



## **ANNUAL REPORT 2004 EPE XTH ANNIVERSARY**

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## **Message from the President**

### **COLLECTIVE LEADERSHIP FOR PARTNERSHIP BUILDING**

Right from the start, since 1993, EPE gathered together public authorities, businesses, trade unions, environmental NGOs and consultancies. EPE developed three types of activities: acting as a think tank, establishing new alliances, engineering tri-sector partnerships (public sector, private sector, civil society). During these ten years, thanks to my predecessors Claude Fussler (Dow Europe) and Peter Hindle (Procter & Gamble), we made significant progress.

The framework of our activities has so evolved from an « environment » focus towards a « sustainability » approach leading towards a « Well-being of society » objective, in order to enlarge the alliance and « accelerate the transition ».

- During the five first years, through « laboratories » we have acted as think-tank on environmental management issues.
- During the five following years we have mainly acted as « partnership engineer » towards a global alliance for a well-being society.

Today, in the framework of the enlarged EU, which is expected to welcome more members in the years to come, the way to address sustainable development is evolving dramatically. EPE's task today is to put in place a new strategy adapted to the new landscape.

#### **Alliances. Exercise Collective Leadership for Partnership.**

Through business associations as the European Round table of Industrialists or UNICE, the Private Sector has been successful in shaping the EU agenda, in successive waves towards a « single market », the « euro », the « knowledge economy ». Time has now come for CEO's, active at European level, to be co- leaders of an endeavour linking competitiveness, security, peace and the peoples major concerns: the « *Well-being of society in an enlarged EU as well as at global level* ». It goes beyond usual business driven initiatives favouring dialogues on CSR or other issues. It is action oriented, in a three-folding partnership framework (the public and private sector and civil society). EPE offers a European platform for engineering with others, inside and outside the EU, such tri-partite partnerships.

For Civil Society and the Trade Unions as well as for Public Authorities, the development of such second generation of partnerships, will require also new approaches, new skills. For all, the public and private sector and civil society, it will require new governance frameworks.

Several reports published recently at UN level do underline the same need : to move faster, to create a critical mass effect, public authorities, companies, trade unions and civil society committed towards the well being of society and poverty alleviation should find new ways to exercise collective leadership. The challenge is to find how.

As a tri-sector network, EPE has the capacity of bringing together very different groups and resources and tackling problems, which no single sector can solve by itself. These three sectors represent three logics and three types of requirements, often complementary.

EPE has tried during the last ten years to develop new alliances and coalitions to accelerate the transition towards sustainable development, such as the Rio+10 Coalition and "Renaissance Europe". The aim today is to reinforce and extend these alliances on the theme of the Well-Being of Society at the European level and in relation with the Millennium Development Goals.

*What we aim at, in 2004, is to exercise collective leadership for partnership by*

- *Joining forces : knowledges, skills and resources.*
- *Working towards mainstreaming sustainable trade and finance*
- *Hosting think-tank meetings*

- *Engineering new partnerships leverages.*

We have designed for the coming years a programme with 3 prongs: (i) think-tank to accelerate the transition towards a well-being society (ii) engineering new and managing existing three-folding partnership (public sector, private sector, civil society), (ii) and coaching.

### **Think Tank.**

The first type of EPE activities was a series of workbooks, laboratories and breakfast sessions on topics ranging from the engineering of partnerships and the development of environmental management systems to sustainable development (from EMAS to SMAS), international trade and environment, employment, water, the construction sector, the agri-food sector, green procurement, transports, etc. We note today that there is a lack of think-tanks in Europe on sustainable development. EPE plans to develop a new series of initiatives along those lines. To this end, within the framework of its tenth anniversary celebrations, EPE is launching a series of contributions to identify "new work areas".

*Three think-tank notes 2004 are already available to encourage the debate :*

1. *Roadmap towards Sustainability . 10 New trends*
2. *The role of companies at European level needs to change*
3. *Responsible Purchasing*

### **Tri-sector partnerships.**

EPE has been engineering tri-sector partnerships with a view to the World Summit on Sustainable Development (WSSD), such as the Sustainable Trade and Innovation Centre, or the Sustainable Investment, Global Network for Asia.

I am pleased to say that we can now demonstrate that our pioneering work is bearing fruits. We have demonstrated, in particular with the launching of the Sustainable Trade and Innovation Centre (STIC) and the Sustainable Investments-Global Network for Asia (SIGN 3) and now by working on a European Micro-Credit Guarantee Fund Initiative that EPE - thanks to its multi-stakeholder high skilled members - offers very innovative approaches, changing the mental map, building trust, creating new opportunities.

*Our focus 2004 is on new leverages towards*

- *Developing a market for sustainable products*
- *Designing new financial support mechanisms as micro-finance guarantee fund*
- *Addressing the global supply chain (upstream) as well as the backward chain (downstream)*

### **The EPE “Well-Being of Society” programme**

The Programme is designed to provide a forum where government, civil society and companies can meet to explore how they can be mutually supportive in improving the well-being of people in Europe and around the world.

The draft European Constitution in its Art I-3, §1 states that “*the Union’s aim is to promote peace, its values and the well-being of its peoples* » . A major movement is in the shaping, with our support, towards a Well-Being of Society. The second Renaissance of Europe will indeed have two pillars: its enlargement on one hand, the Well-Being of Society agenda – as a source of happiness, nation and companies competitiveness and peace - on the other hand. *The outcome of the June 2004 Conference hosted back to back with this General Assembly should be a major contribution on which the EPE Council will reflect.*

During the year 2004, as a « think tank for the Well-Being of Society » and as a « partnership engineer » we will shape a three folding 2004-2009 partnership agenda of Europeans for the « Well-Being of Society, in an enlarged EU and at global level ».

