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**The theme of the Coordination Segment: the role of the United Nations system in implementing the internationally agreed goals and commitments in regard to sustainable development**

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**Report of the Secretary-General**

*Summary*

The 2009 coordination segment will focus on the role of the UN system in promoting implementation of 2008 Ministerial Declaration on “implementing the internationally agreed goals and commitments in regard to sustainable development”.

The present report provides an overview of United Nations system efforts to further the sustainable development agenda against the backdrop of current challenges. In particular, it assesses progress and challenges in priority areas identified by the 2008 Ministerial Declaration; identifies lessons learned from country-level experience to strengthen support to national sustainable development strategies; and assess the impact of current challenges on these efforts.

The report makes a number of recommendations in the areas of energy, climate change, water, agriculture and rural development, sustainable urbanization, social equality and institutions for sustainable development.

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## **I. Background**

1. ECOSOC has decided that the coordination segment, should review the implementation of the ministerial declaration adopted by the high-level segment in the previous year<sup>†</sup>. Accordingly, the 2009 coordination segment will review the implementation of the 2008 Ministerial Declaration on “Implementing the internationally agreed goals and commitments in regard to sustainable development” and the present report will facilitate such consideration.

2. The 2008 Ministerial Declaration reiterated the need for an integrated approach to the economic, social and environmental dimensions of sustainable development, in line with Agenda 21, the Johannesburg Plan of Action, and the goals and objectives of the UN development agenda. It reaffirmed that effective development strategies for poverty eradication, sustained economic growth and sustainable development should focus on: tackling climate change; promoting affordable, cost-effective and efficient energy supply; ensuring integrated water resource management; promoting sustainable urbanization; investing in rural and agricultural development; enhancing social equality, including the empowerment of women; and strengthening institutions for sustainable development.

3. The Declaration also recognized that efforts to achieve sustainable development face multiple challenges, including food insecurity, the financial and economic crises and the impact of environmental degradation and climate change. Achieving sustainable development in these challenging times will require comprehensive approaches and concerted action.

## **II. Introduction**

4. Despite considerable progress made over the last decades to reduce overall poverty and increase global economic growth, many countries continue to experience extreme poverty, widening economic and social inequalities, rapid depletion of their natural resources, and decreasing ability to provide basic nutrition for their population. These trends have demonstrated that current paths to development are neither adequate nor sustainable.

5. The United Nations conferences of the past decade have produced a comprehensive normative and policy framework for the achievement of sustainable development. The 2008 Ministerial Declaration reaffirmed this consensus and recognized that efforts to achieve this objective face multiple challenges.

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<sup>†</sup> E/2008/28

6. While national governments have the primary responsibility to formulate and implement their own sustainable development strategies, the international community, including the United Nations system, has a critical role to play in supporting these efforts through global programmes, measures and policies aimed at promoting sustainable development globally and at supporting developing countries in their sustainable development efforts. The 2008 Ministerial Declaration stressed, in particular, the role of the international community in helping developing countries to a) mobilize adequate and sustained levels of resources; b) facilitate and finance access to and transfer of key technologies; and c) build capacity at all levels.

7. The present report examines the role of the United Nations system in supporting national efforts to achieve sustainable development. The report will provide (a) an overview of the United Nations system efforts to embrace the sustainable development framework; (b) assess its work in the priority areas identified by the 2008 Ministerial Declaration; (c) identify lessons learned from country-level experiences regarding the system's support to national sustainable development strategies; and (d) assess the impact of emerging challenges on these efforts to promote sustainable development.

### **III. Overview of the UN system's work**

#### *A. Trends in sustainable development*

8. The term "sustainable development" was popularized by the Report of the Brundtland Commission in 1987 and provided the key conceptual framework for the UN Conference on Environment and Development in Rio in 1992. The expression embodied a holistic approach to policy making. It was this approach which gave global prominence to such concepts as the precautionary principle, burden sharing, intergenerational equity, common and differentiated responsibilities, incremental costs, benefit sharing, sustainable use, public-private partnership, and information sharing as a policy tool, to name a few. The 'sustainable development' decision-making process introduced more intensive interaction between governments, civil society, and the private sector and the emergence of several new tools for policy analysis, including integrated assessment, multi criteria analysis, scenarios, life-cycle approaches, value chains, hot spots, footprints analysis, sustainable livelihoods, participatory analysis, and others.

9. The decade following Rio saw only halting further progress on the sustainable development agenda, which is why the Rio+10 summit in Johannesburg in 2002 focused on what could be done to accelerate implementation of commitments made in Agenda 21 and the Rio Declaration. On the global challenges enshrined in the Rio Conventions, in particular on climate change, little progress

was made by 2002 on reviewing disturbing global trends. The Kyoto Protocol had gone into effect in 1997 but without the world's largest CO<sub>2</sub> emitter.

