

-Sustainable Development and National Government Actions-

New study identifies key issues in national sustainable development strategy process

By Darren Swanson, László Pinter, Francois Bregha, Axel Volkery and Klaus Jacob

As nations prepare to meet commitments in 2005 toward the formulation and elaboration of national strategies for sustainable development, a recent 19-country independent study conducted by IISD, the Canadian consulting firm Stratos Inc., and the Environmental Policy Research Center in Berlin, concludes that most national governments are not thinking strategically about the transition to a sustainable future. Despite significant progress over the last decade, nations are only at the early stages of learning toward effective strategic and coordinated action for sustainable development. Four areas in particular are in need of quick attention. These are highlighted below.

Improved feedback mechanisms – including monitoring, learning and adaptation.

While most nations have statistical offices that monitor various aspects of our economy, society and environment, only a few countries have developed an integrated set of indicators to allow analysis of the inherent trade-offs and inter-linkages among the economic, social and environmental dimensions of sustainable development. Even more elusive are formal and informal approaches and tools needed to learn from this type of integrated monitoring and to make critical and necessary adaptations. We manage what we measure. Until nations systematically monitor integrated sets of sustainability indicators, and employ a mix of formal and informal systems and tools to learn and adapt accordingly, they will not be acting strategically.

Coordination of strategy objectives and initiatives with the national budgeting process.

Sustainable development challenges us to re-think our existing expenditure and revenue generation processes. Most national sustainable development strategies simply remain at the periphery of government decision-making. Until finance ministries or departments play a central role in the sustainable development strategy process, the process of strategic management to ensure the sustainable progress and development of nations on the one hand, and fiscal priority setting and national expenditure and revenue generation on the other, will not be fully integrated.

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Coordination with sub-national and local sustainable development action.

Promoting sustainable development effectively when central, state or provincial and municipal governments may all be pursuing different agendas is inherently complex. To be considered strategic and effective, national action toward sustainable development must catalyze sustainable development action at the sub-national and local levels and manage the interdependency between levels of government. Few countries live up to this standard.

Implementing a mix of policy initiatives, and in particular, economic fiscal reform initiatives which are typically underleveraged.

Our research indicates that while a mix of policy initiatives has been pursued in some countries, economic instruments appear to be under-utilized. This is problematic given that all of the countries studied rely to an increasing extent on the market to allocate resources, and the market consists of the decentralized activity of millions of consumers, investors, lenders, producers, etc., each with the potential to impact on the environmental and social systems that support our well-being. Until nations leverage the instruments of environmental fiscal reform (e.g., ecological taxes, subsidy reform, user fees, etc.) and economic instruments such as emissions trading, efforts toward sustainable development will be playing at the margin.

In the short term, simply creating a national strategy for sustainable development is not the solution to all that ails us. Some nations were implementing effective policy initiatives before a formal sustainable development strategy process was initiated. Most nations know now what their pressing issues are and how to address them, and a national strategy will not magically result in the implementation of the necessary policy initiatives. However, in the medium to long-term, work toward improving national-level strategic and coordinated action toward sustainable development will yield large gains in the ability of nations to identify leverage points for influencing sustainable development, to identify emerging issues, and to continuously learn and adapt in a world where surprise, change and uncertainty are the norm, not the exception.

For more information on challenges, approaches and innovations in strategic and coordinated action for sustainable development go to <http://www.iisd.org/measure/capacity/sdsip>. The research cited in this commentary was funded by and received continuous advice from the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ; commissioned by the German Federal Ministry for Economic Cooperation and Development – BMZ), the Canadian International Development Agency (CIDA), Foreign Affairs Canada and Environment Canada. Advisors to the project are IUCN – The World Conservation Union and the United Nations Division for Sustainable Development.

For questions, inquiries, or comments please email Darren Swanson at the International Institute for Sustainable Development – Measurement & Assessment Program [dswanson@iisd.ca or telephone at +1.204.958.7746, Canada].