Three of our Programmes in particular should contribute to « accelerate the transition » towards sustainable development.

1. Firstly, « the Responsible Purchasing Initiative » linking issues as eco-efficiency, green purchasing, sustainable consumption, sustainable trade, marketing. A series of dialogues addressing how to develop a market for sustainable products, for very specific sectors, should take place every month and leading to a conference at the end of the year organised with IBGE, the Brussels Environmental Agency, an EPE Member. This programme, together with STIC-Europe activities, is our contribution to the Ten years EU Action Plan on Changing Consumption and Production Patterns.
2. Secondly, «the Renaissance of Europe Initiative », working for a well-being society, with change agents of other sectors, in each of the EU Member States. It should help us and the Regional Environment Center (REC) to develop the alliance towards a well-being society in the enlarged Europe and to address social entrepreneurship. Renaissance Europe has launched an electronic newsletter. *The June 14-15 Conference should decide on a series of next steps including the launching of a Renaissance Europe Café (Club) for the change agents active in the Brussels circles.*
3. Thirdly, «Europeans and the UN Millennium Development Goals (MDGs)». The value of the MDGs lies in the fact that we have high level buy in to the pressing problems, and targets for their attainment, that goes across the Inter-governmental and National government system, and through the Type II partnerships, has buy in from the other sectors of society. This is the first time there has been recognition that both the corporate sector and non-governmental organisations may have some role in a solution. This mirrors EPE's philosophy, of the public, private and civil society sectors working together on finding solutions. It can bring both efficiency and innovation into the partnerships. I feel that the MDGs – as endorsed by Heads of States and Governments - will be useful as a framework to look at overall progress for the international community in general, and for EPE in particular to advance our « Well-Being Society Agenda ». Of course, EPE will have its own work programme, though the MDGs may be useful as a way to linking our work to the wider agenda without losing time in trying to get governments approval.

*To exercise collective leadership we intend in particular to pool together the knowledges, skills and resources of the stakeholders participating in*

- *The Renaissance Europe Cafe*
- *The STIC-European Hub and notably the companies members of the Global Compact*
- *The Micro-Credit Guarantee Fund Steering Committee*
- *The European Informal Steering Committee for the Millennium Goals (tbc)*

Finally, we are offering to our members to enlarge with them and for them the scope of our activities towards « coaching ». We will contribute so to restore companies and governments human capital, contribute to innovations in terms of management, products and services.

We very much hope to be able to rely on your financial and skills support during this year during which high visibility will be given to the dedication and skills of our members.

Bart Jan Krouwel  
EPE President

## **Message by the Executive Director. Rethinking Social Capital.**

As is indicated in its name, EPE has been set up after the Rio Conference to deal with partnerships in the environmental field. Although the centre of gravity of EPE initiatives has successfully shifted to the engineering of partnerships for sustainable development, it is in particular in an attempt to answer a haunting question: in spite of the fact that environmental degradation is a world safety issue, why is progress so slow, as is shown, for example, by the work on climate change in 2003? What should be done to "accelerate" change? As one of the Founders of EPE, in my capacity – at that time – of Secretary General of the European Environmental Bureau, I would like to thank especially EPE Members who have provided their support, including financially, and their active participation during these 10 years.

What are the new work areas and the needs in terms of "think tank, alliances and partnerships" in order to "accelerate" the transition towards sustainable development? Looking back on the meetings which I attended in 2003: Global Compact in Belo Horizonte, the European Social Forum in Paris, meetings in Singapore to implement partnership initiatives on investments abroad (SIGN3 Asia) or on sustainable trade (STIC) for the main regions in the world, which took place in New Delhi, Cancún, Pretoria, Cotonou, Barcelona, Brussels, and Kingston, many discussions on transatlantic relations and sustainable development in Washington, New York, Portland and Minneapolis, meetings with those in charge of sustainable development in several multinationals, NGOs and trade unions, results from the first meeting of Renaissance Europe and monitoring of the Convention's work on the European Constitution and of Commission's initiatives in the field of sustainable development – it seems that 2003 has certainly been fertile in opportunities to reflect on the EPE work programme at a time when the organization, which celebrates its 10th anniversary, sets itself new objectives.

I met agents of change, our partners, in the four corners of the world. Once again I noted the host of existing initiatives opening the way to a democratic, green, inclusive type of economy, evidence of a regeneration of social capital. But these initiatives remain scattered, insufficiently known and enhanced and cut off from one another. There is an important alliance work to be done, even merely at a European level.

I noted a renewed interest in social capital, the surge in three folding partnerships (public sector, private sector and civil society), now clearly identified as a source of innovation and competitiveness for States and businesses. This "convergence of interests" is most promising. And yet much remains to be done – in terms of governance – as regards partnership "contracts" between the public and private sectors and civil society.

Everywhere I found a great openness towards new partnerships with Europeans. Even though I was sometimes a little helpless under the barrage of criticism levelled at the decisions of the European Union, I was given the same message all over: ethical globalization is only possible with the involvement of Europe. I was very proud of the compliments received on behalf of EPE for our partnership approach: meeting the expectations of other regions of the world and not imposing an agenda based on a European perspective, taking part in projects under the chairmanship of representatives from southern countries, bringing together public authorities, businesses, trade unions and non-governmental organizations.

In those paradoxical times of greater interdependency combined with greater withdrawal, EPE has a role to play to accelerate the transition towards a well-being society (another definition of sustainable development): bring about new convergences so that society adopts sustainable development values as its new standards.

