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PRESENTATION OF THE REPORT OF THE WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT TO THE COMMISSION OF THE EUROPEAN COMMUNITIES, THE EC AND THE EFTA COUNTRIES, 5 MAY IN BRUSSELS.

I am grateful for this opportunity to present the Report of the World Commission on Environment and Development here in Brussels today. Last week the WCED launched its Report publicly in London. That event marked the end of one process; the preparation of the analysis and recommendations of our Commission, and the beginning of a new process, equally, if not even more important. The process which started is one of presenting the report to the international community, to important international bodies and fora parallel with national presentations in a number of countries.

The initiative in the UN that led to the creation of our Commission was a clear demonstration of a wide-spread feeling of frustration and inadequacy in the international community about our own ability to address the vital global issues and deal effectively with them. During the 900 days we were working, the world was hit by a number of crisis that confirmed the compelling need for a critical look at the way in which we manage our planet; the drought and famine in Africa, the Bhopal accident, Chernobyl, Basle, steadily increasing numbers of poor people, continuing acidification, desertification, new evidence about the "greenhouse" effect, and the discovery of the dimensions of the threat to the ozone layer - all strengthened our view that changes are necessary now. This is our message here today, and the one which we will seek to spread world-wide.

This meeting is the first in a series of discussions planned for this summer in every region. I believe it is appropriate that the first should be in Brussels, and with governments of EC and EFTA countries represented.

Our Commission has received substantive support from European countries and indeed from the Commission of the European Communities. It is also appropriate in the context of the European Year of the Environment which reiterates that the Community is now an important player in the world's environment policy.

The culture and the collective economic power of Europe speak for the immense opportunity and the obligations of the old world to promote sustainable development, in Europe itself and on a global scale. In Europe we still suffer from the aftermath of World War II. The East-West divide, and the implications of many national borders stand out in sharp contrast both to cultural and historical realities, and to the functions of ecosystems, rivers and air currents.

Long-range, or rather intermediate-range transport of air pollutants, handling and trade in hazardous wastes and industrial accidents all demonstrate how short-sighted interests lead to unsustainable practices also on this continent. We speak about the arbitrary borders elsewhere. Yet we enforce our own with rigour. But the real world clearly demonstrates how national borders are becoming increasingly impractical when dealing with environment issues.

Yet there are many success stories in Europe. We have come further than any other region in practical cooperation and integration, politically and economically. Still I believe that Europe has far from reached its full potential. Our cultural heritage and values place upon us a great opportunity and challenge to take a lead also in a global transition towards sustainable development. Our aid and trade policies, energy, industry and agricultural policies - and the budgets which give expression to these policies - determine whether



development will be environmentally and economically sustainable. This is true not only in Europe, but given the reach of European policies, on a global scale.

#### A CONSENSUS REPORT

The Commission's Report demonstrates that in the future, the critical issues of survival and sustainability need to be defined in terms of their sources in economic trade and sectoral policies, as well as in terms of their effects on health, property, cultural heritage and the environment. These are the real "environmental" policies. I hope that our report will provide the Community and all governments with inspiration for a fresh look at these policies, and for needed changes in the direction of sustainability.

Those who look for a detailed and final blueprint for practical policy changes will search in vain. Our Report is not a scientific report; it is not a book about environment and development written by environmentalists or economists. It should not be read as such. It is instead the result of a broad political process of analysis, learning and debate. It is a unanimous report. And above all it is a political document. It was formulated by people with different backgrounds and experience, with a broad range of national and international political responsibilities, most of whom come from developing countries. The Report gives recommendations that Commissioners from 21 countries collectively feel are necessary, and that they feel are politically within possible reach.

What, then, are the main policy issues of our Report?

#### SUSTAINABLE DEVELOPMENT

The overriding political concept, the "Leitmotiv" of our report, is the concept of sustainable development. This is not a prescription only for the catastrophe-ridden South. It is a goal for the whole global community. Its essence is progress which meets the needs of the present without

compromising the ability of future generations to meet their needs.

