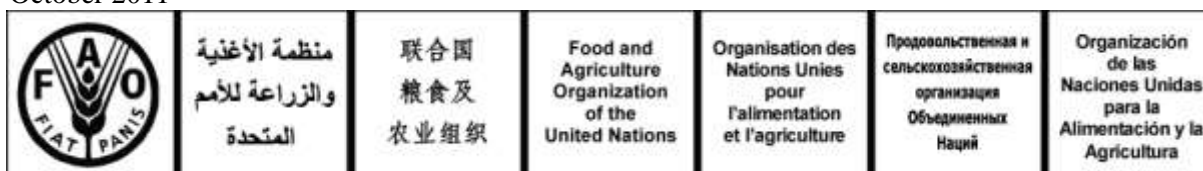


October 2011

E



COUNCIL

Hundred and Forty-third Session

Rome, 28 November - 2 December 2011

Status of preparation of FAO contributions to the 2012 United Nations Conference on Sustainable Development: Governance for Greening the Economy with Agriculture

Executive Summary

This document describes the process of preparations for the United Nations Conference on Sustainable Development (UNCSD), Rio de Janeiro, Brazil, 3- 6 June 2012 (or Rio+20). It provides an overview of ongoing discussions on the themes of Rio+20, as well as FAO's key messages on Greening the Economy with Agriculture.

Suggested action by the Council:

Take note of the preparatory process for UNCSD, acknowledging FAO's essential inputs to this process.

Queries on the substantive content of document may be addressed to:

Alexander Mueller
Assistant Director-General
Natural Resources Management and Environment Department
Tel: +3906 5705 3037

I. Background

Introduction

1. The United Nations General Assembly (UNGA), through Resolution 64/236 of 24 December 2009, decided to organize the United Nations Conference on Sustainable Development, Rio de Janeiro, 3 to 6 June 2012 (UNCSD, also referred to as Rio+20). The two main stated themes decided by the UNGA for UNCSD are: a green economy in the context of sustainable development and poverty eradication; and the institutional framework for sustainable development. The preparatory process foresees three sessions of the preparatory Committee and three inter-sessional meetings.
2. The Second Preparatory Committee of UNCSD, held in March 2011, has invited “Member States, the relevant United Nations system organizations, and relevant stakeholders to provide their inputs and contributions in writing by 1 November 2011 for inclusion in a compilation document to serve as basis for the preparation of the zero-draft of the outcome document”.
3. Since May 2010, FAO’s active contribution to the preparatory process of UNCSD has resulted in the inclusion of food security among the priority areas under consideration. FAO is particularly contributing to shaping the green economy agenda of UNCSD by providing elements pertaining to its mandate. To this end, an analysis is being carried out on the interactions between the green economy and the food and agriculture sector, including opportunities and constraints. The Greening the Economy with Agriculture (GEA) Initiative seeks to contribute to the definition and implementation of the green economy, with a particular emphasis on food security. As part of this initiative, FAO organized broad stakeholder consultations through an FAO/UNCTAD/Biovision side event in New York on 8 March 2011, and a joint FAO/OECD Expert Meeting on Greening the Economy with Agriculture in Paris, France, 5 to 7 September 2011. An informal seminar is to be held with Permanent Representatives to FAO on 4 November 2011 to brief them on progress made thus far.
4. GEA aims to promote a dialogue between the agriculture, forestry and fisheries constituencies and other partners, on sustainable development strategies, as well as the overall participation of food and agriculture stakeholders into the Rio+20 process and beyond, with a view to facilitating their access to the resources and institutional arrangements that will be put in place in order to effectively move towards sustainable development. By taking a proactive role in international, regional and national debates for Rio+20 and beyond, the GEA Initiative would create bridges among different types of stakeholders and between constituencies, notably between agriculture and the environment, while strengthening the overall resilience of countries to exogenous shocks, either macroeconomic or ecological.
5. This document provides an overview of ongoing discussions on the themes of Rio+20, including institutional matters, and presents the GEA-related definitions and key messages.

