Session 2: The Role of International Non-governmental Institutions for Sustainability: Selected Cases of Business and Environmental NGOs

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What is Sustainability?

Sustainability => maintaining a dynamic balance of a system with its major elements interacting with each others and its relations with the higher system

For the global environment sustainability => the Earth basic ecosystems are dynamically balanced and life on the planet secured.

For human beings, sustainability => the long-term maintaining their carrying capacity securing non-declining wealth and reproduction:

- limitation to natural endowments (natural capital) making the foundation for carrying capacity (total capital)
- securing intergenerational equity (Pezzey & Toman 2002).
The Prism of Sustainability: normative

- Institutional Imperative
  - Strengthen participation
- Social Imperative
  - Enhance cohesion
- Economic Imperative
  - Improve competitiveness
- Environment
  - Reduce waste
  - Increase efficiency (TMR)
- Justice
- Democracy
- Care
Some Implications of Four Dimensions Sustainability Concept

• Since the 4th Institutional dimension was introduced, the old formula of triple-bottom-line (TBL) implemented in the 1990s has to be replaced by quadruple-bottom-line (QBL) to operationalize and manage the new sustainability concept.

• Effective management of sustainability requires precise identification of the basic five types of capital: natural, manufactured and financial (material) and human and social (non-material) [Sigma Project, UK 2003]
Managing Sustainable Development: Non-declining Total Capital

Figure 1.6.1.1. Guiding principles of sustainability. Source: The Sigma Project (2003)
Further Implications of the Institutional Dimension of Sustainability (1)

• For designing, building & maintaining institutions – Human (HC) & Social Capital (SC) are the most important

• SC is a special type of capital resulting from investments in building relations, institutions and networks that produce collaborative attitudes, shared norms & values, mutual understanding & trust – critical factors for sustainable development

• Institutions, as repetitive social interactions (practices), are products of SC, which value depends on time invested in building relations (more participation = higher value)
Further Implications of the Institutional Dimension of Sustainability (2)

- **Institutions** represents, first of all norms, rules & shared values – both formal & informal

- **Institutions** exist as organizations (state, firm) or as system of rules and norms (constitution, laws)

- In order to contribute to sustainability, **Institutions** should meet the sustainability criteria for themselves: incentives, efficiency & subsidiarity (Hurwicz 2000)

- This presentation focuses on international formal non-governmental organizations influencing global sustainability: ICLEI—Local Governments for Sustainability & the UN Global Compact.
The movement of the local government leaders concerned with the global environment has a long tradition in North America.

=> A meeting of 35 Canadian and US leaders in Irvin, CA in December 1989 developed the initial concept of the International Council for Local Environmental Initiatives (ICLEI).

=> The first World Congress of representatives of 200 LG leaders from 43 nations in September 1990 => Charter and Strategy (A Non-governmental Institution).

=> 2003 the International Council became ICLEI—Local Governments for Sustainability.

=> 2018 – this is the global largest organization of LG & regional governments with over 1500 members from more than 100 countries.

=> The largest – more than half of the all members - and the most dynamic is the US chapter.
The Role of the ICLEI – Local Governments for Sustainability (2)

ICLEI USA’s first program - the Cities for Climate Protection™ (CCP), the world’s first and largest program supporting cities in climate action planning using a Five Milestone process to measurably and systematically reduce greenhouse gas emissions.

By 2018 more than 1,500 US LGs have utilized this CPP frameworks for climate action.

Globally the ICLEI Network helping to become sustainable, low-carbon, resilient, ecomobile, biodiverse, resource-efficient & productive, healthy & happy, with a green economy & smart infrastructure, impacts over 25% of the global urban population.
The Role of the ICLEI – Local Governments for Sustainability (3)

Other global impacts:

- Built a **global sustainability network** of more than 1,500 LGs
- A **network of 15 offices and global centers** on all continents, with technical expertise and experience.
- Providing **leadership in linking LGs to global policy processes & multilateral environmental agreements**.
- More than 50,000 LG officials have **benefited** from more than 1,000 capacity building events organized by ICLEI
- Efforts of more than 1,000 cities participating in the CCP Campaign resulted in **annual emissions reductions** of more than 60 million tons CO2e. [http://www.iclei.org/ & http://www.icleius.org/- April 2018]
- Active participation in all COP meetings influencing **global CC Policy**.
The Role of the UN Global Compact for Sustainability (1)

