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> CROSS-SECTORAL ISSUES, WITH PARTICULAR REFERENCE TO THE CRITICAL ELEMENTS OF SUSTAINABILITY (AGENDA 21, CHAPTERS 2-5)

Draft decision submitted by the Chairman

Changing production and consumption patterns (Chapter 4 of Agenda 21)

- 1. The Commission on Sustainable Development:
- (a) Took note of the report of the Secretary-General on changing consumption and production patterns and its addendum (E/CN.17/1996/5 and Add.1) presenting an overview of progress with regard to policy developments, and welcomed progress reported therein in the implementation of the international work programme. In addition the Commission noted the contributions of Member States, non-governmental organizations and business and international organizations, in particular the Workshop on Policy Measures for Changing Consumption Patterns, hosted by the Government of the Republic of Korea, the Rosendal Workshop on Consumption and Production Patterns: Clarifying the Concepts, organized by the Organisation for Economic Cooperation and Development (OECD) and the Government of Norway, and the international conference on sustainable industrial development hosted by the Government of the Netherlands;
- (b) Took note of the report of the Ad Hoc Inter-sessional Working Group on Finance and Changing Consumption and Production Patterns (E/CN.17/1996/7);
- (c) Reaffirmed the relevance of the programme of work and urged Governments, relevant organizations of the United Nations system, other intergovernmental organizations, the secretariats of the various international

conventions, and major groups, particularly business and industry, to further implement the work programme and remain seized of the subject;

- (d) Noted that the work programme adopted at the third session of the Commission is mainly research oriented, and also noted that the 1997 review of the implementation of Agenda 21 will provide an opportunity for further directing the work programme towards a more action-oriented approach. In this respect, the Commission requested the Secretariat to consider specific proposals for action in the reports to be presented under the work programme;
- (d <u>bis</u>) Stressed that there must be an appropriate balance in the attention given to both the supply side and the demand side in the context of changing unsustainable consumption and production patterns. Changes in end use and consumer lifestyles are needed, particularly in the industrialized countries, while increased eco-efficiency will yield benefits to business, and to industry as well as to the government sector in all countries. A balanced approach to more sustainable production and consumption requires both good management and appropriate technology;
- (d <u>ter</u>) Noted that the concept of eco-efficiency should not be a substitute for changes in unsustainable lifestyles of consumers, and also noted that the pursuit of eco-efficiency also requires enhanced efforts to assist developing countries in their efforts to promote sustainable consumption and production patterns, by improving access to financial resources and environmentally sound technologies;
- (e) Reiterated all decisions taken on issues related to changing consumption and production patterns at its second and third sessions;
- (f) Noted an important linkage between the issues of changing consumption and production patterns and financial issues of Agenda 21: at the macroeconomic level, savings are generated as a function of income and consumption. These savings are among the national and international resources available for financing sustainable development which includes economic and social development and environmental protection. At the same time, such savings in many developing countries are limited in view of their already low levels of income;
- (g) Reaffirmed that the major cause of continued degradation of the global environment is the unsustainable patterns of consumption and production, particularly in industrialized countries;
- (h) Reiterated that measures to be undertaken at the international level for the protection and enhancement of the environment must take fully into account the current imbalances in the global patterns of consumption and production, and that changing consumption patterns will require a multipronged strategy focusing on demand, meeting the basic needs of the poor, and reducing wastage and the use of finite resources in the production process;
- (i) Noted that changes in consumption and production patterns could result in the sustainable utilization of natural resources, through their transformation into products and services for the equitable benefit of all

countries, as well as in the prevention and mitigation of the environmental, health and social cost of pollution;

