Towards a Charter Moment

Hakone Vision on Governance for Sustainability in the 21st Century

29 September 2011

Note
This summary captures the main outcomes of the Earth System Governance Hakone Vision Factory, held 27–29 September 2011, in Hakone, Kanagawa, Japan.¹ This workshop addressed the key issues required for a fundamental transformation of global sustainability governance in the 21st century.

Introduction
The issues and political dynamics in the 21st century are different from those in 1945 when the institutions in the United Nations were founded. Today’s problems are characterized by temporal, spatial, and sectoral interdependencies, complexity, as well as uncertainty. While incremental changes have enabled certain progress towards sustainability, the current system governing sustainable development is no longer sufficient given the number, impact, interdependence and complexity of problems associated with global change. Governance for sustainability requires transformative reforms with clear vision. The 2012 United Nations Conference on Sustainable Development (Rio+20) could be a charter moment²—the beginning of a reform process leading to transformative change of sustainability governance.

The Hakone Vision Factory proposes principles and recommendations to guide this transformation clustered around three interrelated issues: Aspirations, Actors, and Architecture.

Aspirations
We are living in a highly dynamic, human–dominated earth system in which non–linear, abrupt, and irreversible changes are not only possible but also probable. Governance for sustainability in the era of “anthropocene” requires that objectives, underlying values and norms, as well as knowledge and uncertainty be refined and operationalized.

• Governance goals have changed from those in 1945 when the post–WWII institutions were established. This requires changes in governance systems. The international community should discuss the priorities, pathways and qualitative and normative goals of sustainability.

¹ The Earth System Governance Hakone Vision Factory: Bridging Science Policy Boundaries was organised by the International Environmental Governance Architecture Research Group and the Earth System Governance Project, in collaboration with the Institute for Global Environmental Strategies (IGES) and United Nations University Institute for Advanced Studies (UNU–IAS), and the Tokyo Institute of Technology and was supported by the Japan Foundation Center for Global Partnership. The Hakone Vision Factory is further built on the Conversation Café at the Colorado Conference on Earth System Governance in May 2011, and the Policy Brief (http://earthsystemgovernance.org/news/2011–09–26–policy–brief–institutional–framework–sustainable–development ). For further correspondence, please contact Norichika Kanie (kanie@valdes.titech.ac.jp).

² By “charter moment”, we mean the need to establish a constitution of governance for sustainable development that better reflects the challenges of the 21st century, which does not necessarily imply the immediate amendment of the UN Charter.
The emerging discussion on Sustainable Development Goals (SDG) in line with and complementing the Millennium Development Goals (MDG), could become an important political target, providing momentum and attention to sustainable development. Careful consideration is required to determine how the SDG’s can be positioned alongside the successful MDG’s, which continue to be of high relevance and importance.

Approaches to sustainability governance based on economic values are insufficient – and partly the cause of unsustainable development. There is a clear need to go beyond GDP and market-value in measuring development. Human well-being and the quality of life are important additional values, as are considerations of ecosystem services and the non-anthropocentric values of other living beings.

Alternative metrics to GDP have been developed, such as the Human Development Index. Further development of the goals of sustainable development and methodologies could result in a sustainable development indicator, combining variables from the three pillars of sustainable development, or a small suite of indices that have to be pursued simultaneously and without tradeoffs. This is considered to have potential as a useful and policy relevant tool, but only when institutional and financial underpinnings are provided.

**Actors**

Governance for sustainability demands the broadening of meaningful and accountable participation and solutions from people for people.

- Information technologies, including social media, have the potential to support governance for sustainability by giving voice to those groups and individuals that have been marginalized in the decision making process, and stimulating and facilitating trans-boundary communication and deliberation. However, contentious issues remain regarding the legitimacy and accountability of decentralized participation (e.g. referenda), in particular because these technologies are not universally available and affordable.

- The evolving nature of governance and the problems of global change have engaged a wide variety and large number of non-state actors. Mechanisms to include non-state actors in the intergovernmental UN system (for example through Major Groups in the CSD) are laudable but insufficient and not truly inclusive, often leading to misrepresentation.
  - One way to improve representation in the current intergovernmental system would be to add a mechanism of checks and balances (between governments and non-state actors) that could be inspired by the example of the EU Parliament in relation to the EU Council. In designing such a mechanism, attention should also be paid to the risk of paralysis.
  - Mechanisms to enable meaningful involvement of other actors, including persons or organisations of high respect, cities, communities, and social movements in governance for sustainability are needed.