10. In the wake of the global financial and economic crisis, the current period is one of intense re-examination of conventional wisdom on the workings of markets, especially financial markets, the role of government in regulating those markets, and the requirements not just for economic recovery but for long-run sustainable development. It provides the backdrop for fresh thinking on reconciling the goals of growth, equity and environmental sustainability. The concept of a Global Green New Deal for Sustainable Development is one that links the short-term imperative of protecting the vulnerable from the worst impacts of the current crises, putting people back to work and restoring economic growth with the longer-term imperative of moving economies onto low-carbon growth paths and broader realization of the Millennium Development Goals and socio-economic development for all. The question remains as to whether the current moment of multiple crises will serve to galvanize political will of the world's leaders to act together. The climate change negotiations in Copenhagen in December 2009 will provide a litmus test.

11. While sustainable development is a widely recognized framework to balance economic, social and environmental objectives in the formulation of national development strategies, this framework is yet to be translated into comprehensive, integrated approaches that lead to sustainable development.

12. Among the reasons for this are: political time horizons which often favor short-term over long-term policy objectives; the inherent complexity of policy making processes which must account for and balance multiple objectives, economic, social and environmental; limited understanding of the inter-linkages and interactions among different policy areas relevant to sustainable development; organizational inertia in government and other systems which have been built and evolved on the basis of specialization rather than integration; and shortage of human, financial and technical resources for implementing a sustainable development approach. The 2008 Ministerial Declaration has identified a number of priority areas that deserve greater attention which are examined in Chapter II.

#### *B. Efforts of the UN system to embrace the sustainable development framework*

13. Sustainable development represents a comprehensive, coherent and integrated approach to the work of the United Nations. For this reason, it is closely related to the "One United Nations" concept advocated in the United Nations system Chief Executives Board for Coordination (CEB) report to the 2005 World Summit prepared by the High-Level Committee on Programme (HLCP) and also in the report of the Secretary-General's High-Level Panel on System-wide Coherence, which states: "The essence of our vision is for the UN to deliver as one in the areas of development, humanitarian assistance and the environment".

14. Since the United Nations Conference on Environment and Development in 1992 and the subsequent World Summit on Sustainable Development in 2002, the United Nations system has made consistent efforts to embrace the sustainable development framework in its work. In particular, the United Nations system has played a critical role in expanding the notion of economic performance to include the social and environmental dimensions of development in economic planning decisions. The consensus around the Millennium Development Goals and their respective targets for accelerated progress in human development has further advanced these efforts by establishing an overarching framework for United Nations activities, one that addresses the strong inter-linkages between poverty, environment, health, nutrition, and other areas.

15. UN system organizations have increasingly embraced more comprehensive strategies and mechanisms to implement their mandates and promote the integration of social and environmental concerns into national development plans. The past several years have witnessed a sea change in this regard. In the spirit of “One United Nations”, system organizations, within their respective mandates, have made important strides in increasing coordination and cooperation of their activities related to different aspects of sustainable development as demonstrated by the numerous joint activities and programmes undertaken by various organizations as listed in the annex to this report.

16. More needs to be done, however, to: a) mainstream the notion of sustainable development into all areas of work of the United Nations system; b) align and coordinate within a sustainable development framework the multiplicity of United Nations system activities at the policy, programme and operational levels across the areas identified by the 2008 Ministerial Declaration; and c) ensure that existing mechanisms and strategic frameworks for system-wide support to national development planning fully integrate the three dimensions of sustainable development.

#### **IV. Assessment of UN system efforts to implement the 2008 Ministerial Declaration**

##### **A. Affordable, cost-effective and efficient energy supply**

17. Global demand for energy services is expected to increase from 1990 levels by as much as an order of magnitude by 2050, while primary-energy demands are expected to increase by 1.5-3 times, raising concerns over environmental impacts – e.g. air pollution, acid precipitation, forest destruction and climate change – and on the sustainability and affordability of energy supply. These concerns have generated a growing consensus on the need to increase energy efficiency and invest in renewable energy sources and low-carbon technologies as cost-effective and environmentally responsible alternatives to conventional energy generation.

18. Although technical and market potential exists to significantly increase the contribution of alternative sources to meeting countries' energy demands, a variety of barriers or conditions may limit their deployment. These barriers continue to limit prospects for widespread deployment of such technologies in developing countries without financial support from developed countries.

19. The United Nations has an important role to play in helping remove economic, regulatory, and institutional barriers to the deployment of renewable energy sources. In particular, it plays an important role in promoting national energy policies that integrate environmental, economic and social concerns and international policies that enable easier access to advanced technologies and external resources.

20. As no single entity in the UN system has primary responsibility for energy, in 2004 an ad-hoc HLCP task force of United Nations energy experts established UN-Energy as the inter-agency mechanism to coordinate and facilitate the UN system's follow-up to the energy-related decisions of the World Summit on Sustainable Development (WSSD). UN-Energy's objective is to promote system-wide collaboration in the area of energy and develop a coherent and consistent approach to energy challenges affecting the achievement of the MDGs. This integrated approach takes into account that energy is a prerequisite for sustainable development, providing an essential input in the full range of economic and social activities.

21. UN-Energy promotes coordination between major ongoing energy initiatives carried out by various system agencies and encourages joint efforts at global, regional, sub-regional, national and local levels. UN-Energy focuses on energy access, renewable energy, energy efficiency and instruments for policy integration, capacity-building and awareness-raising at the country-level. It also interacts with non-UN stakeholders to ensure their effective engagement in implementing WSSD energy-related decisions.