- (j) Stressed the need for more efficiency in energy use and measures to promote the use of renewable energy, and for enhanced international cooperation to support national actions in this regard;
- (k) Emphasized that efforts to change patterns of consumption and production should take into account developing countries' sustainable development strategies, including economic, social and environmental aspects of growth;
- (1) Noted the trend towards a global consensus on the importance of changing consumption and production patterns, in the context of common but differentiated responsibilities, and also noted that many countries developed countries, developing countries and countries with economies in transition had reported on national initiatives to make consumption and production patterns more sustainable;
- (m) Recommended that measures for changing consumption and production patterns world wide should take into account, as appropriate, the need for improved market access, particularly for developing countries and countries with economies in transition, for more sustainably produced goods and services;
- (n) Welcomed efforts undertaken by various countries in making use of policy instruments proposed by the Commission and recommended that the exchange of experiences in that field continue;
- (o) Acknowledging the progress made by various countries in the development of national policies intended to change consumption and production patterns, reaffirmed the need for additional substantial efforts undertaken and real progress achieved by countries, in particular the developed countries, in changing their unsustainable consumption and production patterns, and assisting in redressing the present imbalances between industrialized and developing countries and within themselves. The Commission recognized that the industrialized countries should be taking the lead (as some already are) in these efforts, and that such countries have a responsibility to demonstrate that resource-efficient, low-pollution consumption and production patterns and sustainable lifestyles are feasible, desirable, and essential for progress in achieving sustainable development; and renewed its call on all countries to strive to promote sustainable consumption patterns, and on developed countries to continue to take the lead in promoting and achieving more sustainable consumption patterns;
- (p) Considered that designing and implementing eco-efficiency as well as product-related strategies could be useful in reducing the energy and materials intensities of production and consumption, and that such concepts as energy and materials intensity, carrying capacity, eco-space and ecological footprints should be analysed for further development and use;
- (q) Recognized that Governments at all levels can influence other stakeholders in society, <u>inter alia</u>, through the setting of environmental

regulations and through their purchasing and investment policies. Procurement policies can address the issue of the purchase and maintenance of goods and services of hospital and school equipment and vehicle fleets, and that of the use of environmentally sound products;

- (r) Recognized the potential for using economic instruments that can both generate revenue for financing sustainable development and send signals to the market to help change unsustainable consumption and production patterns;
- (s) Stressed the importance of the contribution made by major groups and the private sector towards more sustainable patterns of consumption and production world wide;
- (t) Also stressed that the issues specified in paragraphs 2, 3 and 4 of the present decision are relevant to all stakeholders and called on Governments, international organizations, business and industry, trade unions and non-governmental organizations to bring forward the findings and results of their work for consideration by the Commission at its fifth session as regards inclusion in the review at the 1997 special session of the General Assembly;
- (u) Requested the Secretariat to compile information on measures taken by Governments, the private sector, trade unions and non-governmental organizations in response to the priorities set out in chapter 4 of Agenda 21 and decided to review this information at future sessions of the Commission, as appropriate.

2. The Commission urges Governments:

- (a) To continue their efforts aimed at achieving more sustainable patterns of production and consumption, taking into account the particular needs and conditions of the developing countries. The Commission reaffirmed the need for additional and substantial efforts and real progress by all countries, and renewed its call on developed countries to continue to take the lead in promoting and achieving more sustainable production and consumption patterns;
- (b) To effectively continue efforts to reduce pollution and the generation of waste and to increase efforts to promote continuous improvements in the energy and materials intensities of production and consumption, and encourages Governments to share information on their experience with such policies, and to ensure the full participation of major groups;
- (c) To explore the implications of eco-efficiency for policy development and implementation, in particular in combination with priority identification and goal-setting;
- (d) To give more attention, in conjunction with major groups, business and industry, to the role that media, advertising and marketing play in shaping consumption and production patterns, and to report findings and national experiences to the Commission at its next session in 1997;
- (e) To analyse and implement optimal mixes of regulatory, voluntary, economic and social instruments and measures, based on close collaboration between the public and private sectors, to make production and consumption

patterns more sustainable, taking due account of the potential roles of domestic measures, such as education, procurement policies, eco-labelling, extended and shared producer responsibility, environmental auditing and accounting, environmental taxes, other market-based instruments, and the reduction and removal of environmentally damaging subsidies;

