

# **Global Governance for Sustainable Development**

**A speech by James Gustave Speth**

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(**Note:** From its inception in 1982, James Gustave Speth was the President of the World Resources Institute (WRI). In 1992, he resigned to serve on the Clinton/Gore transition team, then became the Executive Director of the United Nations Development Program. The following speech was delivered in Rio de Janeiro on the fifth anniversary of the UN Conference on Environment and Development.)

I am delighted, and honoured, to be among you today. My thanks go to the Government of Brazil, and to President Fernando Henrique Cardoso, to the Host Committee, to the Earth Council and others whose hospitality, hard work and good planning have brought us together to reflect on the distance traveled since the United Nations Conference on Environment and Development held in this beautiful city of Rio de Janeiro five years ago.

My reflections on this morning's subject, global governance, will be organized in two parts. First, I shall discuss the emerging system of global governance. Then I shall discuss how this understanding informs the vision of the future role of the international development agencies.

## **The emerging system of global governance**

Let me emphatically state that global governance is not global government but a set of interacting guidance and control mechanisms that include both state and non-state actors, actors both public and private, both national and multilateral. As such, global governance is a powerful and growing reality. Global governance is here, here to stay, and, driven by economic and environmental globalization, global governance will inevitably expand. Global challenges and global needs -- whether economic, environmental or otherwise -- require global solutions and global action. Economic and environmental integration lead to political integration. That is global governance.

Three points should be stressed. First, global governance has been expanding for at least a century, and has coexisted with strong states. A strong, confident system of nation states is probably a precondition for strong, confident global governance.

Second, for all their venerable antecedents, global governance mechanisms have witnessed major evolution in recent years. They have become stronger and have proliferated to encompass a variety of new issues, and they have become open to the growing influence on non-State actors in formulating, implementing and monitoring policies.

Third, this sea change in the nature of global governance requires a shift from a nineteenth century perspective to a vision for the twenty-first century.

## **The concept of global governance is not new**

Global governance has co-existed for many years with strong, sovereign states. International arrangements, such as the Rhine and Danube Commissions existed since the early years of the nineteenth century to oversee transport on major rivers.

They were joined in the second part of the nineteenth century by such agencies as the International Telecommunications Union (1865), the World Meteorological Organization (1873), the Universal Postal Union (1875) -- a precursor to the International Organization for Standardization -- the World Intellectual Property Organization (1883), the International Rail Transport Organization in 1880.

In the early years of the twentieth century, the World Health Organization (1907), the International Air Commission (1919) -- precursor of the International Civil Aviation Organization -- and the International Labour Organization (1919) were created. Each of these institutional innovations and the resulting international regulation reflect that economic and other needs spur global governance.

In the wake of the Second World War, new institutions such as the Bretton Woods Institutions and the United Nations came into existence to allow States to manage an increasingly complex world system, where the costs of instability had been dramatically demonstrated.

During the years of the Cold War, when United Nations action was often blocked by Security Council vetoes, the United Nations flourished in another area: a UN heavily engaged in operational activities with refugees, with the poor and hungry, with child survival, with population and environmental initiatives, and with programs to promote human rights came into prominence.

Development and humanitarian assistance, UN and otherwise, should be seen as aspects of global governance, just as assistance to communities and to the needy at home are seen as aspects of national governance. With development assistance, the international community is recognizing that none of the great goals it has pursued -- not peace; not an end to hunger and poverty; not the stabilization of population or the protection of the environment; not democratization and human rights; not the control of disease, illegal migration, drugs or terrorism -- none of these is possible, none is secure, except in the context of successful development -- sustainable, people-centered development -- and that type of development has no real chance in much of today's world without extensive development assistance.

## **The evolution of the system of global governance**

Today, the system of global governance is undergoing a profound transformation. In many ways, a critical event in this transformation was the Earth Summit of 1992. This transformation is both quantitative, in the number of mechanisms of governance that have emerged, actually threatening the manageability of the system, and qualitative, in the broadening of participation in these mechanisms to non-State actors.

At the quantitative level, many of the issues raised in Agenda 21 have since been discussed more fully at United Nations conferences on population, social development, women, habitat, and the sustainable development of small island states. Programs of action and reporting and monitoring arrangements have been agreed. Meanwhile, more formal conventions and agreements on the environment, such as climate change, biodiversity, desertification and toxic chemicals have their own institutional arrangements. Like economic integration, environmental trends have and will inevitably be powerful factors spurring global governance.

Perhaps the most far-reaching, powerful development in the area of global governance is the emergence of the World Trade Organization (WTO), though it may be that, over time, the global climate convention will actually become even more influential.