Established in 2000 private-public organization based on voluntary commitments of CEOs to meet the following Ten Principles – principles that shape the values – the culture of sustainable corporation:

Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

Labor

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
The Role of the UN Global Compact for Sustainability (2)

Principle 4: the elimination of all forms of forced and compulsory labor;
Principle 5: the effective abolition of child labor; and

Environment
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

[www.unglobalcompact.org. April 2018]
The Role of the UN Global Compact for Sustainability (3)

The Mission: *Mobilize a Global Movement of Sustainable Companies and Stakeholders to create the World We Want.*

Dynamic growth of the Organization:
From 43 business in 2000 to 9,413 in 2017 (4,722 in Europe)

Some other figures:
- 163 countries with Global Compact companies
- 28% of *Fortune 500*
- Employed 66M people
- 76 Local Networks
- 7,448 have been expelled from the Organization
- 3,056 Non-business participants
- Over 1,900 members (22%) responded to the 2017 Survey

=> Over 90% reported to have Ten Principles in place

[www.unglobalcompact.org. April 2018]
The Role of the UN Global Compact for Sustainability (4)

The new Commitment of the Global Compact to the 17 Sustainable Development Goals (SDG) since 2015

The 2017 Survey results:
- 68% companies consider adherence to sustainability in their supply chain; 17% companies requires such commitments from their partners but less than 10% regularly monitor their partners SD performance

- 75% respondents reported taking action on SDG:
  - 49% targeted SDGs 8 (jobs) & 3 (health)
  - 45% targeted SDG 5 (gender equality)
  - 42% targeted SDG 4 (quality of education)
  - 40% targeted SDG 12 (responsible consumption)
  - 39% targeted SDG 9 (innovation & infrastructure)
  - 37% targeted SDG 13 (climate action)
  - 35% targeted SDG 7 (clean energy)
  - 32% targeted SDG 10 (reduced inequalities) & 6 (clean water & sanitation)

[www.unglobalcompact.org. April 2018]
Is there any Future for the UN Global Compact and other Sustainable Businesses and Cities?

Business opportunity in delivering the SDGs can generate up to $12 trillion worth of business value

<table>
<thead>
<tr>
<th>Largest Opportunities</th>
<th>Size of incremental opportunity in 2030 $ billions</th>
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<tbody>
<tr>
<td>Mobility systems</td>
<td>2,020</td>
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<tr>
<td>New Healthcare Solutions</td>
<td>1,650</td>
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<td>Energy Efficient</td>
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<td>Affordable Housing</td>
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<td>Circular Economy Manufacturing</td>
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<td>Healthy Lifestyles</td>
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<td>Food Loss &amp; Waste</td>
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<td>Buildings Solutions</td>
<td>355</td>
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<tr>
<td>Other</td>
<td>735</td>
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*Business and Sustainable Development Commission 2017

Reflects the value opportunity in new business models and technologies that can shift each sector to deliver the Global Goals

[www.unglobalcompact.org. April 2018]
Conclusions on the Role of Non-governmental Institutions for Sustainability

The selected cases of the International Non-governmental Organizations (INGOs) led us to the following conclusions:

1. INGOS could make a significant impact on Sustainability – both locally & globally.
2. They reached the age (17 & 25 years) that prove their own sustainability based on a great variety of incentives, efficiency & subsidiarity (mostly networks, flat structure)
3. They heavily depend on investments in human (HC) and social capital (SC), which produced collaborative spirit and high level of trust facilitating sharing knowledge & experiences.
4. Involvement of leaders representing HC (e.g. disruptive technologies), complemented by high investment in SC contributed to sustainability of these institutions founded in emerging sustainability business and municipal culture.
5. Finally, these INGOs confirmed validity of the polycentric approach to resolve global (collective) problems [Ostrom 2009]
Thank You!

Questions please...