

## **INTERREGIONAL COOPERATION FOR SUSTAINABLE DEVELOPMENT: CHALLENGES FOR LATIN AMERICA AND THE CARIBBEAN**

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The United Nations Conference on Environment and Development (UNCED) was unquestionably a milestone in the formulation of a global agenda for sustainable development, since it crystallized a political consensus of the highest level. This was the beginning of the transition towards a new international environmental regime based on a new generation of conventions and a global programme of action. Agreement was also reached at that time on new principles that would provide a more equitable foundation for international cooperation. UNCED can be said to have marked a turning point in the negotiation of a new generation of multilateral conventions, with strong environmental components but also endowed with a broader vision of development that acknowledged the importance of reconciling economic output and international trade with the sustainable use of natural resources and the protection of the environment. Many of these conventions and their respective protocols include innovative financial mechanisms and instruments that seek to afford developing countries better access to new technologies.

An overall review of events during the past decade indicates that the international climate for sustainable development has improved and there is no doubt that 10 years after the Conference, the principles and agreements adopted there are still very much alive. The concept of sustainable development has become a frame of reference for the international agenda, not only with regard to environmental issues but also in the way the international community deals with such issues as poverty reduction, gender equity, population and human settlements. New non-state actors have been engaged and the private sector and civil society have become more deeply involved in the search for solutions to the environmental challenges of sustainable development.

Although the international community took up these principles and agreements enthusiastically, however, the initial momentum began to wane as the decade wore on. The World Summit on Sustainable Development to be held in Johannesburg in August 2002 should open up new opportunities for reaffirming political commitments, making the global agenda more cohesive, strengthening its implementation and forming operational linkages with regional and national agendas.

### **Sustainable development challenges at the regional level**

The Latin American and Caribbean region has yet to fully and effectively incorporate the Rio agenda, and has not been able to move beyond a fragmented approach to sustainable development. Much headway needs to be made with the application of coherent policies in such areas as finances, trade, investment, technology and environmental sustainability. Thanks to the processes initiated at the Rio Summit, in the course of the last decade we have learned that the environmental deterioration seen in Latin American and Caribbean countries at intermediate and

even early stages of the development process is not an issue we can afford to postpone. We have learned, too, that this objective entails much more than the protection of the region's rich endowment of natural resources. It is essentially a call to mobilize investments towards dynamic sectors which use clean technologies and methods of production and whose competitiveness is based on the accumulation of capital in the broad sense: human, social, physical and natural. It is also necessary to adopt a proactive, positive agenda in place of the reactive or even negative response to global demands that this issue continues to evoke in most of the countries of the region. The logical counterpart to that effort should be the provision of greater international cooperation and resources by industrialized countries, in order to carry out the commitments undertaken to implement the global agenda and finance a share of the activities conducted in developing countries, in accordance with the principle of common but differentiated responsibilities. In both cases the results have been insufficient and, at least in respect of cooperation resources, frankly inadequate.

The primary hurdles to the implementation of concrete activities within the framework of sustainability have to do with institutional and financial considerations. Institutional mechanisms need to be greatly strengthened, in order to integrate public policies, set up clear and consistent regulatory frameworks and to achieve a stable level of public expenditure with a view to generating significant synergies with international financing and private investment. Moreover, a number of worrying tendencies persist, such as new conditionalities being imposed on cooperation, ostensibly due to the concern over global environmental problems, and the substitution of development assistance in favour of trade alone. In many countries of the region, the principles of environmental protection and sustainable development are still viewed in many sectors as a constraint on economic growth. Most of the explicit environmental policies now applied, and most of the direct and indirect regulation instruments used in the region, are reactive in nature. Prevention and incentive policies to improve environmental quality as it relates to industrial competitiveness have received far less attention. Again, environmental institutions are only just beginning to create the capabilities they need to achieve the goals identified in terms of effective inter-sectoral and subregional policies and to put the international negotiating position of the countries on a sound footing. The consequences of this institutional frailty are particularly serious when environmental damage is associated with the export structure and economic strategies of countries and subregions. The most notable examples are provided by some new issues to which increasing attention is being given in the international debate, such as biosafety and trade related to genetically modified organisms, as the countries of the region are having to deal with transnational agents that are very well organized to defend their interests.

The region is facing the twofold challenge of achieving its dynamic integration into a globalized world and of surmounting the equity gap, exclusion and environmental deterioration by shaping a modern vision shared by all members of society.

### **The contribution of ECLAC**

The contribution of ECLAC has consisted precisely of forging coherent links among the different spheres of public policy, especially economic policies, with the challenge of achieving stable, equitable and environmentally sustainable growth. In this context, we will continue to work with the countries of the region to deal with these challenges, particularly with regard to the issues the Governments have identified as priorities, of which I will mention five:

