Environment and sustainable development: Johannesburg World Summit 2002, 10 years after Rio

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The Council agreed on a set of common views for the World Summit on Sustainable Development in Johannesburg . Several challenges needed to be addressed in relation to the economic, social and financial dimensions of sustainable development, including poverty eradication, making globalisation work for all, strengthening governance at international level and providing the means to face such challenges through adequate financing and technical assistance. All countries, both developed and developing, had a role to play as well as mutual duties and responsibilities in promoting economic growth, sustainable and socially-inclusive development and environmental protection. 1) Financing sustainable development. Mobilising international private and public resources to finance sustainable development was essential. The Council encouraged bilateral and multilateral development institutions to better integrate social and environmental aspects in their policies and practices. First and foremost, sustainable development and poverty reduction were the primary responsibility of individual countries themselves. Developing countries had a crucial role to play in ensuring, through appropriate structural reforms and sound macroeconomic policies, that a stable and enabling environment was in place for generating, attracting and channelling adequate – public and private, domestic and international – resources to foster sustainable development and poverty reduction. The main features of this environment were good governance, the rule of law and appropriate institutional capacities. Advanced countries should make efforts to increase their development assistance in the context of their long-standing commitment to reach the United Nations target of 0.7% of GNI for ODA. In view of this goal, all the Member States of the European Union would strive to reach, within their respective budget allocation processes, at least 0.33% of GNI for ODA by 2006. More effective use of ODA was essential. Aid should be directed towards the poorest countries which were strongly committed to implementing a sound structural and macroeconomic policy, good governance, poverty reduction and good policy environments. Another major priority was the restoration of debt sustainability. On the debtors' side, the Council urged the group of HIPC countries that had not reached a decision because of sizeable political difficulties, including armed conflicts or delays in implementing economic programmes, to take all the necessary measures to qualify for debt relief. Countries that had already qualified for debt relief needed to continue their efforts. All creditors that had not yet done so should provide their share of debt relief. In addition, all countries should provide their share of multilateral financing. As regards the question of 'alternative financing instruments', the Council restated that each country should decide on the best way to provide additional development financing and, in general, that this should be undertaken within each country's budget allocation processes. However, in addition to opening their own markets and increasing the level and effectiveness of ODA, developed countries could also contribute to development financing by assessing further initiatives. Finally, the Council stated that it was ready to assess the relevance of SDR allocations. 2) Sustainable development in a globalised world. An open and fair multilateral trading and financial system was a pre-condition for sustainable development and poverty reduction. Developing countries should be assisted in participating in this system through strengthened technical assistance and capacity-building. Regional trade and financial agreements anchored in the multilateral system should be encouraged and further developed. The Council reiterated its support for the 'Doha Development Agenda' which it wanted to see implemented according to the agreed timetable. The Council was ready to play a leading role in the next trade round through, in particular, the 'Everything but Arms' initiative, the improvement of its trade-related technical assistance and capacity-building, and the new and recently adopted EC Regulation on the Generalised System of Preferences. The WTO members and all other countries were urged to avoid unilateral actions that could undermine the multilateral trade system and jeopardise the successful conclusion of the new world trade

round. In this context, the Council welcomed the recently launched WTO Global Trust Fund and pointed out that the EU had pledged more than 60% of the EUR 14 million needed for the Fund. Developing countries should use trade liberalisation and improved market access as essential vehicles for economic growth. Viable macroeconomic and structural policies and an appropriate framework for investment were therefore of key importance in attracting sustainable international private resources, including primarily FDI. The international financial community should continue to help strengthen the conditions for sustainable and stable private capital flows to developing countries, *inter alia* through increased transparency of both public and private economic actors, the implementation of internationally-recognised codes and standards, and appropriate prudential regulation and supervision of all financial institutions. 3) Governance of the international financial system. Reforming the international financial system and combating abuses of financial globalisation were crucial to promoting sustainable financial development. Managing these risks therefore required action to: - fight the abuses of globalisation, including combating the financing mechanisms of terrorism, preventing money laundering and financial crime, strengthening supervision, regulation and information exchange policies, especially in Offshore Centres, and addressing harmful tax practices; - strengthen the role of international financial institutions in the global architecture in order to reduce the risks posed by financial globalisation and ensure that its benefits were shared by all, including the poorest.