To this end, we need to encourage a new type of alliances between agents of change. Two conditions are required for success: "identifying a common enemy" and "rethinking social capital" (1). The common enemy in fashion is terrorism. The enemy of the agents of change should be apartheid.

Rethinking social capital should be achieved by building bridges between agents of change and initiatives for a well-being society. EPE's work is at the crossroads between the concerns of civil society and those of businesses. More than ever, the objective is to "hold both ends of the chain", working on the one hand on the basis of a definition of sustainable development that equally integrates the spiritual dimension of action and social economy and, on the other hand, turning proposals into acts with financial, commercial and technological implications.

Raymond Van Ermen  
Executive Director.

- (1) *The Great Disruption. Human Nature and the Reconstitution of Social Order*, Touchtone Publishers, New York 2000, or *Le Grand Bouleversement. La nature humaine et la Reconstruction de l'Ordre Social*, Ed. Table Ronde 2003, by Francis Fukuyama.

## **Message by EPE Council**

### **Global Well-being of Society, leverage of growth and peace.**

**The New landscape.**

**While we will have to face major crisis as terrorism, the European demographic winter, the climate change threat, shaping a sustainable development model is key for European growth, competitiveness and security.**

**We, EPE Council, welcome** the draft European Constitution Art I-3, §1 which states that “*the Union’s aim is to promote peace, its values and the well-being of its peoples »* and in its Art I-3, §4 states that “*In its relations with the wider world, the Union (...) shall contribute to peace, security, the sustainable development of the earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and protection of human rights*” EPE aims to contribute to the shape in Europe of a movement towards a Global Well-being Society, in line with the UN-Millennium Development Goals

**We regret** the lack of use by the EU of indicators reflecting the true relationship between sustainability and growth. In addition, we support the view recently expressed by The Copenhagen Centre and Accountability according to which “Macroeconomists and analysts of national competitiveness have largely ignored businesses’ social and environmental performance as potential drivers of a nation’s economic competitive advantage”. According to the new Responsible Competitiveness Index 2003, some 16 European and developing countries could make competitiveness gains on the size of their corporate responsibility performance.

**We are of the opinion** that the Millennium Development Goals (MDGs) are key global development issues able to give a vision and to mobilise stakeholders while being a leverage to new forms of European competitiveness and leadership. However, the Goals will not be met without a strong involvement of the private sector and civil society.

**We noted** that, according to the World Economic Forum Report 2004 governments, international organisations, business and civil society are currently engaging in only about one-third of the effort necessary to realise these international goals.

**We underline that** achieving sustainable trade is now a recognised global imperative. It contributes to the achievement of the Millennium Goals. Today, sustainable trade contributes to a new era in terms of science and technology, a truly industrial and global value chain management revolution. It concerns products like cars seats, cacao, tea, banana’s, honey, coffee, textile, crafts, wood, fishes and sugar. Tomorrow’s sustainable trade will concern also entire sectors as the retailers, agri-food, electronics, mining, energies, buildings, textile etc. It is an issue in terms of trade, sustainable production, integrated product policy, responsible purchasing by the public and private sectors and sustainable consumption, technical assistance.

**We are concerned**, at EU level, by

- **the need for more policy coherence between** the MDG’s, the Poverty Reduction Strategy Plan’s, EU bilateral agreements, the post-Doha Round agenda, the development of a platform on sustainable production and consumption, the theme of partnerships between the public and the private sectors and civil society , all interrelated issues.
- **the inadequacy** of the EU Environmental technologies platform and the European Procurement Policy as European leverages to foster innovation and competitiveness in a field as clean technologies for a circular economy.
- **the absence** of a EU multi-stakeholder task force to mobilize efforts to reach the MDGs ,fostering the process at EU level and amongst European stakeholders,

enabling Governments and donor agencies to engage with bottom-up processes.

This is why, we are inviting the European Union and its Member States to co-operate with the Private Sector, Trade Unions, Civil Society and Public Authorities in new ways:

- **We are launching** an informal steering committee focusing on multi-stakeholders partnerships towards the MDG's. All parties interested, and in particular your Government, are welcomed to join. The UN has been invited to take the chair and to fix the date of the first meeting
- **We are exploring** with partners the launching of a guarantee fund, designed as a European public-private initiative, to facilitate significant increases in the flow of private and public European funding to developing countries to serve the poor and contribute to the achievement of the MDG's and the successful implementation to WSSD/Type II partnerships initiatives
- **We are inviting** European Governments, Regions and Local Authorities to participate in a public/private partnership programme "Responsible Purchasing", with other "Buyers" in Europe as Companies Consumer Organisations and Fair Trade Movement to (i) stress the importance to redirect their purchasing policies towards sustainable trade in support to the MDG's (ii) to meet with Southern Smart Entrepreneurs and Developing Countries leaders to build partnerships. (iii) To develop an environmental technology strategy responding to the needs of a circular economy, objective of the Chinese government for example. 'Responsible Purchasing' wants to be a multi-stakeholder joint contribution to the success of the European Union Sustainable Development Strategy, the EU and Member States Ten Years Plan of Action towards Sustainable Production and Consumption and the Sustainable Trade and Innovation Centre.

**The Council Members are:**

Public Authorities:

Gertjan Storm, UNEP Liaison office in Brussels

Rita Kellner-Stoll, The Senator for Construction, Environment and Transport. City of Bremen

Eren Andersson, SDN Torslanda

Jean Pierre Hannequart, IBGE

Paul de Jongh, Dutch National Sustainability Plan.

