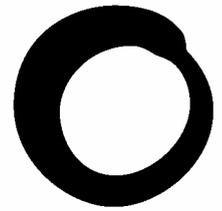


Briefing



**Friends of
the Earth**

Earth Summit

from Rio to Johannesburg

Friends of the Earth inspires solutions to environmental problems which make life better for people

Friends of the Earth is:

- the UK's most influential, national, environmental campaigning organisation
- the most effective environmental network in the world, with almost one million supporters across five continents and over 60 national organisations worldwide
- a unique network of campaigning local groups, working in over 200 communities throughout England, Wales and Northern Ireland
- dependent upon individuals for over 90 per cent of its income.

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Introduction

Friends of the Earth works on a range of issues – from climate change to trade – which will be discussed at the Earth Summit being held in Johannesburg, South Africa in August this year.

This briefing takes a closer look at progress (and lack of progress) since the first Earth Summit was held at Rio, Brazil in 1992. It also sets out what Friends of the Earth International believes Earth Summit delegates must do at the Johannesburg meeting to improve equity, protect the environment and limit the power of corporations.

The potential impacts of economic globalisation on society, on sustainability and on world stability have been all but ignored by world leaders. Increasing international trade is leading to resources being used at unsustainable rates, leaving formerly rich areas depleted. International environmental agreements, established to protect natural resources, are frequently undermined. Domestic health and environmental regulations are also undermined by special arrangements with trans-national corporations – often reached without the involvement of local communities or indeed employees. Key sectors including water services and agriculture have been brought within international trade rules – potentially resulting in higher costs for local communities. The volatility of the international economy also leaves local communities and developing countries increasingly vulnerable to the global economic cycle, and to economic decisions made beyond their control by companies and other states.

Friends of the Earth International believes that a different, democratic, equitable and sustainable future is both necessary and achievable. The Earth Summit at Johannesburg should map out a path towards new and sustainable economies fit for the 21st century.

This briefing includes a summary of what has happened since Rio to corporate policy (page 4), trade and food (page 5), climate (page 7), forests and biodiversity (page 9) and water (page 10). It also sets out what Friends of the Earth International is campaigning for at the Johannesburg meeting (summary, page 3).

If you would like a reminder about what happened at the Rio Earth Summit then please call Friends of the Earth on freephone 0808 800 1111 and ask for the *Earth Summit – Frequently Asked Questions* briefing or visit www.foe.co.uk/earth_summit/

Ten years after Rio it is more than ever clear that issues of environmental quality and poverty are inseparable. When a company irresponsibly logs a forest it damages the local environment, adds to the problem of climate change and causes immense hardship for local peoples. When an international company charges for fresh water it can make daily life for the already poor an ever greater burden. As Ricardo Navarro, Friends of the Earth International Chair, who is based in El Salvador, points out:

“The people affected by the powerful corporates that cause environmental deterioration are the immense majority of the world’s population. At this year’s Earth Summit in Johannesburg I hope that governments get the message that the main economic system, including globalisation, is at the core of our social and ecological problems. Friends of the Earth believes you have to work

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through local and sometimes national governments to make things change for the better but probably more important is to empower local communities.”

Campaigners from Friends of the Earth England, Wales and Northern Ireland will be joining with Friends of the Earth International colleagues at the Earth Summit. Friends of the Earth International is the most extensive environmental network in the world, with almost one million supporters across five continents and over 60 national organisations worldwide. Our unique mix of North and South campaigners at the Earth Summit will try to persuade government delegates to agree to changes that will make a difference to people and the planet. The organisation wants the Earth Summit to agree to:

Issue	Friends of the Earth’s priorities for the Earth Summit in Johannesburg
Corporate accountability	A legally-binding international treaty which requires international companies, wherever they operate, to adopt best practice in their operations and to be accountable for their environmental and social damage to citizens and communities.
Trade and food	<p>The promotion of food security, food sovereignty and non-intensive agriculture are key issues that governments must address through the United Nations (UN).</p> <p>The Earth Summit should agree that international environmental and social treaties should not be subject to free trade rules and should take precedence over them.</p> <p>The Earth Summit should not promote the World Trade Organisation’s (WTO) controversial trade-liberalising agenda and instead should map out a path towards new and sustainable economies.</p>
Climate	<p>Recognise carbon debt (ie, industrialised countries have a historical responsibility to reduce emissions and provide adequate funds to reduce the vulnerability of affected communities).</p> <p>Mandate negotiators in the United Nations Framework Convention on Climate Change (UNFCCC) process to define dangerous climate change, accelerate the next round of emissions reductions and move towards a system of safe, global per capita emissions limits.</p> <p>Establish targets and timetables for the rapid deployment of renewable energy and the phase out of international and domestic fossil fuel subsidies.</p>

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Forests and biodiversity	<p>A robust mechanism for establishing certification of legality for timber logging with independent verification. There are precedents for this, such as the Forest Stewardship Council (FSC).</p> <p>An agreement that consumer countries must make it illegal to import illegally sourced timber products.</p>
Water	<p>Access to water should be recognised as a human right throughout the UN system.</p> <p>International co-operation on freshwater strengthened via an international framework so water supplies are managed by people, communities and governments at the most suitable local level.</p>

1 Corporates

Employees, communities, consumer and public interest groups are all raising concerns about the impact of corporations on employment practices, pollution, genetic engineering, product safety, and essential public services, among other issues.

In the fossil fuel sector there are concerns about pollution, resource expropriation and human rights abuses. Cases include Exxon in Indonesia, Shell in Nigeria and Premier in Burma and Pakistan. In the forestry sector, much trade is illegal – with more than half the tropical timber entering the European Union (EU), for example, is likely to be illegally sourced. Logging on indigenous peoples' lands, corruption, and felling primary forests by companies, such as Asia Pulp and Paper and APRIL in Indonesia, are practices that need to be ended. In the garment and toy trade, sweatshop conditions, poor health and safety, and the use of child labour have been documented in a range of suppliers for many high street brands.

Corporate facts

If listed in an economic league table alongside countries, in 2002 more than half of the top 100 world economies were multinational corporations.

- ? Two out of three people believe companies should do more than make a profit, and that they should contribute to broader social goals, such as good labour practices, business ethics, environmental impacts and a responsibility to society at large, according to the Millennium Poll.
- ? Multinational corporations hold 90 per cent of all technology and product patents worldwide
- ? The 300 largest corporations account for a quarter of the world's productive assets
- ? The number of multinational corporations in the world has jumped from 7,000 in 1970 to 40,000 in 1995. More than half of these come from just five nations – France, Germany, the Netherlands, Japan and the US.

What was agreed at the 1992 Rio Earth Summit?

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The growth in corporate influence and its impact on efforts to secure sustainable development were not recognised at the Rio Earth Summit. Indeed some people date the rise of corporate globalisation from the same period. Just before the Rio Summit, the UN Code of Conduct on Multinational Corporations was abandoned, and just after the meeting, the UN Centre on Multinational Corporations was closed. From that point onwards, industry lobbyists and Organisation for Economic Co-operation and Development (OECD) countries have ensured that voluntary, ineffective self-regulation is the only form of regulation on the international agenda. But voluntary regulation has not prevented corporates from trashing the environment or wrecking people's lives and livelihoods.

What has happened since then?

The emergence of concerns around economic globalisation has centred on the corporate sector's increasing power and influence. Economic globalisation has led to corporations becoming larger and more powerful, and at same time international financial flows have increased, extending the reach of companies around the world. The World Trade Organisation (WTO) has overseen a roll-back in the rights of citizens and governments, giving corporations (particularly those from the North) massively increased access to the resources and markets of the global South. The result is a race to the bottom in terms of standards of behaviour - benefiting shareholders in the North, but threatening the interests of communities and workers adversely affected by corporate decision making.

What needs to happen?

Friends of the Earth International is calling for a legally binding international framework on corporate accountability and liability in the form of a new treaty. Such a framework would secure the accountability of corporations to citizens and communities by establishing: **rights** for those affected by corporate activities; **duties** on corporations on social and environmental matters; and rules to ensure high standards of **behaviour** wherever corporations operate. The approach seeks to help prevent local people's rights from being overridden by large companies. It would strengthen the principles of rights, democracy and equity demanded by communities protesting against corporate globalisation.