- (e <u>bis</u>) To bear in mind, in this regard, that such instruments should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade; and that the design and implementation of such instruments should be transparent and would need to include careful assessment and consultation so as to reflect the concerns of all countries involved. The Commission emphasized that eco-labelling would need to be approached in a manner that took into account the special situation and needs of developing countries and the specific requirements of countries with economies in transition. In that context, the Commission also noted that domestic eco-labelling, adopted at national discretion within countries and on a voluntary basis, remained an important strategy for promoting sustainable consumption and production patterns;
- (f) To establish and implement policies for the procurement of environmentally sound and otherwise sustainable products and services for use within Governments, and invited Governments to report to the Commission at its fifth session on their experiences in this regard with a view to their inclusion in the review to be conducted by the 1997 special session of the General Assembly. The Commission also noted with satisfaction that in February 1996 OECD Governments had agreed to strive to achieve the highest standards of environmental performance in their facilities and operations, and asked them to report to future sessions of the Commission, as appropriate, on progress achieved;
- (g) To foster a dialogue with relevant non-governmental organizations, for example, national consumer organizations, and the business community, pursuant to paragraph 45.D in chapter I of the report of the Commission on its third session; $\underline{1}/$
- (h) To facilitate the participation of major groups, in particular non-governmental organizations, women, youth and trade unions, in developing and implementing policies for promoting sustainable consumption and production patterns.
- 3. The Commission calls upon international organizations:
- (a) To strengthen their work in support of national initiatives by undertaking sound analyses on (i) projected trends in consumption and production patterns and their policy implications, (ii) the implications of eco-efficiency for policy development and (iii) the merits and drawbacks of the different types of instruments available to achieve changes in consumption and production patterns;

^{1/} Official Records of the Economic and Social Council, 1995, Supplement No. 12 (E/1995/32).

- (b) In particular the United Nations Conference on Trade and Development (UNCTAD), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Environment Programme (UNEP) and OECD, to consider undertakings, within existing resources, on policy-relevant studies of the possible impacts for developing countries of changes in consumption and production patterns in developed countries. The focus of this work should be on two aspects:

 (i) assisting Governments in identifying impacts and options for the mitigation of adverse environmental, social and economic impacts and (ii) identifying and stimulating new trade and investment opportunities;
- (c) Including relevant United Nations agencies, the Bretton Woods institutions, OECD and other intergovernmental organizations, with good data and knowledge of policy development and implementation, to establish or contribute to an information clearing-house on new and innovative policies for more sustainable consumption and production patterns, including the use of economic instruments, voluntary measures and education. In this context, the Commission invites these organizations, in particular UNEP, the World Bank and the regional banks, to undertake joint efforts aimed at helping all countries, particularly developing countries and economies in transition, to benefit mutually from existing experiences with sustainable industrial development approaches and to adapt these approaches to domestic circumstances;
- (d) To support Governments in initiatives to improve their environmental performance, with regard to materials and energy efficiency, waste management and pollution prevention, procurement and investment policies, and the continued integration of environmental policy with economic and other policies. In addition, the Commission calls upon international organizations to use high environmental performance standards in the day-to-day management of their own facilities and operations.
- 4. The Commission encourages major groups:
- (a) To cooperate with Governments in the design and implementation of new and innovative policies, and mixes of instruments, to achieve changes in consumption and production patterns;
- (b) In particular Consumers International, to assist the United Nations and its member Governments in the early revision of the United Nations Guidelines for Consumer Protection, $\underline{2}/$ to include aspects of more sustainable consumption and production patterns;
 - (c) (i) And calls specifically on business and industry: To continue exercising environmental responsibility, <u>inter alia</u>, by developing and implementing the concept of eco-efficiency, and in particular to assess its potentials and limitations in terms of achieving sustainable development, without reducing profitability;
 - (ii) To help design optimal mixes of instruments for achieving more sustainable patterns. Special attention could be given to the

^{2/} General Assembly resolution 39/248, annex.

obstacles and opportunities, and the costs and benefits, of implementing voluntary initiatives, partnerships and agreements, incorporating extended and shared producer responsibility (for example, the consideration of life-cycle impacts at the design stage of production and producer take-back requirements), and adopting environmental management systems such as the International Organization for Standardization series, ISO 14000.