22. While the initiative has made clear progress in enhancing United Nations system cooperation to follow-up the WSSD agenda on energy, it has not been able to establish a more ambitious system-wide approach on energy. There are, nevertheless, indications that by working together the system could achieve significant results in this regard, particularly in the area of access, renewable, efficiency, and energy security. The success of UN-Energy will depend on whether it will be able to provide a broad strategic direction guiding the policy and operational work of United Nations agencies on energy.

### ***Recommendations***

The United Nations system should:

- actively promote a global energy access initiative which would seek to eliminate energy poverty in the world within the next decade-and-a-half;
- strengthen its overall capacity to assess international and domestic barriers to clean technology development and transfer and suggest policy options to overcome them;

The UN-Energy should:

- promote system-wide policy coherence, including through joint initiatives and programmes, in relation to energy access, efficiency, security and renewable energy technologies, in ways that promote industrial activities, job creation, transportation, commerce, micro-enterprise and agricultural development.

## **B. Climate change**

23. The approach of the UN system is increasingly that climate change is a sustainable development issue that requires the involvement of a wide range of sectors, from finance to energy, transport, agriculture and health. Actions supported by the UN system address both adaptation to the adverse impacts of climate change and greenhouse gas mitigation.

24. Climate change is projected to have increasingly negative effects on food production, infrastructure, and the livelihoods of many people. Reducing vulnerability and increasing the capacity of economic and social systems to adapt to climate change has become an urgent policy priority. The risks associated with climate change call for a broad spectrum of policy responses at the local, regional and global level. A consensus has emerged on the need to integrate adaptation issues into core development strategies and practices and develop an integrated approach to climate change. A key UN contribution to adaptation is currently in the development of integrated national development plans and strategies, including climate screening of national strategies, country level vulnerability and adaptation assessments, and capacity building at country level. For instance, a UNEP and UNDP partnership focuses on mainstreaming climate change concerns into national development strategies through a three-pronged approach: (i) assist countries to assess their vulnerabilities and incorporate adaptation concerns into national policies and investment plans; (ii) assist United Nations Country Teams to integrate climate risk into formulation of the United Nations Development Assistance Framework (UNDAF); and (iii) conduct pilot projects in key affected sectors together with relevant United Nations agencies. The United Nations system has also supported the preparation by LDCs of national adaptation programmes of action (NAPAs), which are intended to identify urgent and immediate adaptation needs, to be supported by multilateral climate change funds and other sources.

25. Mitigating climate change requires a multifaceted approach, spanning across all areas of policy and decision making. Comprehensive national development strategies are a key tool for mitigating climate change. Energy is critical to climate mitigation, and the United Nations system is active in promoting renewable energy. Another example of

system action relates to technical support on afforestation and reforestation programmes and supporting the development of equitable mechanisms to realize the co-benefits of reducing emissions from deforestation, conserving biodiversity and ensuring environmental sustainability.

26. The United Nations system helps countries develop supportive legal and regulatory frameworks integrating climate change concerns into government policies regulating various sectors of the economy; facilitating the adoption of cost-effective, environmentally sound technologies (ESTs); mobilizing adequate and predictable resources; and building human capacity to mitigate and adapt to the effects of climate change and environmental degradation.

27. The Secretary-General has undertaken a number of initiatives to instill a sense of urgency in the international community around climate change, particularly towards the successful conclusion of the UNFCCC Conference of the Parties in Copenhagen. In September 2007, the Secretary-General hosted in New York a High-Level Event on Climate Change to advance the global climate change agenda and build momentum for a post-2012 international climate change framework. At present, the Secretary-General is deeply engaged in efforts to contribute towards the successful conclusion of the UNFCCC Conference of the Parties in Copenhagen in December 2009. In this connection, the Secretary-General will host an all day high-level event in New York on September 22 for Heads of State and Government.

28. The Secretary-General has also worked towards mainstreaming climate change in the work of the United Nations system. In 2007, as Chairman of the CEB, the Secretary-General spearheaded a CEB process to reinforce the United Nations system coordination framework for climate change with the objective of: a) strengthening the system's contribution to the inter-governmental negotiations within the UNFCCC; and b) developing a comprehensive United Nations system approach to climate change, one that addresses the interconnected issues of economic growth, climate change, food and agriculture, and energy. In this regard, a CEB-HLCP Working Group on Climate Change was established to develop an action-oriented approach that brought to bear the expertise of the entire United Nations system to face the global and multifaceted challenges of climate change, including adaptation, mitigation, financing and technology development and transfer.

29. This initiative builds on existing coordination mechanisms, such as UN-Energy, UN-Water, and UN-Oceans, to demonstrate in practice how climate change and sustainable development are interlinked. Going forward, a major challenge for the CEB will be to ensure a broad strategic direction for the United Nations system's work on climate change that will guide the activities of all United Nations agencies. This will help mainstreaming climate change issues in United Nations system sectoral activities and promote climate change concerns more broadly in the

United Nations system's support to national development and poverty eradication strategies.

30. Working in collaboration with the HLCP, the United Nations Development Group (UNDG), now a pillar of the CEB, is expected to focus on strengthening country-level implementation of a United Nations system strategy on climate change. In this regard, a UNDG Task Team on Climate Change and Environmental Sustainability has been established to mainstream environmental issues, including environmental degradation, climate change and sustainable development, into the United Nations Development Assistance Framework (UNDAF) and United Nations Country Team activities.