2 Trade and food

If there is one aspect of Agenda 21 and Earth Summit negotiations that is particularly controversial, it is governments' wholehearted, unquestioning support for trade liberalisation.

At a time when millions of people around the world are voicing concerns about the social and environmental impacts of trade liberalisation, especially its impact on food production and rural economies, the use of the Earth Summit to promote the WTO's trade agenda strikes a thoroughly discordant note.

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Trade facts

In 1960, the 20 per cent of the world's population living in the richest countries were 30 times richer than the poorest 20 per cent. By 1997, they were 74 times richer.

2.8 billion people - nearly half (45 per cent) of the world's population - live on less than US\$2 a day.

In 1997, the five largest companies in the world had combined sales that were greater than the combined incomes of the world's 46 poorest countries.

Many governments, especially in the North, consider trade liberalisation and economic globalisation to be over-riding priorities. Issues such as sustainability, food security and consumer safety and environmental protection take second place. This approach is based on an ideological belief that the free market will provide economic growth and, as a result, the wealth that governments believe is essential to fund sustainable development. Any measures that interfere with international trade, such as domestic environmental regulations, are considered counterproductive.

Over the past decade, liberalisation has led to increasing levels of inequality, both between and within countries. Trade has led to spiralling and entirely unsustainable rates of resource use. There have been agricultural crises around the world. In a number of countries high health and environmental standards have been challenged under pressure from trade needs. To add to these problems, countries in the rich North, far from being greener, consume (and are constantly encouraged to consume) the majority of the world's natural resources. Meanwhile the world's poorest communities are increasingly deprived of the resources they need.

In the run up to the Earth Summit in Johannesburg the key concerns are the need to refocus governments' attention on food security, food sovereignty, non-intensive agriculture and protecting the status of multilateral environmental and social agreements agreed by governments over past decades and now threatened by the WTO.

Governments participating in the Earth Summit should not be promoting the WTO's controversial trade-liberalising agenda. Instead delegates should tackle the impact of trade liberalisation on inequality and over-consumption; and focus on pursuing participatory, equitable and sustainable policies that support local needs, economies and communities.

What was agreed at the Earth Summit?

The 1992 Earth Summit took place two years before the end of the WTO's marathon seven-year Uruguay Round of negotiations - as Agenda 21 was being discussed, governments were also locked in intense negotiations on trade and agriculture. Although problems relating to low commodity prices and the potential for a clash between trade and environmental rules were acknowledged, governments pushed ahead to support the case for further trade liberalisation.

What has happened since then?

Since 1992, the WTO's trade liberalisation agenda has moved ahead rapidly, especially when compared to

progress on promoting sustainability and preventing environmental degradation. Indeed, many would argue that progress on trade has often been at the expense of progress on sustainability.

The Uruguay Round of trade negotiations, completed in 1994, covered new areas such as services and agriculture, and established the WTO as a powerful institution with a strong sanctions-based dispute settlement system. The WTO's Agreements on Agriculture (AOA) and Trade-related Intellectual Property Rights (TRIPs) have had a major impact on farming around the world. Together these agreements have strengthened a global system of trade in food and agriculture that supports large-scale, export-oriented, industrial production at the expense of small-scale, sustainable farming. Farmers in the South frequently find themselves unable to compete with the prices of cheap imported agricultural products and food. To make matters worse the TRIPs Agreement also fails to recognise the traditional knowledge of farmers and indigenous groups and works against the transfer of technology that might assist farming and food security in the South.

What needs to happen?

Governments need to support solutions to poverty eradication, over-consumption and inequitable consumption, food security and environmental protection. This could be done by:

- ? **Removing** all references to the WTO's Doha negotiating agenda from the Earth Summit text and agreeing to a full and independent review of the Uruguay Round of trade negotiations.
- ? **Rejecting** export-led development in favour of participatory, equitable and sustainable policies that support local needs, economies and communities.
- ? **Promoting** food security, food sovereignty and non-intensive agriculture as key issues that governments need to address in the UN.
- ? **Safeguarding** multilateral treaties on the environment, development, health, labour and human rights from free trade rules.
- ? **Improving** global governance structures in general, including strengthening the UN Environment Programme, so that environmental, health and social policies are developed and implemented swiftly and effectively.
- ? **Mapping** out a path towards new and sustainable economies fit for the 21st century.