Constanca Peneda, INETI

Business:

Peter White, Procter & Gamble Technical Center Ltd

Catherine Preston, Unilever

Lutz Günter Scheidt, Sony International (Europe) GmbH

Bart Jan Krouwel, Rabobank Group

Martina Bianchini, Dow Europe

NGOs:

Geraldine Walsh, An Taisce

Jacqueline Miller and Lone Johnsen, European Environmental Bureau

Mauro Albrizio, Legambiente

Nadia McLaren, Global Action Plan

Malini Mehra, Centre for Social Markets (CSM)

Professionals:

Mark Sapir, ETUC CES

Pierre Salcio, Orée

Heinz Werner Engel, Europe Eco-Counselling

Robert Nemeskeri, REC

Willie Beuth, Eco-tex

Marcello Palazzi, Progressio Foundation

Hans Smeets, LEAD, K.L.M

## Roadmap

### 10 trends shaping the Sustainability Agenda.

1. Risks are evolving. There is a shift of mindset. The profile of risks facing companies has been expanded to include everything from political and social instability to brand protection and sabotage. (WBCSD 2004)
2. Systemic changes are foreseen. According to the World Economic Forum Report 2004 governments, international organisations, business and civil society are currently engaging in only about one-third of the effort necessary to realise these international goals. At global and EU level there is a need for new instruments to go beyond isolated initiatives and secure critical mass.
3. Tri-partite partnerships are becoming key and the need for crosscutting partnerships which involves micro-entrepreneurs, multilateral development institutions, civil society and large-scale private sectors companies is recognised. UN Commission on the Private Sector and Development, entitled "Unleashing Entrepreneurship: Making business Work for the Poor".
4. Businesses' social and environmental performances are becoming potential drivers of a nation's economic competitive advantage. National competitiveness depends increasingly on how a country's business community effectively mobilizes intangible assets and manages its value chain in pursuit of innovation in products, services and business processes. The responsible competitiveness Index.
5. The global commodity chain is becoming central and global corporations trend to outsource their production, using new technologies, attractive trading incentives and their dominant market position to drive cost and risk down their supply chains will be closely scrutinised. Corporate buying teams massive power to pressure their suppliers will be a major civil society target as farm and factory owners realise that the real power lay with the buying teams rather than those teams responsible for codes of conduct.
6. Doing business with the poor calls "for significant change in the way we do business and the way we think about doing business" WBCSD.
7. Social entrepreneurs are a rising class of leaders, both in developing and developed societies. Generally acting out of frustration with a public-goods and/or private-sector delivery system that leave people and challenges behind, or out of sheer innovative spirit and creative power, social entrepreneurs are launching new services and products across economies. Their industries range from health to the environment, culture to education, civic engagement to the arts, economic development to leisure.
8. The draft European Constitution Art I-3, §1 which states that "the Union's aim is to promote peace, its values and the well-being of its peoples » and in its Art I-3, §4 states that "In its relations with the wider world, the Union (...) shall contribute to peace, security, the sustainable development of the earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and protection of human rights will lead towards a new pan-European development model.
9. European Growth and competitiveness, on the Global market, will depend on successful partnerships towards the global well-being of Society with partners of other regions of the world.
10. A partnership with the "new core group" China, India, South Africa and Brazil, as leading developing countries when it comes to address sustainable trade and innovation, would be important

## **EPE, Partnership Engineer**

EPE's action has – and will continue to be – focused on the three "companions" as complementary fields and types of players to be put in synergy (trading, purchasing, investing). The purpose of our action – particularly within the framework of STIC – has been to build bridges between these fields and these players and the community of players in terms of sustainable development.

### STIC – Europe

The steering committee of STIC-Europe has been set up and involves representatives from the mass distribution sector, business representatives for the three textile, agri-food and electronic sectors, observers from fair trade, representative from certification bodies and from ACP partnerships.

The outcomes of the Cancún events – where EPE prepared a mini-Ministerial attended by Commissioner Lamy - as well as the STIC consultations which took place for seven regions of the world and in which EPE participated are inevitably inviting to review how best an EPE programme such as STIC-Europe can support STIC International aims.

The European Union has an "image" problem at the very least. *"We are in a new era of trade policy. The Cancun outcome from IATP's perspective is that it signals the beginning of a new era at the WTO, the fulfilment of the promise of a truly inclusive world trade organization. The first signs of developing world resistance to the EU and the US took place in the closing minutes of the Cancun Ministerial session (Mark Ritchie, IATP).*

European countries, as developed countries, should undergo the required structural adjustment in their economies advocated by Former Minister Ngubane.

Priority is no longer to "produce more" but to "share more". To share knowledge, costs and profits. The costs of environmental and or social requirements should be better distributed along the commodity chain and not be a burden for the southern producer. To "share more" requests a new vision of the world, of values driving the world, the potential of developing countries' markets and the consequences of the new paradigm towards transparency/accountability/participation.

South-south partnerships and joint ventures should be encouraged, but the existing EU funding support mechanisms are not tailored accordingly.

### China

The impact of developments in China will be central. In each of the seven regional meetings that took place, China was a discussion topic because of the impact of its production capacity ("workshop of the world") and also because of the impact of imports in China on raw material prices, transports and money. At a time when the United States have captured 40% of the energy offer and 70% of the capital offer, the Chinese demand might be a greater problem than its exports!

Moreover, increased demand for taking the performance of production companies into account in terms of social and environmental responsibility will increasingly become an "opportunity" for other competing countries to differentiate and has actually already led some other Asian countries to want to give themselves the profile of a nation taking very seriously the social environmental criteria based on private standards and voluntary initiatives.

Within the framework of STIC Programme 2004, a consultation for China should be scheduled.