Concepts and definitions

6. Although UN Member States have not yet come to an agreement on the definition of the green economy, they recognize that an efficient, functioning economy is a precondition for addressing the environmental and social pillars of sustainability. Therefore, the green economy is seen as a key implementation tool for sustainable development. UNEP defines the green economy as one that results in “improved human well-being and social equity, while significantly reducing environmental and ecological scarcities”.
7. GEA refers to ensuring the right to adequate food, as well as food and nutrition security – in terms of food availability, access, stability and utilization – and contributing to the quality of rural livelihoods, while efficiently managing natural resources and improving resilience and equity throughout the food supply chain, taking into account countries’ individual circumstances.

8. GEA can be achieved by applying an ecosystem approach to agriculture, forestry and fisheries management in a manner that addresses the multiplicity of societal needs and desires, without jeopardizing the options for future generations to benefit from the full range of goods and services provided by terrestrial, aquatic and marine ecosystems. Therefore, GEA strives to:

- achieve food and nutrition security through an appropriate balance between domestic production and trade;
- contribute to achieving the right to adequate food for all;
- ensure decent rural livelihoods;
- use traditional and scientific knowledge to maintain healthy ecosystems that integrate food production and respect natural resource constraints.

II. Greening the Economy with Agriculture

9. GEA means that the entire food supply system needs to become resilient to the harmful effects of climate change and macro-economic shocks in the face of growing global population and food demand, which will require fundamental shifts in the approach to the food and nutrition systems.

No green economy without food and nutrition security

10. The agricultural sector - including crops, livestock, forestry, fisheries and food processing - will play a vital role in the transition to a green economy. Croplands, pastures and forests occupy 60 percent of terrestrial land, agriculture uses 70 percent of globally withdrawn freshwater, and the sector as a whole provides livelihoods for 40 percent of the world's population¹. The agricultural sector depends heavily on natural resources for its production processes and can both cause environmental harm and provide environmental benefits. While current practices contribute to over one third of global greenhouse gas emissions, good management practices can result in an almost carbon-neutral sector, as well as the creation of environmental services and the generation of renewable energy, while also achieving food security. The agricultural sector can also be an engine for economic development and the creation of millions of green jobs, especially in the poorest countries. Consequently, there can be no green economy without the agricultural sector. At the same time, food and nutrition security will have to be achieved as an integral part of the green economy. This is because food and agriculture systems are threatened by climate change, resource degradation and poverty – the same problems that the green economy is designed to tackle. Only an economic system that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities, will be able to deliver food security for over 9 billion people, by 2050, in a resource-constrained world.

Green jobs for smallholders

11. Small rural households, which still constitute two-fifths of humanity, are increasingly under pressure and agricultural employment and opportunities have to be increased in a green economy. Out-migration from rural areas is expanding urban slums, with concurrent inability of these poor urban dwellers to access food and water. Support to smallholders is essential to both achieving food security and preserving natural resources. Farming, forestry and fisheries operations in both developed and developing countries play a fundamental role in the provision of landscape management and the provision of ecological and cultural services. More diverse food systems and off-farm diversification - such as value addition, rural-urban food networks, agri- and eco-tourism, small-scale forest-based enterprises - offer livelihood opportunities in employment-scarce settings (especially, but not only, in least developed countries), while improving land stewardship.

Sustainability through nutritious diets

12. In a world facing increasing competition for scarce resources (e.g. water), resource degradation (e.g. soils), increased uncertainty (e.g. climate change), volatility (e.g. fuel and food

¹ FAO, 2011. The State of the World's Land and Water Resources for Food and Agriculture (SOLAW)

prices), conflict (e.g. land tenure) and wastage (e.g. one third of all food is lost during post-harvest handling and retailing), food and nutrition security has become an issue of efficiency, resilience to shocks and distributional equity. The problem of under-nourishment, with roughly 1 billion people going hungry, is super-imposed by the problem of micronutrient malnutrition, with roughly 1.7 billion people² overweight and obese. At both ends of the spectrum, individuals are not deriving sufficient nutrition from their diets. Improving nutrition through better diets can also reduce the ecological impact of dietary choices. A shift to more sustainable diets would trigger upstream effects on the food production (e.g. diversification) and processing chain. Improved diets, in terms of micro-nutrients density and quality will be more sustainable, resulting in substantial gains for both the environmental and public health.