At the qualitative level, non-State actors, mainly NGOs and businesses, have seen their influence increase in global governance. It was here, at the Rio Conference, the NGOs were first truly recognized as important partners of global governance. NGOs had long been present at international conferences, indeed, NGOs were active at San Francisco in 1945, during the Conference leading to the creation of the United Nations. But, since Rio, as Jessica Mathews states in a recent issue of *Foreign Affairs*, NGOs moved "out of the hallway, around the table."

Nor are NGOs the only non-State actors to participate in the evolution of global governance mechanisms. The phenomenal growth of multinational enterprise is a potent force in global governance. The presence here of Klaus Schwab (of the World Economic Forum) and Stephan Schmidheiny and his colleagues with the World Business Council for Sustainable Development is ample evidence of this.

### **International development agencies and global governance**

These far-reaching developments in global governance are among the strongest reasons for change in international development agencies, not the familiar accusations of a bloated bureaucracy. International development agencies can certainly improve their efficiency, but, more importantly, they must change to adapt to a changing world.

So what are the roles of institutions like the United Nations Development Programme in this evolving global governance contest? I would like to describe four such roles.

First, we can provide assistance to developing countries that enables them to participate more effectively in the many decision-making processes of global governance that affect them. Often this will be access to information or international expertise, but most important is capacity building in government and in civil society organizations. Sometimes governance capacity building is as simple as providing plane tickets to small NGOs to attend the Microcredit Summit.

Second, we can provide assistance that helps developing countries fulfill their end of global bargains or compacts that figure prominently in global governance. Global agreements and conventions are compacts among very unequal partners, and some will need help to fulfill their agreed responsibilities. So, as at Rio, development assistance is often at the heart of the compact. And what has happened since Rio in this regard?

UNDP has dramatically increased its spending on Rio objectives. It is now at least a fourth of our program, with important initiatives like Capacity 21 underway. But another major thing that has happened is that the rice countries have failed utterly to keep their end of the bargain. They have not increased their development assistance spending; they have decreased it. And they have not set a good example in their own policies and actions regarding sustainable development. The failure to adjust energy and other policies to protect global climate is a good example of this failure. How can it be expected that the weak uphold their end of the bargain when the powerful do not uphold their end? I mentioned earlier that centrality of development to the achievement of global goals. But development requires assistance, and assistance requires money. Assistance resources should be increasing, not declining.

Third, the United Nations development programs are in a good position to act as convenors, mediators, and brokers of global governance because of our neutrality and our standing, as we do, between the donors and recipients of assistance. To the degree that global governance requires North-South agreement, as it often does, agencies like UNDP are in a good position to contribute through analysis, advocacy, convening the parties, and mediation. We believe, for example, that we have played a very useful role in the context of recent UN Conferences. Just as important, we look forward to a growing role in supporting the involvement and participation of NGOs and civil society organizations, including private business, in forging partnerships of many types -- partnerships that are an integral part of the web of global governance and the glue that holds our troubled world together.

Finally, we can participate directly in the management of global governance regimes, as we do with the GEF, (Global Environment Facility) and in the harmonization of regimes, institutions and policies which interact, or should interact. It is precisely because we need greater harmonization of environmental global governance mechanisms that I personally support the creation of a World Environmental Organization.

The continuing deterioration of the environment, and the expanding need to address environmental issues on an international basis, underscore the need for an international entity capable of developing and monitoring international environmental agreements and promoting international environmental protection and cooperation.

The proliferation of obligations, programs and monitoring requirements resulting from the growing number of international agreements and conventions on the environment and resource management, and the need for an effective partner at the international level to work with the World Trade Organization and other new entities, suggest the need for a strong world environmental agency.

The United Nations is the logical location for such an institution and it could be built from an entirely rebuilt, expanded, and renamed United Nations Environment Programme.

It is time that we had a new international body that would facilitate the work of the world's environment ministers at regional and global levels. The focus of such an organization should be on information and statistics, global environmental monitoring, forecasting and early warning,

normative and policy leadership, assisting in forging regional and global agreements and conventions, and secretariat services for environmental agreements and meetings.

## **Conclusion**

UNDP firmly believes that building capacity for good governance at the national level, and facilitating global governance internationally are central to our sustainable development mission. We have an important role to play in legitimizing this new, expanded definition of governance to our traditional government partners, and in bringing civil society organizations, NGOs and business, fully into the development process. We are pleased with the rapid growth of the UNDP program to support Agenda 21, both through our regular program and through special initiatives such as Capacity 21, the GEF, the Sustainable Development Networking Program, the Global Water partnership, our new Sustainable Energy Initiative, and our work on forests partnerships and desertification control.

International development agencies are playing a vital role in an increasingly globalizing world. But our potential is greater than our achievements. We must strengthen our presence, and we must continually demonstrate our relevance and enhance the services we provide. For it is only through international development cooperation that globalization will lead to a more humane, a more prosperous and a more just world.