### ***Recommendations***

- United Nations system organizations should strengthen existing collaborative mechanisms and capacity to address the socio-economic and environmental impacts of climate change in order to assist countries in integrating climate change and environmental issues into their core policy and decision-making processes;
- The United Nations system strategy on climate change should guide the activities of all United Nations entities in support of key sectors – e.g. clean energy; rural energy; water resources management; sustainable agriculture; ecosystem infrastructure; coastal zone management; sustainable cities – and promote joint assessments/programmes.

### **C. Integrated water resource management (IWRM)**

31. By 2025, 1.8 billion people will be living in countries or regions with absolute water scarcity, while two-thirds of the world's population could face water-stressed conditions concerning access to drinking water and water for food, energy and industrial production. These trends indicate that water problems of the future will become increasingly more complex and intertwined with other development sectors like agriculture, energy, industry, transportation, communication as well as with social sectors like education, environment, health, and rural or regional development. Water professionals and/or the water ministries alone would no longer be sufficient to resolve a country's water problems. A more holistic and strategic approach will be needed to deal with issues related to water scarcity.

32. The 2002 WSSD reaffirmed integrated water resource management (IWRM) as fundamental principle to ensure sustainable development and called for improved frameworks for IWRM. Article 26 of the Johannesburg Plan of Implementation called on all countries to “*develop integrated water resources management and water efficiency plans by 2005*”. Despite a growing international recognition of the need for a more holistic approach to water resources management, sectoral approaches continue to prevail, resulting in uncoordinated

water development and management. The implementation of a more integrated approach still encounters a number of barriers in many countries, e.g. inadequate water policies and strategies, inadequate institutional and legislative frameworks that reflect the principles of sustainable management of water; stakeholders, including governments, lacking the necessary knowledge and skills to fully apply IWRM in ways that balance social, ecological and economic considerations to ensure equitable allocation and sustainable usage; and lack of reliable and sustained financing to ensure the successful implementation of IWRM processes. As a result, disputes over limited and vulnerable water resources continue to develop between rural, industrial and urban users.

33. The United Nations system plays an important role in helping countries overcoming these barriers and achieving a more integrated and effective management of water resources. Specific support provided by United Nations agencies involve the promotion of water governance, assistance in the development of policies, laws and regulations for integrated water resource management, capacity building in regional, national and local institutions, and facilitation of information exchange.

34. In 2003, HLCP launched UN-Water, an inter-agency mechanism aimed to add value to existing United Nations initiatives supporting water resources management and to mobilize the system's resources in an efficient and integrated manner to tackle global water and sanitation challenges, including water-caused disasters, emergencies and other extreme events, and help countries meeting their development and environment targets. UN-Water's key objectives are to promote effective exchange of information system-wide; facilitate mutual support between United Nations global and regional activities; and encourage inter-agency networking arrangements among United Nations agencies and outside partners concerning the follow-up to the 2002 WSSD decisions related to water. In response to the call of the WSSD to develop integrated water resources management and water efficiency plans, UN-Water conducted a survey of 104 countries to assess progress in the planning and implementation of IWRM plans and has furthermore proposed a roadmap for advancing IWRM processes. The World Water Development Report is a successful example of the joint effort of the entities that make up UN-Water.

35. UN-Water's efforts to coordinate United Nations system activities promoting integrated water resources management is having a positive spin-off effects on the coordination of local government agencies as well as on donor coordination concerning funding and investments within countries. Still, there is scope for UN-Water to evolve further from its current coordination role to play a more prominent role in addressing emerging issues such as climate change and in providing a platform for developing inter-agency responses to tackle them. There would also be benefits to closer collaboration with UN-Energy and UN-Oceans in areas where there are synergies.

### ***Recommendations***

- The United Nations system should promote greater understanding of the impact of global development challenges such as climate change on the demand and supply of water and identify ways to prevent future shocks, increase resilience and adaptive capacity, and mitigate environmental impacts;
- The United Nations system organizations should strengthen efforts to build national water management capacity, e.g. by promoting education and awareness raising; information resources for policy-making; regulations and compliance; dispute resolution; basic infrastructure; and market stability;
- The UN-Water initiative should promote the participation of all water stakeholders in designing and implementing strategic elements of evolving IWRM processes, and in providing effective responses to emergency issues affecting water management;
- The work of UN-Water at the regional and local level should be integrated into United Nations country-level efforts to support national sustainable development strategies.

### **D. Sustainable agriculture and rural development**

36. In the aftermath of the food crisis there was widespread agreement that agricultural productivity, rural livelihoods, sustainable management of natural resources, and food security were inextricably linked to development and climate change challenges, and thus needed to be addressed comprehensively to avoid another food crisis. In particular, sustainable agriculture and rural development practices were deemed crucial to reduce hunger and poverty while sustaining the ecosystems that poor rural people rely on for their livelihood. Poverty, limited access to land and other resources, poor infrastructure, and political and social constraints restrict the ability of rural people, especially the most disadvantaged, to adopt sustainable practices to secure or improve their own livelihoods.

