Subnational Governments: Key Actors in the Rio+20 Process

nrg4SD Input to the Compilation Document

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North and South Subnational Governments committed to Sustainable Development consider that:

*In terms of a reformed Institutional Framework*

1. Any future institutional framework for sustainable development should be deeply rooted in the principles of **multilevel and multi-stakeholder governance** in order to allow for interaction, synergy and complementarity between all levels of governments in the elaboration and implementation of sustainable development policies and to encourage ownership of the challenges and the opportunities of sustainable development by all sectors of our societies. Adequate institutional frameworks should be based on the principles of coherence and coordination; transparency and accountability; participation and flexibility and; science base for policy making.

2. A **clear territorial dimension** should be considered in **international sustainable development policies** and therefore be coupled with **adequate implementation resources and governance tools** at subnational level as a condition for obtaining results on the ground.

3. A **new category of “Governmental Stakeholders”** should be introduced among the observers accredited to UN processes in order to recognise the governmental nature of Federated States, Regions, Cities and Local Authorities and fully unfold their contribution to international negotiations and policies on sustainable development.

4. An institutionalised **multilevel governmental dialogue** should be put in place between UN institutions, UN Member States and “Governmental Stakeholders”. The mechanism of such a
dialogue should be part of the Rio+20 redesigned institutional framework, and enable subnational governments to contribute to the design of global policies on sustainable development.

5. The **active participation of civil society** stakeholders in international negotiations in a **representative and relevant manner** should be guaranteed and encouraged by all levels of government.

6. The UN Environment Programme **UNEP should be strengthened and upgraded to a fully resourced Specialised Agency with a comprehensive mandate** covering all international sustainable development instruments and focusing on mainstreaming sustainable development concerns into UN bodies; centralising all sustainable development initiatives and relevant existing bodies within the UN as well as the liaison with an independent intergovernmental group of sustainability experts; consolidating information, and knowledge; putting forward proposals for international binding measures, and alerting the international community about breaches of SD policies and instruments. This Agency should be vested with a strong monitoring and control system.

7. The **UN Commission for Sustainable Development (UN CSD) should be upgraded into a Council and have a stronger monitoring and control mandate**, including the elaboration of recommendations to UN members and the scrutiny of the initiatives of any UN body related to sustainable development.

8. An **independent Intergovernmental Group of Sustainability Experts** should be established in order to further encourage research, development and innovation in the field of sustainable development and to move towards innovative integrated and standard approaches, parameters, indicators and tools for sustainable development which are based on shared initiatives and intergovernmental expertise.

9. The international community should **move progressively towards** the establishment of a **fair and transparent international environmental jurisdiction**.

10. **Independent, multi-stakeholder, multilevel and fully resourced sustainable development commissions** should be created at national level within the possibilities of their respective jurisdictions and encouraged at subnational level. They would constitute an asset for the elaboration of inter-ministerial over-arching sustainable development strategies and for the compliance of public policies with sustainable development goals; while they would help reduce other negative impacts of policy fragmentation.

**In terms of a Green Economy in the context of Sustainable Development and Poverty Eradication (SDPE)**

11. **A transition towards a Green Economy in the context of SDPE shall be framed in the wider and sole goal of opportunities and encouraging a progressive paradigm shift in our societies** capable of harmonising sustainable and inclusive economic development, responsible sustainable consumption and production (SCP) patterns, decent and green jobs efficient use of resources, energy efficiency and use of renewable energies, quality of life for all citizens, access to food, water and energy for all, intergenerational solidarity, access to information and participation by all sectors, environmental protection and conservation, ecological services of ecosystems and biodiversity and the resilience of our communities to climate change.
12. All levels of government should make further progress in the development of collaboration and partnerships mechanisms between the public and private sectors. The transition to a more sustainable pattern of development does not only represent a problem but, on the contrary, offers a whole series of opportunities particularly when environmental improvement and the generation of economic and social value added are considered in terms of potential synergy. The opportunities must be made use of through appropriate measures in the fields of economic policy, education and social change; the creation of alliances between employment policies and environmental policies.