3 Climate

Climate change is the biggest single threat to life on earth and will aggravate global inequalities and insecurity. Those least responsible for the problem, the poor, will suffer its worst impacts; these include floods, droughts, storms, sea-level rise, the spread of disease and lower crop yields.

The fossil fuel industry has consistently lobbied against emissions reductions and continues to invest in dirty energy technologies instead of clean renewable sources. In March 2001, at the behest of its supporters in the energy sector, the Bush administration rejected the Kyoto Protocol and has since failed to come up with any plan for domestic emissions reductions. Other countries have used US inaction as an

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excuse to weaken their own efforts.

Climate facts

Wind and solar renewable energy grew enormously between 1992 and 2002, although 90 per cent of the world's commercial energy still comes from fossil fuels.

Global emissions of carbon, the key greenhouse gas, grew by more than nine per cent over the decade while US emissions rose by 18 per cent between 1990 and 2000.

Nine of the 10 warmest years on record have occurred since 1990

What was agreed at the 1992 Rio Earth Summit?

In 1992, governments signed the UN Framework Convention on Climate Change (UNFCCC), agreeing to take action to prevent dangerous climate change.

What has happened since then?

In 1992, rich countries agreed to stabilise emissions at 1990 levels by 2000 and mobilise resources to help poorer countries - few did. The Kyoto Protocol was negotiated in 1997 to provide legally enforceable emissions reduction targets but agreement on rules for its implementation were only concluded at the end of last year. The Kyoto Protocol is only a first step and has been significantly weakened since 1997. The world's biggest polluter, the United States, is still outside the agreement so it is expected that the Protocol will enter into force without the US this year.

What needs to happen?

Heads of Government should:

- ? Recognise carbon debt. This means that industrialised countries have a historical responsibility to reduce emissions and provide adequate funds to reduce the vulnerability of affected communities;
- ? Recognise that much tougher action is necessary to prevent dangerous climate change;
- ? Mandate negotiators in the UNFCCC process to accelerate the next round of emissions reductions and move towards a system of safe, global per capita emissions limits;
- ? Condemn the position of the Bush administration;
- ? Establish targets and timetables for the rapid deployment of renewable energy, reorienting public and private investment away from fossil fuels to renewable energy and energy efficiency by phasing out international and domestic subsidies for fossil fuels.

4 Forests and biodiversity

Consumer countries, particularly in the North, need to take responsibility for their continued degradation of tropical forests through illegal and unsustainable trade.

As well as supporting a credible sustainability certification system for timber, governments must address their own import standards. This should make it possible to hold traders and retailers accountable for the sourcing of their timber. Domestic laws should criminalise the import and sale of illegally-sourced wood fibre products. The onus must be on traders to demonstrate credible independently verified chain of custody certification.

Forest facts

- ? Between 1980 and 1995 the extent of the world's forests decreased by an area roughly the size of Mexico. In 2000 the World Conservation Union (IUCN) found that 18 per cent of the 11,000 threatened species were critically endangered
- ? While 80 per cent of world's people do not have access to enough paper to meet minimum requirements for basic literacy and communication, wealthy countries consumer paper at astonishing rate. An average American uses 19 times more paper than average person in a developing country and most of it becomes trash – less than half of the paper used in the US gets recycled.

What was agreed at the Earth Summit?

At Rio a Statement of Principles about forest management, conservation and sustainable development was a key outcome. However it was not legally binding.

What has happened since then?

Various international processes have been consolidated under the United Nations Forum on Forests. The Convention on Biological Diversity covers some aspects of forests. However high conservation value forests continue to decline and there continue to be severe consequences for forest-dependent communities from the illegal and unsustainable exploitation of their resource.

The corporations involved in exploiting, trading and retailing forest products have proved unable even to ensure their business is based on legal sources, let alone sustainable ones. A few companies have worked with non government organisations (NGOs) to devise constructive solutions such as the Forest Stewardship Council (FSC). But international trade liberalisation has meant governments have not been able to specify timber with the FSC label and large swathes of the timber industry have fiercely resisted FSC's independent certification.