37. The United Nations plays a critical role in increasing access and capacity of poor rural people to implement sustainable agricultural and rural practices. In 2002, the WSSD launched the concept of Sustainable Agriculture and Rural Development (SARD), as a contribution to implementation of Agenda 21 (Chapter 14). The initiative recognized sustainable agriculture as fundamental for poverty reduction and environmental protection and outlined programmes and actions to enhance food security in a sustainable way.

38. Since then, thanks to several initiatives and alliances that promoted the multi-disciplinary nature of SARD – e.g. the United Nations System Network on Rural Development and Food Security; the International Alliance Against Hunger (FAO, IFAD, WFP and other partners); and the ILO-FAO Memorandum of Understanding to promote rural employment – the concept has evolved to include

social, institutional, and economic sustainability. Current definitions of SARD are generally concerned with the need for agricultural practices to be economically viable, to meet human needs for food, to be environmentally positive, and to be concerned with quality of life.

39. The United Nations system follows a “twin-track” approach to address short- and long-term challenges to SARD. This approach is reflected most recently in the Comprehensive Framework for Action developed by the Secretary-General’s High-level Task Force on the Global Food Security Crisis, established in April 2008. The short-term approach addresses hunger and malnutrition through immediate and direct action to alleviate their impact. It also provides the basis for sustainable livelihoods as well as resilience to climate events of the most vulnerable communities. Interventions focus on putting in place and scaling up emergency feeding programmes and other social protection schemes targeted to vulnerable populations, including school feeding programmes, also vouchers, cash transfers and food-based employment programmes. Also important to the short-term response have been measures to ensure that small farmers are able to afford and access farm inputs in a timely manner to meet planting schedules.

40. The long-term approach focuses on increasing investment in agriculture, which has been neglected for many years by both governments and donors; developing agricultural value chains, including improved storage and distribution; building up farmers’ marketing cooperatives and other organizations to enhance farmers’ market power; enhancing farmers’ access to credit; and strengthening agricultural extension services with a focus on training farmers in sustainable agricultural, including land and water management, practices. Also important are providing support to small- and medium-sized agro-industry enterprises in rural areas to generate employment and diversify rural economies and building rural infrastructure like irrigation and water storage, roads and electricity grids.

41. These initiatives of multiple UN agencies – notably the Rome-based agencies - require strong coordination, and one of the key objectives of the Secretary-General’s High-Level Task Force has been to enhance such coordination. Meanwhile, the United Nations System Network on Rural Development and Food Security has helped continue a dialogue among United Nations agencies to promote a system-wide approach to SARD.

42. The global food and financial crises have over-stretched the capacity and resources of system organizations, such as WFP, to deal with the increased number of people requiring food assistance. WFP has recently issued an urgent appeal for a “human rescue package” to provide the US\$5.2 billion needed to feed around 100 million people in 2009. Climate change is likely to worsen this situation by increasing uncertainty regarding food production and prices. Future interventions will require a better understanding of the effects of these crises on the stability and sustainability of food production and will need to build resilient agricultural systems that can adapt to stress and changes and absorb disturbances.

43. There is already some progress in this regard. WFP, for example, has developed a Vulnerability Analysis and Mapping mechanism to assess risks and better understand the impact of the financial crisis, on food security. The model looks at food and fuel prices, GDP growth, trade, wage rates, employment, remittances and social safety net spending. It will help identify which countries are most vulnerable to increased hunger as a result of the financial crisis. It might also help in monitoring changes and tracking them at the global and country level, building on the experience gained with the food crisis. IFAD has begun introducing safeguard procedures for environmental management and sustainable development. FAO has included the concept of vulnerability to food insecurity in its work. Food security has four dimensions beside production: availability, accessibility, stability of food supply and utilization of food. In this model, socio-economic factors, e.g. market forces, may dominate impacts on food security in the short term, but environmental factors become crucial to ensure stable and sustainable food production over the long term.

### ***Recommendations***

- United Nations organizations should find innovative ways to coordinate and integrate the broad range of activities related to sustainable agriculture and rural development under the SARD approach;
- The United Nations system should strengthen its capacity to assess and analyze the impact of current crises and risks on the stability and sustainability of food production;
- The system should support national efforts to build resilient agricultural systems that can adapt to stress and changes and absorb disturbances.

### **E. Sustainable urbanization**

44. In recent years, cities have acquired a central role in driving economic development in many developing countries. Today, three billion people, half of the world's population, live in cities. Fast, unregulated urban growth, however, has also increased urban poverty. One billion urban residents, or 70 percent of urban population, live in slums, condemned to a life of poverty and ill health, because of lack of decent employment, adequate infrastructure, and exposure to air pollution. Cities have also increased environmental degradation as cities often encroach on land, forests and watersheds, threatening biodiversity beyond national and regional borders, and are becoming major emitters of greenhouse gases.