### SIGN3-Asia

Within the framework of the World Summit on Sustainable Development SIGN<sup>3</sup>-Asia, "Sustainable Investments, Global Network for Asia" has been registered as a Type-II initiative. SIGN<sup>3</sup>-Asia is a Partnership initiative contributing to the implementation of Agenda 21, the Millennium Declaration Targets and the World Summit on Sustainable Development Action Plan.

A meeting in Singapore has prepared its implementation. A secretariat is located in Vietnam. The Chair is Deputy Minister for the Environment for Indonesia.

SIGN<sup>3</sup>-Asia's aim is to promote "sustainable investments" and to assist in:

- Developing synergies between private capital, institutional investments and Official Development Assistance (ODA)
- Addressing "sustainable development and resource productivity" along the "global value chain".

### Responsible purchasing

Responsible Purchasing: ONE decision when managing multiple concerns.

- How to integrate, in one single decision, a cradle to grave approach, a life cycle perspective, sustainable, fair and ethical trade, eco-efficiency, cleaner production, waste management, SME's, suppliers and shareholders concerns and European regulations, global/local?
- How to increase the market for sustainable products and sustainable management? How to launch new public/private joint purchasing initiatives?
- How to design a « fast track » to accelerate the transition towards fair trade, eco-efficiency and zero waste, new processes, products and services?

An ACRR –EPE-IBGE (\*) Joint conference – December 2004 - to celebrate ACRR and EPE Xth anniversary preceded by a programme of monthly roundtables (under invitations)

### Micro-Credit Guarantee Fund

There is an overriding need to increase the investment available to address poverty and supplement projects in Developing Countries. Entrepreneurs in developing countries, and especially the small ones, do not find easy access to funding.

We need to find new ways to mobilise funding for enterprises having a social impact in developing countries.

The mission is to explore if and how a new Guarantee Fund could

- Contribute to increase the use of available investment to release poverty
- Be a catalyser in mobilising more funds, especially designed to reach the poor
- Work with Local Commercial and Development Banks
- Reach the end-user as directly as possible.

### **European support to the United Nations**

#### The MDG's

At a European level, EPE – in which internal discussions are reflected in quotations by Mc Laren and White, who are both members of the EPE Board – will therefore try to develop an alliance around a better integration and evaluation of policies in support of the Millennium goals, on the basis of an "open-coordination tri-sector method" (Union and Member States, Businesses, Civil Society). This "cross-examination" should cover negotiations upstream of the major UN meetings. The Rio+10 Coalition laid the foundations for this with the "Europe in the World" meeting organized with the support of DG Trade, to which diplomats from the EU and Member States were invited. Likewise, we should renew the experience on a regular basis to find out the positions adopted by the Union and its Member States within the decision-making bodies of the IMF and World Bank; the voluntary contributions to UN agencies; the criteria on which decisions are made about the financial transfers which constitute public development aid on the part of the Union and its Member States.

### Fleshing out the Global Compact

Although the Global Compact is an interesting process – particularly in connection with the prestige attached to support to the UN Secretary General – it is true, nonetheless, from what emerges from the Global Compact Learning Forum of Belo Horizonte, that it lacks muscle. The United Nations seem to require a stronger UN policy. Since preparations for the Rio Conference, the relations between the United Nations and multinationals are subject to justified criticism. Without going back to a not too distant past, we can see that the UN endeavours to make the life of CEOs stress-free. The summit bringing together CEOs and Mr Kofi Annan next June seems to have this profile.

It is thus difficult to understand why the signatories of the Global Compact are not even obliged to report on the basis of the GRI guidelines. On the other hand, the apparent lack of integration between UN initiatives such as the Millennium goals, the Global Reporting Initiative, the Global Compact, the Cleaner Production Declarations and the UNEP Finance Initiative does not sound very serious (these last three initiatives largely belong to a "window dressing" exercise).

As the UN Secretary General Kofi Annan is organizing a Summit of the CEOs signatories of the Global Compact in June, we propose two European initiatives to support the action of the Secretary General:

1. A declaration by CEOs and civil society leaders on the theme of "sustainable purchasing and responsible competitiveness", be passed on to Mr Kofi Annan before the June 2004 meeting. The signature session would be followed by a STIC-meeting with the support of DG Trade, these leaders and champions.
2. A mid-term review in 2007 in Lisbon, partnerships on trade, investments and sustainable purchases and the objectives of the Global Compact prepared with UN support by a steering committee chaired by Charles Buchanan, of the Luso-American Foundation.

### 10-year programme concerning changes in production and consumption patterns

This programme should be implemented for the Union in accordance with the commitments of the WSSD. European coordination would be done by the Commission. One of the issues to be raised, I believe, is that of consumption patterns. It is clear that there should be a change in mental perceptions in this respect.

What we noted during STIC consultation meetings in Asia and Africa is that, to succeed in terms of consumption patterns and sustainable trade – in other words, to export to Europe – it is necessary to have an impact on the domestic markets of developing countries just as much as on those of developed countries. To this end, a new form of debate on the well-being society is required and should involve "consumers" from the North and South. This is why we propose to reflect on a new form of European forum.

The European Partnership Forum would involve "partnerships" interested in:

- (i) Synergies to create a shift towards sustainable production and consumption patterns and to contribute to the implementation of Chapter 3 of the WSSD Implementation Plan and the EUSSD;
- (ii) Changing the 'Mental Map' and innovating in order to change traditionally unequal and asymmetrical relationships between developed and developing countries. Building a New Model to wipe out the gap in living standards between developed and developing countries;
- (iii) Projects and joint ventures developed as part of "cross-cultural innovation" initiatives with emerging economies.

The Partnership Forum would address synergies (in a bottom-up approach) between:

- (i) Leverages and initiatives of the stakeholders relating to consumption patterns;
- (ii) Leverages and initiatives, which the European Commission would be able to design to accelerate the transition.