Accounting for environmental and social impacts through full-cost pricing of food

13. Making the transition to GEA will require reflecting the true costs – economic, environmental and social – of different systems in the price of products. This entails internalizing external costs associated with resource depletion and environmental degradation and setting of incentives that encourage sustainable and resilient practices that create positive externalities (e.g. payments for environmental services). Markets and trade will play an important role to create a level playing field, especially for poor producers in developing countries. Scaling-up social protection systems will be needed to protect vulnerable groups for adverse effects of changes in relative prices.

Inclusive implementation through cross-sectoral cooperation

14. There are various food and agriculture models that can deliver the multiple objectives of food security, environmental conservation and social and economic development as synergies, rather than trade-offs. They will involve an ecosystem approach to production systems, fairer trade, and more equitable access to natural resources and livelihood opportunities, as advocated by the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security. This transition process involves both large and small holdings, whereby sustainable systems are supported equitably. They also need to be facilitated by more sustainable food demand and consumption patterns and well-functioning markets. Although the long-term benefits are clear, making the transition will require new policies, investment and research. Financing and supporting this transition will require cooperation across multiple sectors, not just limited to food, agriculture, fisheries or forestry, but also including energy, water, the environment, health, education and economic development.

III. Institutional Framework for Sustainable Development

15. Institutional reform is needed at international, regional and national levels to bring about further coordination and coherence of policy and integrate the dimensions of sustainable development. Rio+20 will present opportunities to revisit the institutional arrangements of multi-lateral cooperation and development assistance for sustainable development, and to take decisions impacting on the post-2015 development agenda.

16. FAO's shared vision with the UN system, inspired notably by the Millennium Development Goals, places great emphasis on enhanced coordination and coherence to support all international objectives and operational activities for development at regional and country level. The following section provides an overview of the ongoing discussions regarding the post - Rio+20 institutional frameworks for sustainable development.

17. A number of initiatives have explored options for strengthening International Environmental Governance (IEG), with a focus on UNEP. The consultative process launched by the UNEP Governing Council (i.e. the Consultative Group of Ministers or High-Level Representatives on International Environmental Governance) identified a number of system-wide responses to the

² WHO, 2011. Fact sheet n° 311

shortcomings in the current system of IEG and also considered a number of institutional options for strengthening the environment pillar in the context of sustainable development as follows³:

- *Enhancing UNEP*: universal membership in the UNEP Governing Council (from current 58 members). No change to mandate and minimal financial implications. Some analysts argue that broad and active participation in Governing Council and Global Ministerial Environmental Forum (GMEF) of observer countries amounts to *de facto* universal membership.
- *Establishing a new umbrella organization for sustainable development*: a new institution exercising executive functions, possibly founded on existing intergovernmental and secretariat entities. It would enhance the integration of sustainable development in the work of institutions covering the economic, social and environmental pillars and would be established by a UNGA resolution or legal instrument.
- *Establishing a specialized agency such as a world environment organization*: a specialized agency based on the model of UN organizations such as WHO and FAO, which are hybrid normative and operational entities. It would be the global authority on the environment, providing policy guidance to other UN entities working on the environment and Multi-lateral Environment Agreements.
- *Reforming the Economic and Social Council (ECOSOC) and the Commission on Sustainable Development (CSD)*: possibilities that have been raised include strengthening the coordination role of ECOSOC in relation to sustainable development, e.g. by establishing a “sustainable development segment” to engage more closely with the reports of various functional entities such as UNEP. Another possibility involves merging ECOSOC with CSD into a council on sustainable development. Mention has also been made of upgrading the CSD to a Sustainable Development Council, which could be achieved through a UNGA resolution.
- *Enhancing institutional reforms and streamlining existing structures*: a consortium arrangement for environmental sustainability, headed by a high-level governing body. An instrument or set of instruments would structure its relationships with existing institutions.

18. With regards to governance of the economic and social pillars of sustainability, the following options are being considered in the preparations for UNCSD⁴:

- At the international level, strengthen monitoring, coordination and implementation of sustainable development, including enhancing links and collaboration between the policy and operational levels.
- Strengthen institutional mechanisms at the national level, including National Sustainable Development Strategies and forging stronger links to economics ministries, for integrated policy formulation, coordination, implementation and review.
- Develop innovative financing mechanisms and strengthen delivery mechanisms as part of the institutional framework for sustainable development. There is a strong argument that funding mechanisms should be responsive to the relevant multilateral agreements and policy processes.