45. Reducing the negative impact of cities and improving the lives of urban dwellers is inextricably linked to achieving the Millennium Development Goals (MDGs), Agenda 21, and the Plan of Implementation of the WSSD. Several major constraints, however, stand in the way of sustainable urbanization: a largely sectoral view of policy making and allocation of resources, resulting in

uncoordinated economic, social and environmental strategies; failure to recognize the spatial dimensions of sustainable development, resulting in the dispersion of resources, especially in urban areas; weak local governance, especially in developing countries, for land use planning, housing and the provisions of basic infrastructure and services; and competition for investment between urban, peri-urban and rural jurisdictions, resulting in the irrational use of land, water and other natural resources.

46. The United Nations system has played a critical role in drawing the attention of the international community to the issue of urbanization, urban poverty and environmental sustainability. UN-Habitat, in collaboration with other partners, has underscored the dynamic nature of the sustainable urbanization process including environmental, socio-economic and political-institutional dimensions. This has contributed to promote a sustainable development approach that link the alleviation of the urban poor's conditions to the achievement of MDG-7 and other MDGs. Such an approach, however, has yet to be operationalized.

47. The integration of sustainable urbanization and urban poverty reduction in the activities of all United Nations organizations and particularly in the UNDAF process continues to be a key challenge. The CEB framework on climate change, which is based on studies of socio-economic and demographic impact of climate change on countries and cities, is a step in this direction. HLCP also agreed to table a thematic discussion on "urban poverty or urbanization: challenges and opportunities" for a future CEB session.

### ***Recommendations***

- The United Nations system organizations should streamline sustainable urbanization, urban poverty reduction and slum upgrading in their efforts to achieving the MDGs in the urban areas;
- UNDG should facilitate the inclusion of sustainable urbanization concerns in the UNDAF guidelines and in system programmes supporting national poverty eradication and sustainable development strategies.

### **F. Enhancing social equality, including the empowerment of women**

48. Poverty, income inequalities, unequal rural-urban development, distribution of assets, access to social services and security, and direct or indirect discrimination based on gender, race, disability and ethnicity, are all major causes of social exclusion. Poverty and social exclusion deprive the economy of precious human resources to promote sustained economic growth and increase environment degradation as a result of sub-optimal or inefficient use of natural resources. Recent global crises and socio-demographic changes have exacerbated the problem of social exclusion by raising unemployment, worsening labor conditions, increasing economic insecurity, and adding tens of millions to the ranks of people living in poverty worldwide.

49. A growing international consensus is emerging on the need for comprehensive development strategies to address the economic, social and environmental impact of these crises in an integrated manner. The 1995 World Summit for Social Development had already recognized that poverty eradication, full employment and decent work, and social integration are all interrelated and mutually reinforcing objectives. Achieving these objectives requires coordinated and mutually reinforcing social, economic and employment policies that promote social justice, economic recovery and growth, and are economically and environmentally sustainable.

50. United Nations system organizations have long been committed to these objectives. Many agencies have actively supported mainstreaming employment, social protection, access to basic social services, and gender equality into national development and poverty eradication strategies, and creating legal and institutional frameworks promoting social inclusion. The Toolkit on Mainstreaming Employment and Decent Work, developed to assist all system agencies integrating the goals of the ILO Decent Work Agenda into their work in support of national development strategies, is the most comprehensive system-wide effort in this regard. The Agenda constitutes an important step towards the integration of social equality and social justice concerns into economic planning decisions. The collaboration between FAO and ILO to promote decent rural employment is another important effort as well as the Global Gender and Climate Alliance to ensure gender-responsive climate change decisions and initiatives.

### ***Recommendations***

- The United Nations system should promote a greater understanding of the social impact of current crises in order to support national efforts to build more equal and inclusive societies;
- System organizations should continue to integrate social equality and social justice concerns in the formulation and implementation of programme and activities supporting national sustainable development strategies.

### **G. Strengthening institutions for sustainable development**

51. While there is no shortage of regimes, institutions and other arrangements at the global, regional and national levels dedicated to addressing the broad range of economic, social and environmental challenges of sustainable development, a coherent and integrated institutional underpinning capable of balancing competing interests and fostering economic, social, and environmental assets is still lacking.

52. Effective sustainable development institutions at all levels should be able to integrate the concept of sustainability across the whole range of economic, social, and environmental activities in ways that stimulate innovation and economic growth without compromising the environment and social cohesion; deliver decisions based on long-term sustainability rather than only short-term demands;

and ensure the reflection of the true cost of natural resource depletion in market and other economic interactions.

53. At the international level, Multilateral Environmental Agreements, for example, have addressed particular environmental problems such as ozone depletion, climate change and biodiversity loss. Other regimes related to trade, finance, development and other fields of policy-making also play a key role in addressing some aspects of sustainable development. The coordination between these regimes, however, is weak resulting in weak sustainable development governance, which also reflects a persisting disagreement on what constitutes an effective and appropriate approach to sustainable development. The Commission on Sustainable Development and the ECOSOC have played and play a critical role in building consensus and operationalizing the concept of sustainable development by fostering coherence and coordination across policy areas and promoting integrated mechanisms to manage critical sectors. Their implementation of these efforts, however, continues to be a challenge.