The Partnership Forum would facilitate the drafting of an annual report and action plan on "synergies to accelerate the transition towards sustainable production and consumption patterns".

#### Transatlantic cooperation for sustainable development. Nation Building and Sustainable Development

In the United States, there is an important potential for mobilization around another approach. Several US companies and Ethical Funds do see sustainable development as the new industrial revolution, a key leverage for US competitiveness in the 21st century. "We are entering a new capitalism phase demonstrating that it can tackle the North/South divide". Several US companies, operating on the global market, having progressive policies and willing to remain competitive on the global market, share a certain optimism that companies can find products and market meeting social interests, that there is a huge potential and that hidden markets are even bigger. They are interested in a post-WSSD programme linking (i) legal reforms in governance to make business less risky in developing countries and (ii) sustainability issues. In Oregon, Companies Leadership is defined by US Ethical Portfolio analysts and exercised in a "new way": corporate leaders are expected to "advocate" for sustainable development in Washington and lobby for progressive legislation!

This is why EPE should encourage a "triangular partnership" between European players on the one hand, and some US Federal agencies, some US States, US companies, US civil society on the other hand, together with the governments, business and civil society of developing countries interested in linking "Nation Building and Sustainable Development".

A first initiative might focus on water in Africa.

#### **The Second Renaissance of Europe**

##### An alliance of agents of change

As agreed at the conclusion of the first conference of Renaissance Europe (RenEU) in June 2003, the purpose of the project is to catalyze the creation of framework conditions for a participatory, inclusive, enterprising, culturally creative and sustainable Europe that can enable the people of Europe and the world to fulfil their dreams now and for generations to come.

Hence the national meetings envisaged for 2004 in order to bring together the agents of change country by country, in a second stage. Hence the Escalator 51 project as regards STIC-Europe. Hence the project of a meeting on the occasion of the Irish Presidency on the theme of

"social entrepreneurship". Hence the proposal of a mid-term summit for partnerships in 2007 in the field of investment, trade and sustainable purchases.

All these initiatives are set within the same perspective: enlarging alliances to create a scale effect and accelerate the transition process towards sustainable development as leverage for the second renaissance of Europe.

What model could we devise to reduce inequalities in the world and foster international solidarity, while preserving planetary resources in our concern for equity in our time and solidarity with future generations, recently wondered a Sustainable Development Commission in France (2)? This Commission also noted that "we can rely on the host of existing initiatives opening the way to a democratic, green, inclusive type of economy. But these initiatives remain scattered, insufficiently known and enhanced and cut off from one another. They are usually dealt with and carried by different players. It is urgent to adopt a cross-section perspective" (7). The EU Environment Commissioner Mrs Wallström recently spoke of the need for a Forum that would bring all those players together.

- (2) Commission on Sustainable Development, Inclusive and Social Economy and International Solidarity, Attac France. Published in Politis, 6 November 2003.

#### A new stage for an alliance: the inclusive economy and social entrepreneurship

In the eyes of a very active part of civil society, "neoliberal globalization has brought social inequalities to a rarely reached level; it jeopardizes the environmental balance of the planet, enhances trade and monetary activities alone, merchandizes all the aspects of human life and damages the common goods of mankind". What should now be done is to try to "reintegrate the economy into a social and cultural integration project, in connection with public regulations" (5).

The new stage in the enlargement of synergies will concern:

- forms of inclusive economy, such as cooperatives and mutual benefit societies;
- social entrepreneurship.

As noted Marcello Palazzi, of the Progressio Foundation, social entrepreneurship describes the increasingly important phenomenon of "entrepreneurial action for social benefit". Spontaneous, bottom-up initiatives by individual risk-takers in pursuit of public, not private, gain. Social entrepreneurs are a rising class of leaders, both in developing and developed societies. Generally acting out of frustration with a public-goods and/or private-sector delivery system that leave people and challenges behind, or out of sheer innovative spirit and creative power, social entrepreneurs are launching new services and products across economies. Their industries range from health to the environment, culture to education, civic engagement to the arts, economic development to leisure.

The term 'social enterprise' also denotes a capacity for self-finance, either from revenues and/or from government grants or charitable contributions. This novel economic model, which partly relies on user fees, is one of their greatest strengths, since it frees social enterprises from any top-down agenda and government objectives, a particularly important freedom in some developing countries. Ashoka, one of the first and best organizations of social entrepreneurs, has developed a global network of literally thousands of these pioneers that often operate where States fail.

In Western Europe, reliance on welfare states has somehow slowed down the role of and space for social entrepreneurs. In the last two or three years we have however witnessed a mushrooming of social enterprises in different countries. Yet, there is huge potential for their further development in the next 10 years or so. At a time of European enlargement, several countries with slow-moving public and/or private sector(s) could benefit enormously from a social enterprise development strategy to encourage their birth and growth.

Ultimately, social entrepreneurship is an act of decentralized responsibility. Individual citizens becoming responsible for their own lives – taking accountability. National governments, and certainly the EU, can never reach the parts that social entrepreneurs can reach. This subsidiarity principle is the trump card for social entrepreneurs in Europe, since it leads to a triple win for governments, citizens as the final beneficiaries and social entrepreneurs themselves whose lives can be fulfilled and rewarded through their risk-taking action (6).

Membership Directory.