Illegal logging

The trade in wood fibre material illegally sourced from tropical forests remains a huge problem, despite the numerous pledges to solve it. Governments lose revenue (Indonesia alone loses US\$3 billion each year) and face social dislocation and conflict as a result. The illegal trade in timber is a major source of

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corruption and motivation for undermining attempts to secure good governance. Forests of high conservation value are destroyed or degraded and forest dependent communities suffer devastating consequences.

The trade has persisted because while it may be illegal to log and export the timber, consumer countries do not have rules criminalising import and sale of illegally-sourced timber, particle-board, pulp, paper or other wood fibre products. Sometimes imported material carries some form of certificate, permit or copy of a licence, however, time and again these have been shown to be worthless.

Certification can be credible, as the FSC process has shown. It demonstrates chain of custody [the chain from forest to consumer] and requires independent verification. There is also peer review and a democratic standard setting procedure all of which help to secure rigour in the claims made. But it is constrained in its ability to develop in the tropics, in part because of the extent of the illegal trade.

Scale of illegal trade

The scale of the illegal trade is enormous. A report by the Brazilian Secretariat for Strategic Affairs in 1997 found that 80 per cent of logging in the Brazilian Amazon was illegal. The Indonesia-UK Tropical Forest Management Programme (2000) concluded that 73 per cent of Indonesia's logging was illegal. Figures are similar throughout the tropics. FOE has concluded that half of the timber that enters the EU may be illegally sourced – and this worst in the UK, where the rate is believed to be 60 per cent.

What needs to happen?

The mechanisms set up to make significant progress in eliminating illegal logging have not been successful so far - including industry voluntary initiatives. The power of the forestry industry has constrained the willingness of governments to act and there have been many beneficiaries from the illegal trade in the corporate sector. Those benefiting from the trade and sale of illegally-sourced wood fibre products have not been held to account for their impact on governments, communities and biodiversity in the tropical countries which supply their timber.

A robust international mechanism for establishing certification of legality with independent verification is necessary. There are precedents such as the Forest Stewardship Council (FSC).

Consumer countries must make it illegal to import illegally sourced timber products.

5 Water

Many observers fear that the growing shortages of water faced by so many people will lead to violent water wars. This is not the only problem: the terrible loss of human life and damage to crops and property caused by drought-flood cycles are putting immense pressure on communities in countries as far apart as Bangladesh and Mozambique.

Water facts

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14,000-30,000 people die each day from water-related diseases.

More than a billion people lack adequate clean water, more than double the number using computers.

Nearly three billion do not have access to adequate sanitation.

What was agreed at Earth Summit?

The importance of solving the world's water problems was clearly identified at Rio. **Agenda 21, Chapter 18** focuses on "Protection of the quality and supply of Freshwater Resources: Application of Integrated Approaches to the development, management and use of Water Resources". This set out a comprehensive plan of action for the fresh water sector.

What has happened since then?

A host of conferences have set targets and made policy recommendations for action on water. In particular, the issue of water was followed up five years after the Rio Earth Summit at a meeting in New York in 1997. This meeting recognised that "inadequate and unsafe water supplies are affecting an increasing number of people worldwide" and agreed to focus attention on meeting the need for safe drinking water.

International economic changes have had more of an influence on water quality and availability than international action specifically addressed at water. The corporate sectors use of water represents the most immediate challenge for sustainable and equitable use. Water was privatised in the UK by PM Margaret Thatcher in the late 1980s but remains public in many countries. However, water resources are increasingly being privatised across the world, and water companies have globalised since Rio, becoming giant international service providers. Two French companies - Vivendi and Suez - dominate the world market, with only a handful of others, notably SAUR (also French), playing any significant role.

The rationale for privatisation is increased efficiency and more investment but the reality is not so sunny, especially given the lack of competition on the world market. Water companies have consistently demonstrated that they are not fit to run the world's water delivery. They are amongst the worst polluters; corruption has been widespread with senior officials receiving fines and sentences for bribery; developing countries have experienced price increases when water resources are handed to companies.