19. The United Nations Department of Economic and Social Affairs (DESA) has commissioned a study to evaluate the legal, structural and financial implications of different institutional reform

³ UN, 2010. Objectives and themes of the UNCSD, Report of the Secretary-General. A/CONF.216/PC/7 (para. 111).

⁴ UN, 2010. Objectives and themes of the UNCSD, Report of the Secretary-General. A/CONF.216/PC/7 (para. 115).

options to improve global sustainable development governance. New arrangements include issues such as: compatibility with existing policies of relevant organizations; the legal nature of relationship with other institutions (and their governing bodies and secretariats); altered authority and/or division of responsibilities among relevant entities, while avoiding duplication of work effectively undertaken by existing specialized UN agencies; benefit and efficiency for member states; etc. The first draft of this study, entitled Institutional Framework for Sustainable Development (IFSD) Report, was expected by mid-October 2011 to be circulated to all UN system entities for comments.

IV. Further Steps in the Preparatory Process

20. The main Rio+20 outcome is expected to be a negotiated declaration of political commitment to advance the implementation of the sustainable development agenda.

21. The Chair of the UNCSD Bureau expects both negotiated and non-negotiated outcomes. Although nothing has yet been decided (as of mid-October 2011), ongoing consultations indicate that Rio+20 may further result in:

- a roadmap for the green economy in the context of sustainable development and poverty eradication;
- an agreed process to set sustainable development goals and measuring progress, guided by principles for developing a post-2015 framework for sustainable development;
- a reform of ECOSOC and/or relevant subsidiary bodies, for better institutional coordination and coherence.

22. UNCSD should reaffirm the continuing validity of the principles embodied in the 1992 Rio Declaration and Agenda 21. It should focus on the consideration of implementation gaps and new and emerging issues from the perspective of multiple crises. Priority issues to receive particular attention in the context of sustainable development at Rio+20 include: energy; sustainable agriculture and food security; water; oceans; sustainable cities; disaster recovery; green jobs; and sustainable consumption and production.

23. Member States, relevant UN system organizations and major groups will submit their written contributions to the UNCSD Bureau by 1 November 2011. These contributions will form the compilation text to be discussed at the second Inter-sessional Meeting, to be held in New York on 15 to 16 December 2011. The Bureau will present the zero-draft of the outcome document for consideration by Member States and other stakeholders in early January 2012. Informal meetings are planned for negotiation of the outcome document in January, February, March and April 2012.

24. FAO will be active throughout this process, including through side events and briefings on the contribution of the food and agriculture sector to the green economy and sustainable development. A common FAO, IFAD and WFP document will be submitted to DESA by 1 November 2011. Also, a joint communication campaign is under preparation by the Rome-based UN agencies for Rio+20.

V. Conclusions

25. The food and agriculture sector determines the human health, the livelihoods of almost half of the global labour force and the state of more than half of terrestrial ecosystems, three quarters of all available freshwater and all oceans. Its direct impact on the social, economic and environmental spheres of life places it at the core of the development nexus and the long-term sustainability of our planet. The maintenance of the services provided by the terrestrial, aquatic and marine ecosystems - on which our food supply depends - is of paramount importance. The Greening the Economy with Agriculture initiative represents a key part of the wider green economy process that aims to ensure that distributional equity today, and the needs of future generations, are not compromised any further. It also recognizes that rural economies are central to socio-economic development and that the food system is the main vehicle for ensuring the health of people and ecosystems.

26. Governance of the agricultural sector is enhanced through the realization of the right to adequate food. Sustainable development requires the integration of environmental, social and economic governance. At country level, agriculture can no longer be planned in isolation and

structures such as the National Councils for Sustainable Development offer opportunities for cross-sectoral and multi-stakeholders cooperation. Strengthened regional institutions can better mediate national needs in international fora.

27. Many environmental, social and economic challenges go beyond national boundaries and require a system of global governance. The United Nations is at the centre of such global governance by virtue of its universality. Cooperative actions will require strengthening its main organs and subsidiary bodies for better coordination and implementation of economic, social and environmental policy.

28. The Council is invited to take note of the preparatory process for UNCSD described above, acknowledging FAO's essential inputs to UNCSD process.