- The emergence of new actors requires a governance system with a larger range of instruments. While states are the central actors, non-state actors are necessary for accountable and effective governance for sustainability. Options include improved private
governance (such as the Forest Stewardship Council or Marine Stewardship Council) and public–private partnerships. Safeguards need to be in place to ensure the accountability and legitimacy of non–state actors.

Architecture

The architecture for sustainability governance needs to be re–built to include better integration, as well as improved institutions and decision–making mechanisms.

- Proposals for the required transformative changes in the architecture of governance for sustainability need to be assessed based on a set of criteria, including:
  1. Membership: Meaningful participatory approaches that are inclusive and account for power differentials between nation states, non–state actors, and other groups in society.
  2. Funding: Appropriate and stable levels of funding.
  3. Authority/Mandate: Appropriate authority and efficiency.
  4. Compliance and Implementation: Appropriate capacity to address compliance and implementation.
  5. Adaptability: Effective adaptive approaches that could include sunset clauses and scheduled re–chartering moments in agreements, dynamic criteria to all selection and decision–making mechanisms to reflect changes in natural and social systems, and network approaches.
  6. Accountability: Strong accountability and transparency safeguards

The absence of suitable arrangements on one or more of these criteria will jeopardize prospects for transformative change.

Sustainable Development Council

Drawing on the discussion of Aspirations, Actors, and Architecture, the Hakone Vision Factory discussed and evaluated many of the proposals for a re–structured institutional framework for sustainable development that would improve governance and determined that proposals for a Sustainable Development Council deserve more serious consideration.

- The process towards the establishment of the Sustainable Development Council needs to be carefully balanced with other governance reforms for sustainable development and with consideration to the oversight of the process, and the positioning and configuration of the Council in the constellation of the institutional framework for sustainable development, including but not limited to the UN System. The six requirements for the architecture of the governance for sustainability, as mentioned above, should be applied when assessing IFSD.

- The mandate of the Sustainable Development Council needs to result from further research and a deliberative process that could be set in motion at the 2012 United Nations Conference on Sustainable Development. Amongst others, the mandate and charter of such a Council could include mechanisms and authority for governance of crisis, for example along the lines of the WHO.
Membership of the Sustainable Development Council could include the following set of members, whereby different responsibilities could be assigned to different member groups. The optimal number of members for each member group needs further exploration.

1. Primary member states. Countries with high capacity to contribute to implementation of sustainable development through various forms of capital. These same countries also have a high capacity to contribute to the problem of unsustainable development if their actions are not changed in significant ways. Selected based on a set of criteria (of which GDP could initially be an important part until adequate alternative metrics are common and accepted, for example also including scores of countries on the SDG’s). At set points in time (not too frequent), membership will be re-assessed based on changed scores on criteria.

2. Rotating member states. Countries most affected by specific issues of sustainable development and thus called into the group depending on the issue on the table.

3. Non-state actors. Selected through a mechanism that reflects the criteria for architecture of governance for sustainability.

The total number of members should be kept sufficiently small to allow decisions to be made reasonably efficiently.

Taking into account the evolving nature of governance, gradually, and over the medium to long-term, the Council could create a dual-chamber system, consisting of governments on one side and issue specific representatives from non-state actors on the other.

Generally, qualified majority voting is a promising way to improve the quality and decisiveness of decision making in governance for sustainable development. Given the high level of the Council, careful development of decision-making procedures, whether based on the common one-state one-vote unanimous decision making procedures, re-definition of consensus, or on innovative other models, is needed.

The academic and political considerations and development of a Sustainable Development Council should not exclude the required strengthening of the environmental pillar (such as upgrading UNEP) of sustainable development; and should take place with meaningful involvement and strengthening of integration with economic governance. But such reform directions suggest a review on the role and future of CSD.

**Rio+20 and beyond**

Fundamental improvements in the economic system are necessary in addition to improved governance for sustainability. Green economy should be linked up with IFSD in this regard. We see that Rio+20 is the beginning of a charter moment. Ultimately, this may involve amending the UN Charter to better reflect the challenges of the 21st century.
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