#### **EPE Members**

**Public Authorities:** *UNEP, Brussels Environmental Agency (IBGE), ADEME-France, City of Göteborg, The Free Hanseatic City of Bremen, International Council for Local Environmental Initiatives, INETI-Portugal, Dutch National Sustainability Plan.*

**Companies:** *Rabobank, Unilever, Total, Sony International (Europe), Procter & Gamble, Dow Europe, Coca-Cola, Ecobilan (member of PriceWaterhouse Coopers)*

**Trade Unions:** *European Trade Union Confederation*

**Non Governmental Organisations** *European Environmental Bureau (EEB), Legambiente-Italy, An Taisce-Ireland, Association 4D-France, Elliniki Etairia-Greece, Environmental Liaison Centre International-Kenya, Geota-Portugal, Global Action Plan, Inter-environnement Wallonie, Klub Gaja-Poland, Stichting Natuur & Milieu-The Netherlands,*

**Social Partners & Professionals:** *Luso-American Foundation, Regional Environment Centre (REC), Oree-France, Eco-Counselling Europe, Eco-Tex-Germany, CAF-Clearing House for Applied Futures, Centre for Social Markets, Ecotopia, Ethibel-Belgium, Fundacion Entorno-Spain, Greening of the Industry Network, IAOPA, Irish Productivity Centre, Leaders for Environment and Development (LEAD), Progressio Foundation, Wuppertal Institute.*

## **Annex 1. STIC**

### **1. STIC Europe Steering Committee Membership and Terms of reference.**

- Members confirmed : CDE, Delhaize, Karstadt Quelle, Sony, Rabobank
- Observers: Fair Trade Movement
- Other possible members not confirmed yet: Carrefour, Cafe Direct, Thiel, City of Göteborg
- Other possible members to be contacted: It is agreed to explore which agri-food company might wish to join
- Terms of reference.

### **2. STIC International. Last developments.**

- STIC Foundation status and location. STIC should become a Foundation under Swiss Law and a Headquarter should be opened in the International Environment House in Geneva funded by the Swiss authorities.
- SIDA would be interested to support projects in Developing Countries.
- Project with IISD. Proposals related to standardisation agencies in Developing Countries are explored. Would link with mutual recognition in the textile sector.

### **3. STIC Europe.**

- A Folder presenting STIC Europe should be printed in view of coming public events. No deadline fixed yet.
- Calendar 2004 The calendar will be reviewed after having received indications from DG trade regarding when the European Sustainable Trade forum sessions could take place.

### **Pilot project with Fair Trade Movement**

- Fair Trade organisations worldwide would be interested to partner with the STIC Regional hubs. A meeting with the STIC Executive Committee should be envisaged.

### **Textile**

- Reciprocal Acceptance. Textile C&A is interested to join. *A Declaration should be adopted by the textile sector in May.*
- Uniforms and Workwear *A meeting should take place back to back with the European Sustainable Trade Forum session on Textile.*

### **Electronics.**

- Sony, Electrolux, H.P., eco-tex, and Eco-counselling Europe, T.U.V. are working on a prototype on « backward supply chain », reusing and recycling.
- Asia Pro-eco. Electronics. Contract between EuropeAid and Ritu and Martin Charter should be signed addressing the WEEE Directive implementation.

### **Agri-Food.**

- A meeting on palm oil is organised together with WWF on April 27 in Brussels.
- A project on partnership with India on agri-food codes of conduct is explored by Ritu.
- The Fair Trade Movement has expertise in the food sector.

### **Meeting with European Regions and Cities.**

- Mr Marcolino is invited to explore with CDE if a meeting with European Regions participating in co-operation projects might be organised.
- Partnership with Cities (ICLEI and EuroCities) has been suggested

### **Supply chain management Workshop**

- Such meeting would address reciprocal acceptance, backward supply chain, micro-certification, social standards draw on IFAT and FLO resources.

### Olympic Games. Torino.

- A letter should be addressed to the Preparatory Committee

### **STIC Europe partnership with other regions of the world**

- Application pending. Asia Invest/Textile
- Applications to be made:
  - (i) Leaders and Champions Meeting 2004.
  - (ii) Asia Pro-Eco
  - (iii) ACP
  - (iv) Responding to eventual requests from Latin America, and the Mediterranean.

### Comments after the Steering Committee and the Fair Trade Conference.

1. Sustainable trade and the EU Constitution. *The draft European Constitution Art I-3, §1 states that “the Union’s aim is to promote peace, its values and the well-being of its peoples » and in its Art I-3, §4 states that “ In its relations with the wider world, the Union (...) shall contribute to peace, security, the sustainable development of the earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and protection of human rights.*
2. S.I.A. Should this Constitution wording putting free and fair trade on equal footing lead to changes in the Commission approaches to trade liberalisation and SIA scenario’s? Would the STIC Hubs have a role to play in the SIA (where the scenario’s explored are liberalisation and liberalisation + but no fair trade scenario is explored) and post SIA framework? Could STIC propose to convey regional meetings to design « sustainable trade strategic partnerships » STSP?
3. STIC mandate. Should it be revised to address the whole supply chain including the backward supply chain with new business opportunities with Developing Countries?
4. STIC Advisory Council. Should the Multinationals members of STIC-Europe steering committee not be members of the STIC Advisory Council together with Governments of Developing Countries and other stakeholders?
5. DG Trade Help Desk. How to establish a hyper link between the desk and STIC ?
6. Sustainable/Fair Trade link with packaging and ethical traceability issues. How to liaise with friendly packaging (see with Martina Bianchini).
7. Reciprocal Acceptance. It is obvious that the EU Sustainable trade accreditation feasibility study is addresssing the same technical problems.
8. MDG’s What can be done by STIC in relation with the Millennium Development Goals and sustainable trade ?
9. European Parliament Trade Committee How should STIC-Europe interact with the new Parliament Trade Committee ?
10. Champions and Leaders. If STIC wishes to aply to Asia Invest and host business to business meetings in and for Asia, we will need a « directory » of Companies.
11. How to make Escalator 51 visible ?
  - Partnerships, Monitoring, Marketing.
  - Folder

## **Annex 2 Give the poor access to credit and to our market. How a guarantee scheme can bridge the gap between the needs in developing countries and the financial sector in the developed world.**

### **I. Mission statement:**

There is an overriding need to increase the investment available to address poverty and supplement projects in Developing Countries. Entrepreneurs in developing countries, and especially the small ones, do not find easy access to funding.