54. At the national level, the governance of sustainable development tends to be dispersed among different government institutions and regimes, which often do not coordinate with each other. The role of Governments is central to ensure a comprehensive approach for meeting national goals, balancing competing interests, and picking up signals of economic decline, social exclusion and environmental degradation. This requires all parts of government to come together in formulating and implementing national strategies to address sustainable development challenges. Governments, however, often lack human and financial capacities as well as political commitment to promote sustainable development objectives and provide meaningful checks and balances to enforce them - e.g. rules and norms restraining access to and use of assets central to human well-being.

55. The United Nations plays a critical role in setting the global sustainable development agenda and supporting Governments' efforts to implement it through their national development strategies. United Nations system organizations and coordinating mechanisms, such as the Chief Executives Board, Environmental Management Group, and the UN Development Group, have made considerable progress in strengthening the United Nations system support in this regard by enhancing policy coordination across environmental activities; mainstreaming the environmental dimension across all system's activities; and addressing issues of environmental governance. At the national level, United Nations country teams and various United Nations agencies have also focused on promoting the environment dimension in national sustainable development strategies.

56. Despite these efforts, the environmental dimension still remains somewhat separate from the economic and social activities of the system. Mainstreaming environmental concerns in all system activities will require removing existing institutional barriers to allow the system to come together on all three dimensions of sustainable development. The creation of issue-based clustering arrangements

across environmental, economic and social dimensions could be one way to overcome institutional barriers, promote collective thinking and action, enhance coordination and encourage accountability towards the implementation of the sustainable development agenda.

### ***Recommendations***

- The ECOSOC should play a stronger role in mainstreaming the concept of sustainable development in the work of the United Nations;
- The Commission on Sustainable Development should play a central role in revitalizing the concept of sustainable development and in enhancing its relevance as a guiding framework for all the UN system's activities;
- The United Nations system should promote special initiatives to help develop sustainable development institutions, such as national and local sustainable development councils and other coordinating mechanisms;
- The United Nations system should support national efforts to build human resources capacity to analyze, formulate, and implement a sustainable development approach.

## **V. Lessons learned from national sustainable development strategies**

57. Sustainable development is a long-term goal that needs to balance competing interests and priorities. Recent global crises and the growing impact of climate change have underscored the urgency of finding new and more effective ways to reconcile different priorities and deal with the challenges of sustainable development. The 2002 World Summit on Sustainable Development (WSSD) called on all countries "to take immediate steps to make progress in the formulation and elaboration of national strategies for sustainable development and begin their implementation by 2005". Although this target has not been fully achieved, 82 States Members of the United Nations have reported to the Commission on Sustainable Development (CSD) or the United Nations Department for Economic Affairs that they were implementing a national sustainable development strategy (NSDS) as of 2007. Moreover, over the past decade several countries have developed innovative mechanisms – e.g. economic, regulatory, expenditure and institutional – that have promoted more comprehensive and strategic approaches to sustainable development.

58. Some countries have developed innovative ways to monitor the various aspects of their economy, analyze the inherent trade-offs and inter-linkages among the three dimensions of sustainable development, and make critical and necessary adaptations to their policies and strategies. The UK, for example, has used various approaches and tools to examine the linkages between economic, social and environmental systems. The Integrated Policy Appraisal (IPA) process was

introduced to encourage the use of environmental appraisals as part of policy-making and review processes. It was designed to assist government departments to assess the potential economic, social and environmental impacts of their policy proposals.

59. Other countries, like Mexico, have been able to make significant progress in achieving their sustainable development objectives by integrating sustainable development principles directly into their national development planning and budgetary processes, rather than creating a separate process; others, have established cross-sectoral institutional arrangements to lead their sustainable development process across government departments. The Philippines, for example, has established a Council for Sustainable Development chaired by the National Economic Development Authority to lead its sustainable development process, which has kept sustainable development objectives at the center of government decision-making. In the UK, several Government departments, including departments for Trade and Industry, Health and Defense, have published their own sustainable development strategies to complement national and regional ones, strengthening their overall impact. In countries where the sustainable development process was only led by the environment department, on the other hand, the sustainable development approach has had more limited impact on government decisions.

60. Several countries have been able to promote sustainable development effectively when they coordinated their national, sub-national and local efforts. In the Republic of Korea, for example, the National Action Plan of Agenda 21 fostered the adoption of Local Agenda 21s (adopted in 213 out of 249 regional government units), through financial and capacity support and established a Korean Council for Local Agenda 21 to better co-ordinate the implementation process. This helped establishing a comprehensive framework for long-term sustainable development planning, both cross-sectoral and sectoral, and with a high degree of spatial diversification (national, regional and local).

61. Most countries use participatory multi-stakeholder approaches in NSDS development, even though the extent of engagement of business organizations, civil society organizations including NGOs, trade unions, academia and other major groups varies. At the same time, public participation in NSDS monitoring and, particularly, in actual NSDS implementation remains limited.

62. Some countries have successfully adopted cross-sectoral, interdisciplinary approaches, such as the IWRM, to managing their natural resources, often as a component of their sustainable development strategy. These approaches have encouraged maximizing economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems.

63. Most countries are addressing major cross-cutting issues such as climate change in their NSDS, but scope and focus vary across countries. Generally, climate change mitigation is covered more prominently and specifically than

adaptation. Integrating climate change into NSDS enables countries not only to harness co-benefits of climate change response measures for other sustainable development objectives, but also to realize and highlight the climate change benefits of measures aimed at objectives such as increasing energy security, ensuring sustainable forest management, implementing IWRM or strengthening disaster risk management. An NSDS also provides a natural framework for simultaneously incorporating inter- and intra-generational equity concerns into national climate change response measures.