13. Crucial for a Green Economy in the context of SDPE is the maintaining and development of local frameworks. Further support and redevelopment of local markets will be key to achieve sustainable development and especially to eradicate poverty as these local market chains provides sustainable income at the lower level, and indirect benefits (reinforcement of the communities, financial resilience, and reduction of the environmental impacts).

14. A Green Economy in the context of SDPE can only constitute a tool for sustainable development and poverty eradication provided transparent and widely supported drivers, criteria and monitoring, reporting and verification systems are identified. Innovative and integrated parameters that go beyond the Gross Domestic Product GDP indicator and that guarantee a territorial dimension will be vital to a Green Economy capable of securing sustainable development and eradicating poverty.

15. UN member states and UN bodies should make full use of the contributions of subnational governments as key enablers to a transition to a Green Economy in the context of SDPE. These contributions consist namely of regulatory competences; long-track experience in elaborating territorial economic strategies in close collaboration with other levels of government and academia, civil society or private sector actors; prioritisation of public investment in their territories in areas that stimulate green economic sectors; subnational fiscal and market-based mechanisms to promote green investment and innovation; subnational green and ethical public procurement policies; community-based capacity building; training and education initiatives, and international solidarity initiatives.

16. Networks of local and regional governments can help the exchange of experiences, good practices and knowledge on a global scale to facilitate policy making for a Green Economy in the context of SDPE. These can help to build capacity and adequate bottom-up policies, based on local priorities and circumstances.

17. Sustainable development compliance should be integrated in all international, national and subnational policies for economic competitiveness and guaranteed for initiatives funded by any UN bodies.

18. Further efforts should be made to adopt innovative international financing mechanisms for sustainable development accessible to all levels of governments.

In terms of Other Topics

19. As more and more land is converted to urban uses and more and more citizens live in urban agglomerations, the patterns that this development assumes within a territory and its inter-connection with the subnational/regional level will have far-reaching effects on sustainable development goals. A city-region approach to the articulation of a territory in a sustainable manner becomes as essential as ever to achieving sustainable development goals on the ground.
20. These urbanisation pressures call for particular attention to rural sustainable development and rural-urban linkages in the elaboration and implementation of sustainable development policies.

21. Gender policies will be key to sustainable development goals and gender conditionality should be considered in sustainable development initiatives funded by UN national and subnational governments or UN bodies.

22. Access to education for sustainable development constitutes a must for social transformation in the North and poverty and inequality eradication in the South, as well as favouring sustainable human development, intergenerational solidarity, North-South interaction and democracy. For all these reasons, access to sustainable education should be taken into account while designing children education programmes from an early age, as well as into a wide range of relevant professional and vocational training fields.

23. Efforts should be made towards the elaboration of a new language for sustainable development matters based on a multidisciplinary approach, and capable of communicating the new challenging as opportunities, as well as of capitalising on new communication technologies.

24. New international conventions shall be elaborated on management of international waters and the seabed and the participation and information in the field of sustainable development (Rio Principle 10). The latter could be easily achieved by enlarging the scope of the Aarhus Convention.

25. Further efforts should be made by the international community in order to further streamline the principles of sustainable development into the Breton-Woods system. This should encompass the adoption of international financing rules for sustainable development; the effective allocation and commitment of 0.7% of GDP of developed countries to Official Development Assistance (ODA); the establishment of a Financial Transaction Tax (FTT), and the allocations of its revenues to low carbon projects. Commitments to phase out inefficient fossil fuel subsidies (eg. G20 and APEC) should be expanded to include all UN Member states.

\textit{In terms of Outcomes of the Conference}

26. An ambitious, firm, transparent, fair and comprehensive political outcome on a renewed commitment to sustainable development that embraces the Millennium Development Goals MDGs is necessary and possible.

27. It should be accompanied by verifiable objectives, roadmaps and timescales, adequate resources and governance tools at relevant levels of government.

28. The future Institutional Framework for Sustainable Development must be deeply rooted in a multistakeholder and multilevel governance approach, encompassing innovative participatory mechanisms for stakeholders while fully recognising the governmental nature of subnational governments.