1. The evaluation of the sustainability of development from a perspective that integrates economic with social and environmental indicators and serves to measure progress and identify areas that require priority attention in the light of the commitments undertaken in the Millennium Declaration. This entails the modernization of national information systems by institutionalizing the processes of compilation, analysis and dissemination of environmental statistics, in order to provide an opportune and accurate picture of sustainability gaps in all spheres that impinge on economic and social development. This means that, as well as traditional statistics on macro and microeconomic parameters, poverty, employment, education and health, it is necessary to make headway with the construction of environmental indicators based on systematic information regarding the various spheres of interest.
2. The integration of economic and environmental policies. This requires, first of all, an analysis of the linkages between trade and the environment. ECLAC is keen to examine the relationship between trade and the environment from a positive viewpoint, particularly in the context of the trade negotiations in which the countries participate at the global, regional and subregional levels. Second, the Commission is also examining the issue of financing for sustainable development, based on mechanisms and instruments that will serve to establish higher levels of public and private investment and spending, and its linkages with general development financing policies. Lastly, ECLAC is seeking to support the countries in their efforts to modernize their institutions and processes of budget formulation and oversight, design new forms of financing, implement economic instruments in environmental management, and facilitate a more fruitful dialogue between institutions and economic sectors, especially those responsible for fiscal policy.
3. The quest for new production opportunities based on the natural resources and the environmental services the region offers. In this connection, energy efficiency is certainly one of the core issues on the agenda, with a view to promoting the use of renewable energy sources and clean, energy-efficient conventional technologies. The Kyoto Protocol is the ideal multilateral instrument for driving this strategy forward, as the mechanism to pioneer the concept of a market for global environmental services. In addition, it is necessary to promote the design of ecological products, environmental labelling and other transparent and verifiable information practices that are non-discriminatory and consumer-orientated, while ensuring that these are not used as concealed trade barriers.
4. There is a need to promote the sustainable management of ecosystems and biological diversity. The countries must be supported in their efforts to develop innovative mechanisms to finance the conservation and restoration of ecosystems, which recognize the global environmental services provided by priority natural land and marine ecosystems. This includes forging closer links between biodiversity, biotechnology and sustainable development on the basis of equitable mechanisms of technology transfer that will enable developing countries, particularly those considered to be megadiverse, to participate fully in this emerging market.
5. Management of the urban environment for sustainable development, starting with the analysis of instruments and positive experiences that can contribute to improving the quality of human settlements as it relates to environmental, social and economic issues.

The management of freshwater resources and urban poverty reduction are particularly pressing issues in this regard.

### **Preparatory process for the World Summit on Sustainable Development**

Together with the Regional Office for Latin America and the Caribbean of the United Nations Environment Programme, the United Nations Development Programme and the United Nations Department of Economic and Social Affairs, ECLAC organized the regional preparatory activities for the World Summit on Sustainable Development. Although it has become a tradition for the region to hold regional conferences ahead of world summits, this was the first time that Latin America and the Caribbean conducted prior consultations in order to formulate proposals that would reflect the particular features of four subregions. These culminated in the Regional Preparatory Conference of Latin America and the Caribbean for the World Summit, which was held in Rio de Janeiro, Brazil, on 23 and 24 October 2001. To facilitate the debates, ECLAC and UNEP prepared a document to assess the challenges and opportunities of sustainable development in Latin America and the Caribbean, which was welcomed by the countries at the Regional Conference. In addition, ECLAC and UNDP prepared a document on financing for sustainable development which was extensively discussed among the economic and environmental authorities attending the meeting. These discussions served as the basis for another meeting, which took place in Monterrey in March 2002, within the framework of the International Conference on Financing for Development. The principal virtue of this meeting was the fact that it convened representatives of the public and private sectors to propose innovative approaches to financing and investment for sustainable development.

The consensus reached by the countries of the region at the Regional Preparatory Conference was enshrined in the Rio de Janeiro Platform of Action on the road to Johannesburg 2002, which was further developed by the Forum of Ministers of the Environment of Latin America and the Caribbean, with the support of ECLAC, UNEP and UNDP in May 2002, which gave rise to the Latin American and Caribbean Initiative for Sustainable Development.

### **The importance of interregional cooperation**

The new environmental and institutional era gives rise to new and different imperatives for international cooperation for sustainable development at the global and regional levels. In this regard, the regional sphere is the most appropriate forum to implement Agenda 21 and the agreements arrived at in Johannesburg, based on more integrated approaches to economic, social and environmental issues and taking into account the specific features of each region. Regional discussions serve to coordinate national situations with global priorities and to build consensus around problems that countries share as a result of geographical proximity or the similarity of institutional traditions. In addition, it provides a forum for the exchange of experiences and information and peer review on a multisectoral basis, which facilitates the establishment of networks of experts, governments and organizations in order to share successful and creative best practices, and strong and weak points of policies and management systems.

Faced with the urgent need to reinforce the collective capacity of the United Nations system to respond to the challenges of sustainable development, the regional sphere emerges as a unique forum for cooperation. It provides the opportunity to achieve greater consistency among regional and subregional intergovernmental agencies and avoid the duplication of tasks by means

of coordination arrangements and joint programming mechanisms that move away from the fragmented approach to development to forge closer connections with subregional and national organizations and with multilateral financing agencies. This type of approach is gradually being introduced, for example, in initiatives for the promotion of sustainable development in the management of shared ecosystems (e.g., the Amazon, the Caribbean Sea, the Andean ecosystem and the Meso-American corridor) and shared river basins.

The existing structure of the environmental institutions in the different regions needs to be gradually reformed, starting with the consolidation of the role of the regional commissions as agencies closely associated with the various intergovernmental mechanisms of regional and subregional integration and/or cooperation.

In this regard, it should be possible to strengthen interregional cooperation as one of the most promising dimensions likely to emerge from the World Summit on Sustainable Development in Johannesburg. In recognition of this, the five regional commissions have established a mechanism of ongoing dialogue and collaboration for this preparatory process. From the perspective of ECLAC, the priorities for inter-regional cooperation could be defined as: trade and the environment, fiscal policy and the environment, financing for sustainable development, energy and biodiversity.