from scratch: Mali, Malawi and Sierra Leone all offer valuable lessons on how to create and implement policies that reduce inequality. Participants similarly pointed to a wealth of evidence and experience that allows countries to start working on several SDG themes straightaway, including food, energy, forests, water, oceans and cities.

Beyond the country- and sector-specific examples and suggestions, a number of cross-cutting themes emerged:

Innovation. More attention should be paid to innovation, and new ways of doing things. Innovation will be an essential factor in enabling us to live within the social and environmental 'safe operating space' for humanity. "Can we really grow forever on a finite planet? This is an appeal, at the end of the day, to human ingenuity: are we clever enough to figure it out?" asked Tim Jackson, Professor of Sustainable Development at the University of Surrey, UK. This

does not simply mean looking to large-scale, top-down, technological advancements. It also means heeding the small-scale social, political and practical innovations made by individuals and communities using local or indigenous knowledge and experience.

Active participation. Allowing the poor to actively design solutions that meet their current and future needs is key. But the 'putting the poor first' priority reaches beyond innovation to include decision making. "The great challenge is to involve the people," said Virgilio Viana, Founder and Chief Executive Officer of Fundação Amazonas Sustentável, Brazil. That will require organisation and mobilisation — both of which are essential to get neglected voices heard in key decision-making arenas and ensure that resulting policy and practice address the priorities of local people.

Decentralised governance. As highlighted during Fair ideas, where local participation and decentralised governance have been implemented, they have proved their worth. In Brazil, for example, local government is playing a key role in addressing waste management and water supply. There are a whole range of models that can work to deliver services to the poor, but all depend on understanding the local context and having local participation. Feed-in tariffs — which provide payments to anyone owning a renewable electricity system — are the fastest way to unleash renewable energy production in poor countries and regions, and in so doing expand energy access. But if they are to engage the poorest members of society, they must reflect local priorities and preferences, and they must be people-driven from the bottom up. Feed-in tariffs

“We now have to make very difficult decisions that transcend business as usual scenarios. These will be hard. These will be expensive.”

Paula Caballero, Director of Economic, Social and Environmental Affairs, Colombia

Lessons from Costa Rica

René Castro, Minister of Environment and Energy in Costa Rica, described his country's experience with PES at Fair ideas:

“We all did the talk in 1992 but it's been much harder to do the work. From 1940 to 1987, Costa Rica stripped its forests, reducing forest cover from 75 per cent to 21 per cent. [Through the PES scheme, among other things], this downward course has been reversed and forest cover now stands at 52 per cent. It's cost us around US\$250 billion to achieve this change — gathered mostly through fuel tax and, more recently, user fees.

“Initially we protected national parks and wildlife regions (with a don't take, don't touch approach) but this was unsustainable. And so we shifted from full protection to promoting multiple use — protection of forest cover is now combined with agroforestry to provide farmers with an extra income to incentivise having more trees.

“REDD+ can optimise the expansion and replication of this success story of common but differentiated responsibilities. Economies and societies in the tropical belt of the world — Brazil, Congo and Indonesia for example — could benefit from these approaches and provide a global service to the climate, so it's fair that they receive some payment to support their efforts.”



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can and should be designed to be just, fair and open to all. Some Fair ideas participants suggested that an effective way of supporting that goal would be to create a global fund for socially balanced feed-in tariffs.

Realistic valuation. The SDGs should provide the vehicle for more realistic valuation of natural resources. Putting a 'price-tag' on natural resources is an important way of ensuring that these are looked after and sustainably managed. This is what initiatives such as WAVES, led by the World Bank, are trying to do: using environmental accounting to integrate natural resources into national accounts and development planning. But there are also legitimate concerns over commoditising nature, and participants highlighted the need to value nature in ways that don't undermine the livelihoods of the poorest. There is much to learn in this regard from established PES schemes, such as the one in Costa Rica, which has now been up and running for 15 years (see Lessons from Costa Rica).

Perhaps the most important message for the SDG negotiators is that they must work collaboratively. We all face trade-offs in the move towards sustainable development: countries, communities and individuals alike will have to make difficult decisions that are expensive, go beyond business as usual, and involve sacrifices. Making these decisions cannot be the responsibility of one government or ministry alone. Sustainable development policy and practice is marked by vested interests and hot disputes; and negotiations tend to be competitive, rather than collaborative. Until finance and environment ministries are included in development decisions, and vice versa, we will continue to fight old battles, without gaining ground. We urgently need a new form of global debate and negotiation. "Knowledge is the greatest tool for human progress but it won't suffice — we also need leadership and determination to work together," said head of IUCN, Julia Marton-LeFèvre.

Similarly, we need joint responsibilities and new forms of partnership between governments, businesses and civil society. False dichotomies — public versus private sector, for example — are stalling action. We need both. That includes the range and the importance of different private sector

roles beyond large-scale corporations, including the informal sector, social enterprise and small- and medium-sized enterprises.

The SDGs offer one way of focusing global efforts on sustainable development. If we are lucky, they will provide the building blocks that link grassroots learning and knowledge to global challenges and enable local action to turn into global action for development that respects social foundations for humanity and operates within planetary boundaries. But we must ensure that the SDGs do not become a hobby horse for a narrow clique, and that we do not allow ourselves to get fixated on or distracted by process.

The future we want

Beyond the diplomatic niceties of the Rio+20 negotiations there is one thing on which practically every commentator, activist, official and expert agrees: the status quo cannot overcome the challenges of inequality and unsustainability that the world now faces. If we continue with 'business as usual', we will over-step the planetary and social boundaries that define a safe and just operating space for humanity and arrive at the future we deserve. But if we can jointly find the transformational and fundamental means to shift course now, then we can realise the future that we want — one that is both fairer and more sustainable.

We can't claim to have turned the corner on any of the overarching measures of sustainability since the first Rio Summit in 1992. But underneath the global meta-level of analysis there is extraordinary innovation and practice. Fair ideas highlighted how across the world, people are inventing and reinventing myriad solutions to environmental scarcity and social inequality. What those people need — indeed, what we all need — now is a global effort to move beyond showing what can be done. That means creating the structures and systems that can lift solutions out of the laboratories and test grounds and enable them to become the vanguard of a fundamental shift in humans' relations with the planet and with each other.

This paper was written by a team of IIED researchers and other staff who attended Fair ideas.

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Contact: International Institute for Environment and Development
80–86 Gray's Inn Road,
London WC1X 8NH, UK
Tel: +44 (0)20 3463 7399
Fax: +44 (0)20 3514 9055
Email: info@iied.org
Website: www.iied.org



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