29. A new category of “governmental stakeholders” should be introduced among the observers accredited to UN processes in order to recognise the governmental nature of Federated States, Regions, Cities and Local Authorities and fully unfold their contribution to international negotiations and policies on sustainable development.
Subnational Governments – Key governmental actors in the Sustainable Development Institutional Framework

In essence, nrg4SD and its members believe that the current name of the Major Group “Local Authorities” is too restrictive and unrepresentative of the governance structure of many UN Member States. “Referring to stakeholders of strictly governmental nature as NGOs fails to reflect the variety of subnational governmental actors and constitutes a missed opportunity to capitalise on the local knowledge, wide array of competences and strong leadership inherent to the governmental nature of Federated States, Regions, Cities and other Local Authorities - all of which work in full complementarity and synergy among themselves and also with national governments and international organisations. The Rio +20 Conference should therefore take this opportunity to reflect on the evolution of Major Groups since 1992 and introduce a new category of “governmental stakeholders”, which could regroup Federated States, Regions, Cities and other Local Authorities.

Since the Rio Summit in 1992, when stakeholders were given a voice through the establishment of Major Groups by the UN, subnational governments all over the world have been fully involved in sustainable development processes and have demonstrated in a number of ways - for instance via Local Agenda 21 initiatives - that their contribution and leadership is essential to help achieve the ultimate objectives of sustainable development. The concrete initiatives of subnational governments have significantly evolved over the past years and shown that the efforts and initiatives of a country become stronger when transposed and complemented by subnational governmental stakeholders such as Federated States, Regions, Cities and other Local Authorities.

Twenty years ago, the idea of referring to any stakeholders different to the State that sit in the UN as “Non-Governmental Organisations” (NGOs) certainly allowed for structuring and channeling the participation of various stakeholders in the incipient sustainable development process under a set of Major Groups. However, nowadays, referring to stakeholders of strictly governmental nature as NGOs appears somewhat as an intrusion in the very much needed space for Civil Society within the sustainable development process. It also constitutes a missed opportunity to capitalise on the local knowledge, wide array of competences and strong leadership inherent to the governmental nature of Federated States, Regions, Cities and other Local Authorities. Last but not least, the current name of the Major Group “Local Governments and Municipal Authorities” is restrictive and fails to reflect the variety of subnational governmental actors – from Cities and Local Authorities to Federated States and Regions - that work in full complementarity and synergy between them and with national governments and international organisations. As a matter of fact, Federated States and Regions can play a pivotal and strategic role in the articulation of synergetic multilevel governance in their respective territories. But today, they do not even feature clearly in the current Major Group structure.

In this context, subnational governments believe that the Rio +20 Conference should take the opportunity to reflect the evolution of Major Groups since 1992 and introduce the category of "governmental stakeholders" among the accredited observers to the UN system. This category should regroup Federated States, Regions, Cities and other Local Authorities.
In addition to the strengthening of a governmental stakeholders group, a **thorough multilevel approach** towards an institutional framework and policy making is important to establish the role of subnational governments.

It is worth noticing that the notion of “governmental stakeholders” is not new to the UN system but comes directly from recent developments within 2 Rio Conventions. At their last meeting in October 2010 in Nagoya, the parties of the UN Convention for Biological Diversity (UN CBD) adopted Decision X/22 endorsing the Plan of Action for Subnational Governments, Cities and Other Local Authorities. The Decision invites Parties to involve Subnational Governments, Cities and other Local Authorities when revising their national biodiversity strategies and action plans. Besides, the Plan of Action establishes Advisory Committees of Cities and of Subnational Governments. Furthermore, in December 2010 in Cancún, México, the Parties of the UN Framework Convention for Climate Change (UNFCCC) adopted the Cancun Agreements, which recognises in paragraph 7 - a first in an UNFCCC official agreement - subnational governments and local authorities as key ‘governmental stakeholders’ in all aspects of global climate change efforts.

Subnational governments believe that the inclusion of a **territorial dimension** in all international sustainable development policy, coupled with adequate implementation resources and governance systems at subnational level, will be central to achieving solid results on the ground.