It is not a fixed state. It is a process of change in which economic and fiscal policies, trade, and foreign policies, energy, agriculture, industry and other sectoral policies, and the political decision processes underlying them, all aim to induce development that is both economically and ecologically sustainable.

Looking back on the sixties we remember the optimistic tone, growth rates were soaring, and environmental concerns and policies were still in their infancies. In the seventies the question was asked clear and definite limits to growth. Environment and economic growth were seen by many as contradictory. Today our Commission calls for a new era of Growth. It believes that growth is a prerequisite for sustainable development, that a new growth can create the capacity to solve environmental problems and that world wide growth is the only remedy to overcome mass poverty.

Such growth must be sensitive to the environment. Sustainable development requires changes in the contents of growth to make it less material and energy-intensive and more equitable in its impact. Changes are required in all countries as part of a package of measures to maintain the stock of ecological capital, to improve distribution of income and to reduce vulnerability to economic crisis.

Agriculture is a field in which the Community is a very large player on the world scene, along with several other western industrialized countries, and a field in which small steps in a new direction is under sometimes heated debate. In looking at global food security, we found a complex web of unsustainability. Northern agricultural production systems are often driven by too short-sighted and often contradictory subsidies. When it comes to deciding whether to crop or to graze marginal lands or to plant them to forests, the subsidy



structures, backed by multi-billion dollar budgets, provide far more powerful signals to farmers than do small grants for soil conservation. Subsidy structures should not encourage activities which undermine the land, water, and forests base of agriculture in large areas of the North. But they do. They also produce surpluses that go to developing nations in ways that marginalize the poor, undermine their own agriculture and make reform politically difficult.

Our recommendations in this field involve reorientating these policies to secure farm income while enhancing rather than undermining the resource base, shifting the centres of food production to the growing centres of food demand in Third World countries, and changing the terms of agricultural trade to promote this.

Energy is another area in which the Community and countries of Europe are very large players. At present, virtually all energy scenarios but one are unsustainable. That one is a low scenario. It is achievable without loss of growth, indeed with a gain in growth potential. Energy efficiency gains have been largely price driven and our Commission recommends forms of "conservation pricing" to recover and maintain this momentum.

Energy efficiency is not the final solution, but it is an absolute must until nations can develop a mix of sources that is dependable, safe and environmentally sound. We propose a number of measures to that end, including a shift in consumption patterns of fossil fuels towards lighter components such as natural gas. Our discussions about nuclear energy, its risks and potential concluded: "The generation of nuclear power is only justifiable if there are solid solutions to the presently unsolved problems to which it gives rise". And we make a strong call for much higher levels of funding for research into and development of new and renewable energy sources.

The zone of life, the biosphere, has been described as a film covering our planet as thin as the dew on an apple. We are

entering a period when growth pressures within this film will increase at rates and scales never before experienced. And we are entering this period following a period of historically unprecedented growth.

Many believe that there has already been fundamental change within the film in the relationships between the economy and the biosphere. What else is the biosphere telling us when it provides evidence of man-made climatic change, destruction of the ozone layer, acidification of the environment, chemicals in the food chain, the net loss of a Denmark-sized chunk of forest every twelve weeks, a Switzerland-sized desert every nine months, and a massive deterioration of the soil base worldwide? We may in fact be witnessing the rapid unification of economics and ecology, not just at the local level - that has been long evident - but, in some instances, at the regional and even the global scale.

#### PLANETARY PERIL AND CONDITIONS FOR HOPE.

This change in the relationships between the biosphere and the economy raises the questions about whether the growth needed to meet future needs and aspirations can be sustained without crossing critical thresholds and placing the entire planet in peril. The Commission is convinced that it can and, because of this, I think you will find that the underlying message of this report is one of hope.

This conviction rests on many things; human ingenuity; men and women's proven capacity to innovate and adapt; the significant reduction in energy, resource and environmental content of growth that some industrialized countries have experienced; many new and emerging technologies which offer enormous opportunities for raising productivity and living standards; opportunities for increasing food production, conserving the natural resource base and managing the environment; and the advent of global communications which makes it possible for people to see and begin to exercise their responsibility for every part of the planet.