The World Bank and the International Monetary Fund (IMF) are responsible for big changes to the way water is managed in developing countries since they have:

- ? Promoted the principle of **full cost-recovery** which means that the body providing water should be able to recover their full investment costs over time. These costs are recovered by charging people for water, whether or not they can afford it and without differentiation between different users' abilities to pay.
- ? Required developing countries to open up their water distribution to private sector investment and foreign companies as a condition of rescheduling debt – ie they have forced countries to privatise

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their water in return for debt rescheduling.

The World Trade Organisation (WTO) has begun to include agreements which encompass trade in water and provision of water services (ie distribution and delivery). In particular planned expansion of the General Agreement on Trade in Services (GATS) will progressively liberalise trade in water services, removing restrictions and internal government regulations considered barriers to trade in the area of service delivery.

This means that if a country has already privatised some of its water (for example because the World Bank or IMF has forced it to as a condition of rescheduling debt), it will be required to make further privatisations - it cannot leave things as they are. It also means that a country's laws protecting the environment and people's rights can be considered barriers to trade if they make trading more difficult and can be overruled by the WTO. GATS would effectively enshrine the principle of full cost-recovery into law meaning that more and more people in developing countries in particular will not be able to afford to pay for their water.

What needs to happen?

Institutions like the World Bank and IMF must be stopped from forcing developing countries to accept privatisation of their water resources. In particular:

- ? Given the track record and continuing environmental and social abuses of water companies, water should not be privatised or treated as an economic commodity: people's and communities' rights of access to and control over water resources are more important than profits of companies and shareholders. This applies particularly when water is scarce and in impoverished communities.
- ? Water resources and water service delivery should be immediately exempted from future and existing international and bilateral agreements on trade and investment.
- ? Private sector involvement and full cost recovery should not be imposed on developing countries via the World Bank, IMF, other multilateral banks or by any other body as a condition for aid, funding or debt restructuring.

Access to water needs to be explicitly recognised as a human right throughout the UN system. The UN Convention on the Rights of the Child refers to the rights of children to water and this must be extended to all humans.

International co-operation on freshwater needs to be strengthened. A new framework could encompass a multi-tiered system in which water supplies are managed by people, communities and governments at the most local level suitable. People must be given a sovereign right and responsibility to oversee water resources in their territory and to determine collectively how they are managed and shared.

The world's water problem will not be solved by throwing money at it, but increased investment is needed. Public bodies can raise funds in similar ways to private ones (eg through water charges or taxation) but without having to make a profit in addition to providing and maintaining a service. Capacity building and technology transfer can also take place between public bodies.

World Commission on Dams recommendations should be adopted and implemented by governments and

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international agencies to ensure that the dam provides the best solution of all the options (which should all have been assessed) and that affected communities have been consulted and compensated.

Agriculture practices should be adapted to water availability. Intensive agriculture is a main threat to sustainable water management and large scale irrigation should be replaced by agricultural techniques adapted to local conditions. Redistribution of food so as to make allocation more equal both between and within populations is needed.

Now that I've seen this information I want Friends of the Earth International to be able to make a difference at the Earth Summit 2002 in Johannesburg, so...

What can I do?

Make sure the corporates don't dominate Earth Summit 2002. Make sure delegates hear Friends of the Earth's call for a global treaty on corporate accountability by adding your voice to Friends of the Earth's special Earth Summit action. See the leaflet *Make a noise at the Earth Summit* for how to be counted in as supporting controls on multinationals.

Want to keep up to date with news as it happens at the Earth Summit?

Register your name for a maximum of three email updates about how the Earth Summit is going by signing up to the leaflet *Make a noise at the Earth Summit*. If you don't yet have this leaflet, or you want to order extra copies to share with family, work colleagues and friends, or more information about Friends of the Earth campaigns call freephone 0800 800 1111. You can also register by signing up at www.foe.co.uk/earth_summit/. And that's not all: hear what campaigners from around the world have to say about the Earth Summit by tuning into Radio Earth Summit – a special radio service created by Friends of the Earth which you can reach by visiting www.foe.co.uk/earth_summit/.