The economic, social and environmental challenges our societies are facing are crying out for multilevel and multistakeholder governance adapted to the modern times. Thus, we call for the creation of **innovative participatory mechanisms** allowing stakeholders a more direct role in policy making. A **true multilevel and multi-stakeholder Institutional Framework for Sustainable Development** will help turn the current and emerging sustainable development challenges into opportunities. In addition, it would facilitate discussions between UN institutions, UN Member States and “Governmental Stakeholders” on the design of international policies on sustainable development, hence enhancing subnational governments’ contribution to international negotiations and the successful territorial implementation of international policies.

**Subnational Governments – Key enablers of the transition to a Green Economy for SDPE**

At a wider international level, subnational governments have a significant role in establishing the enabling conditions for a green economy outlined by UNEP’s Report. Their contribution to these enabling conditions is outlined below in more detail. Subnational entities are often responsible for the implementation of national and international policies, including policies related to sustainable development. They often constitute spatial and cultural entities that have a significant and coherent impact.

**Establishing sound regulatory frameworks** – Subnational governments have regulatory competences essential to vertebrate their respective territories from the social, economic and environmental point of view. This leads them to elaborating general economic and sustainable development strategies, as well as thematic ones on climate change, waste or social inclusion for instance. Subnational governments have long-track experience in elaborating these strategies in close collaboration with other levels of government and with actors from the academia world, civil society or the private sector.
Prioritising government investment and spending in areas that stimulate the greening of economic sectors – Thanks to their regulatory, budgetary and often fiscal competences, subnational governments can steer public investment to green a wide range of economic sectors and also influence the market. Competences in the area of public procurement and public provision of services allow subnational governments to incorporate not only economic but also environmental and social parameters in this field. This can set market trends and accelerate the market penetration of certain sustainable services and goods.

Limiting government spending in areas that deplete natural capital - Because of the above-mentioned competences, subnational governments can help national governments phase out subsidies with negative impacts on sustainable development or on the profitability of green investments. Also, a detailed knowledge of their respective communities is an asset in order to structure subsidy reforms that do not entail negative consequences to the poorest communities.

Employing taxes and market-based instruments to promote green investment and innovation – Subnational governments are able to influence the private sector behaviour through financial incentives and disincentives and green taxation. They can also contribute significantly to internalise the value of ecosystem services into the economy. Often they do provide incentives to the private sector and forge partnerships with it to accelerate the innovation, development and diffusion of environmentally sound technologies. These mechanisms can encourage long-term investments in infrastructures – for instance in the fields of sustainable mobility and renewable and efficient energy systems – that otherwise would not be viable. At the opposite end, subnational governments can discourage unsustainable industries and practices by means of restrictive authorisation policies and heavier taxation.

Investing in capacity building, training and education – Subnational governments, like national governments, are well positioned to tap into the reservoirs of engineering and manufacturing firms, as well as academic and research institutions, that are operating within their territories to encourage the sharing of scientific and technological skills and know-how with developing countries. Moreover, subnational governments can enter into cooperation agreements with private sectors companies that hold green or low-carbon technology patents and proprietary rights that can be offered to developing countries.

Subnational governments constitute social cultural entities. Their closeness to citizens and experience in working directly with other stakeholders, creates a pivotal position for raising awareness, providing public information on the environmental and social costs of certain practices, giving expert advice and counselling, and involving a range of stakeholders in the complex process of changing behaviours and production and consumption patterns.

It should be highlighted that subnational governments are involved in the international system of development cooperation and they orient their public policies in this field towards the Millennium Development Goals. Through development cooperation, subnational governments act as privileged hubs for implementing initiatives of co-development, and deepening democratisation and alignment processes. In conclusion, subnational governments are ultimately an active part of a new inclusive multilateralism for sustainable development.
North and South Subnational Governments committed to Sustainable Development

The Network of Regional Governments for Sustainable Development, nrg4SD works tirelessly to champion the work of subnational governments on sustainable development. International non-profit organisation representing namely federated states and regional governments at the global level; nrg4D promotes understanding, partnerships and projects in sustainable development and seeks greater international recognition of the important contribution of subnational governments towards sustainable development. Member of the Organisation des Nations Unies-Forum Global d’Associations de Régions (ORU-FOGAR), nrg4SD is the voice of ORU-FOGAR in the field of sustainable development.

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