64. Despite the increasing reliance on markets to allocate resources and the potential impact of market users on environmental and social systems, economic instruments have been under-utilized to tackle key sustainable development issues. Very few countries, for example, leverage instruments such as environmental fiscal reform and emissions trading to achieve sustainable development.

65. The United Nations system can learn some important lessons from this broad range of experiences for its support to national strategies for sustainable development. For example, the systematic development of quantifiable and measurable targets for sustainable development helps increase focus and commitment to this goal; understanding the linkages between economic, social and environmental issues facilitates the formulation of more comprehensive and effective sustainable development strategies; a clear mandate and institutional arrangements across government departments to lead the sustainable development process help placing sustainable development objectives at the center of government decision-making; assessing policy initiatives in an integrated manner to understanding their economic, social and environmental impact, helps identifying leverage points to influence sustainable development objectives, identify emerging issues, and learn and adapt to change; coordination between sectors (e.g. departments) and cross-sectoral strategic approaches (e.g. PRSPs and Environmental Management Plans) is essential to ensure that national strategies and issue-specific policies are mutually reinforcing; institutionalized cross-sectoral participation is essential to understand and address the complex inter-dependency of economic, social and environmental systems.

### ***Recommendations***

The United Nations system should:

- encourage and facilitate the participation of countries in shared learning and review mechanisms on national sustainable development strategies;
- promote cross-sectoral approaches in the formulation and elaboration of national strategies for sustainable development;
- encourage and facilitate the incorporation of sustainability principles into sectoral policy-making and strategic plans, including through integrated appraisal mechanisms;

- promote cross-sectoral, interdisciplinary, participatory networks to address and find solutions to specific sustainable development challenges (e.g. water scarcity, desertification, land degradation, etc.);
- help in building national capacity of statistical offices to develop and implement quantifiable and measurable targets for sustainable development and integrated sets of sustainability indicators;
- help countries understand and use effectively a mix of policy instruments, including regulatory, economic and information disclosure instruments, to address sustainable development challenges.

## **VI. Emerging challenges**

66. National efforts to promote sustainable development face multiple and interconnected challenges, amplified by recent global crises. The dramatic increase in food prices has considerably reduced the purchasing power of low-income, food-deficit countries, increasing their poverty and hunger levels. The intensification of climate change events and environmental degradation is putting at risk the safety and livelihood of a growing number of people. Unsustainable patterns of production and consumption and population growth, projected to reach 9 billion in 2050, are accelerating environmental degradation and depletion of natural resources, while unregulated urban growth is significantly increasing urban poverty. Widening inequalities, unemployment, underemployment and poor working conditions are becoming a major obstacle to achieve sustainable development world-wide, while slow economic growth, export decline, and loss of foreign exchange earning are reversing economic and social gains already made by many countries.

67. Facing these challenges will be challenging and costly. The United Nations High-Level Task Force on the Food Crisis estimates that in the current scenario the cost of facing short- and long-term sustainable development challenges will be an additional \$25 to \$40 billion to be invested every year for food and nutrition security, social protection, agricultural development and better functioning of food markets. Approximately one third of the additional resources would be needed for immediate food assistance and short-term budgetary and balance of payments support, and two thirds for investments in rural infrastructure, education, clean water and agricultural research.

68. The United Nations has made important strides in devising a coordinated, comprehensive and strategic approach to current crises, as for example with the establishment by the Secretary-General of a Task Force on the Global Food Security Crisis to promote a unified response globally and nationally to the broad range of challenges posed by the crisis and address the immediate funding shortfalls for food emergencies. Recently, the CEB has formulated a number of

system-wide initiatives – so-called Joint Crisis Initiatives – to respond to the multiple crises currently faced by governments and the international community, including the financial crisis and global recession. The aim is to form a broad-based perspective on the economic, environmental and social impact of the crisis and its implications for the work of the UN system, from a policy and programme angle, and to identify actions required in response. The CEB has developed a similar approach to deal with climate change.

## **VII. Conclusions**

**69. The United Nations system has made important strides in strengthening its role in support of sustainable development, as evidenced by several system initiatives in some of the key areas identified by the Declaration. The system was able to adopt cross-sectoral, inter-disciplinary approaches to address a number of specific challenges – from climate change to water resource management, energy supply, and agriculture and rural development – and their economic, social and environmental dimensions. The participatory nature of these approaches has also facilitated greater coordination within the system as well as among government agencies and departments dealing with these challenges, as well as strengthened understanding of the inter-linkages between different dimensions of sustainable development and policy trade-offs.**

**70. These efforts could be scaled-up to involve all relevant partners. Similar issue-based system-wide approaches could also be applied to the broad range of challenges and sectors that have an impact on sustainable development, such as urbanization, social equality, institutional development, etc. This might also require a closer cooperation between the CEB/HLCP and UNDG to ensure these cross-sectoral, issue-base approaches become an integral part of the United Nations system efforts supporting national development and poverty eradication strategies.**