The Commission is also a major player on the world trade scene. It is in a strong position to influence future trade patterns through UNCTAD and GATT. So are Community countries.

Many of today's trading patterns - in tropical forests, in agricultural products, and in certain minerals - serve to reduce rather than increase the future development potential of Third World countries.

Moreover, many of these trading patterns contain a massive transfer of the environmental costs from the industrialized to the developing countries. Our experts found that in 1980 pollution costs being transferred from OECD importers to Third World exporters amounted to \$14.0 billion. And this figure does not include the economic damage costs associated with resource depletion or deterioration.

The figure of \$14 billion represents a hidden environmental subsidy from the South to the North. In comparison the total development assistance flowing annually in the other direction amounts to \$35 billion.

The Community has played an active role in one attempt to shift trading patterns in more sustainable directions. The International Tropical Timber Agreement is the first commodity agreement designed to capture revenue to support the management of the resource it uses on sustainable basis. The potential is significant, but it will need strong leadership from governments to get it off the ground

These and other models urgently need to be extended to other areas through UNCTAD and GATT, the multilaterals and bilaterals, and in direct country to country relations. Trade, more than aid, and certainly more than classical, add-on environmental measures, must be at the heart of future strategies for sustainable development.

We in the industrially-developed world have to accept an obligation to ensure that international economic relations help

rather than hinder the possibilities for ecologically sound and sustainable development. It is our duty, but it is also in our own self-interest. Commodity prices must be influenced to provide a fair international distribution of income. Official development assistance and private loans and investments to developing countries have to be improved, - both in quality and in quantity.

The Community is a substantial player as a donor, and Community countries are substantial donors in their own right. We all agree that aid should serve to increase rather than decrease the future development potential of a community, a country or a region. The challenge is to ensure that our policies are in line with this objective. Increased capital transfers are absolutely necessary, in a world ridden by debt crisis, and they must take place in ways that are sensitive to environmental impacts. Sustainability criteria should be an integral part of the financial support. Policies will have to be changed accordingly, both nationally and internationally.

Looking at our institutions our Commission recommends that all central economic and sectoral ministries, national and international, responsible for ensuring that their policies are ecologically as well as economically sustainable.

Our concept of environmental policies and of environmental budgets must be widened to include those of the central and sectoral agencies. We believe it is essential that the ecological dimensions of policy be considered at the same time as the economic, trade, energy, agricultural, industrial and other dimensions - on the same agendas and in the same national and international institutions.

Still, existing environmental protection agencies also need more capacity and more power to cope with the effects of unsustainable development policies, and lead the way, and monitor results.



This is a call for institutional reform. At the international level, the crucial task is to make sustainable development the overriding goal of the entire UN system, including the World Bank and the Regional Banks, the IMF, the FAO and other specialized agencies. Last week, I discussed this with the President of the World Bank. He is now looking into his organization, and I believe that he is committed to the goal of sustainable development.

Given the problems of coordination in the UN system, the Commission believes that the Secretary General will have to assume leadership in this area. The report calls for a UN Board for Sustainable Development under the Chairmanship of the Secretary General.

The report also calls for a strengthening of UNEP to provide leadership in the UN system on environmental protection issues. UNEP's priorities need to be better defined, and its capacity in the area of global environmental assessment and reporting needs to be enhanced.

The Commission proposes that the General Assembly transform the report into a UN Programme for Action on Sustainable Development.

Within an appropriate period, it suggests that regional meetings and, later, an international conference be convened to review progress and promote further follow up. My country would be willing to convene such a conference for the region of the UN Economic Commission for Europe.

Last week, our report was considered in OECD and I understand that the Environment Committee proposed that OECD should undertake a system-wide review of the report.

But in the final analysis very little will be achieved without general public support. We need to generate this. Raising public awareness will be a crucial task. The story is being told about a demoscopic survey asking "what is the greatest

threat to modern society, ignorance or apathy?" One of the answers was "I don't know and I don't care." Our ambition is to let such answers remain a part of a story, and ultimately , of history.