We need to find new ways to mobilise funding for enterprises having a social impact in developing countries.

The mission is to explore if and how a new Guarantee Fund could

- Contribute to increase the use of available investment to release poverty
- Be a catalyser in mobilising more funds, especially designed to reach the poor
- Work with Local Commercial and Development Banks
- Reach the end-user as directly as possible.

### **2. Framework**

The Public-Private Initiative for a Guarantee Fund is taking place in the context of the UN Micro-Credit Year to be launched by November 2004, and in support to the Millennium Development Goals (MDG's)<sup>1</sup> and the WSSD Partnerships.

### **3. Failures.**

As we are getting closer the MDG deadlines, it appears clearly that

- The general system of aid coming from the developed countries has failed in reaching the goals of eradicating poverty in developing countries
- According to the World Economic Forum Report 2004 governments, international organisations, business and civil society are currently engaging in only about one-third of the effort necessary to realise MDG's goals.

### **4. Evidence**

4.a. A lot of money is available in developing countries but does not reach the poor

Observing that even if local banks in developing countries are over liquid, they definitely do not lend money to the poor. Local banks are starting to become interested in giving loans to Microfinance institutions but, so far, it is not the case yet, principally for two reasons: a) the so-called "over-liquidity" is often, not to say always, very short term liquidity, which does not allow to provide the medium-term resources needed by MFI and b) they are often willing to lend money to MFIs but through partnerships with financial institutions.

4.b. Noting that, "*Microfinance investment funds are gradually moving towards a greater commercialisation but they are probably not ripe yet for true capital markets. The risk/return dynamic and certainly the perceived risk/return dynamic of these funds is currently not in their favour. Commercial money is still mixed with donor or agency money. The offer of independent, commercially-oriented, microfinance investment funds is still insufficient*"<sup>2</sup>.

Noting that micro-credits are still perceived as too risky by major banking groups and considering that this reluctance is partly due to a lack of knowledge related to microfinance

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<sup>1</sup> More precisely, those related to developing further a financial system that includes a commitment to development and poverty reduction

<sup>2</sup> Source: *International Investment Funds: Mobilizing investors towards microfinance*, ADA, 2003

(there are numerous examples showing that microfinance, if well managed, can be profitable both economically and socially)

4.c. A lot of EU money coming from various sort of Ethical Investment Funds is not used. Most of those Ethical Investment Funds have a lot of expertise in choosing their projects. Therefore, for them the commercial risk is low. However, many investments that could reach the poor are not being realized because of the high political and/or currency risk existing in those regions.

The feasibility study phase 2 will be conducted to confirm, amend or reverse the following
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#### **A. There is a need for A New Approach.**

The recent UN Commission on the Private Sector and Development, entitled “Unleashing Entrepreneurship: Making business Work for the Poor” underlined the need for cross-cutting partnerships which should involve micro-entrepreneurs, multilateral development institutions, civil society and large-scale private sectors companies”.

Launching a guarantee fund, designed as a European public-private initiative, with the involvement of micro-entrepreneurs, multilateral development institutions, civil society and large-scale private sectors companies should

- Facilitate significant increases in the flow of private and public European funding to developing countries to serve the poor and contribute to the achievement of the MDG’s and the successful implementation to WSSD/Type II partnerships initiatives
- Encourage banks established in developing and developed countries to finance microfinance institutions directly
- Support institutions providing financial services to MFIs as Social investments funds, Social funds, Donors institutions and the different type of investors in these funds as Government and Multilateral organisations, Private sector foundations, Non-government Organisations, Private Individuals, Investment funds and commercial banks.

#### **B. The Delivery Mechanism will combine the best skills from several perspectives**

The Guarantee fund will be

- Managed by a multi-stakeholder board
- Served by a professional entity having expertise (internally or externally) with financial services and guarantees as well as a very good knowledge of the microfinance sector.

#### **C. The Guaranteed Fund will have a mix of objectives.**

The guarantee could cover, when appropriate local banks, EU Ethical Investment Funds, MFI and the end-user for<sup>3</sup>:

- Short to mid-term period loans
- Credit risk for Microfinance institutions in a transition phase
- New activities for the 350 better established microfinance institutions
- A revolving guarantee for a fixed amount of money when social investors meet criteria established by the Fund
- The currency risk
- The political risk

#### **D. The Guarantee Fund will be managed by a Multi-Stakeholder Board**

The Guarantee Fund will be managed by a multi-stakeholder board involving the European public and private sectors,<sup>4</sup> as well as civil society (including microfinance specialists and

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<sup>3</sup> Those should be considered as examples, not as limitations

foundations), Southern partners in WSSD partnership initiatives and micro-credit institutions from Developing countries

### **E. The Guarantee Fund Management will give Southern representative a key role.**

Will be represented on the Board

- A Southern Regional Commercial and/or Development Bank manager
- A Southern Governmental Representative
- A Southern Project Manager
- Paying members
- Microfinance specialists
- Observers
- Others

### **II. Needs statement:**

Considering that, at EU level,

- The European Union, is according to the Commission, well placed to assume a leading role in the pursuit of global sustainable development as the world's largest donor of development aid, the world's biggest trading partner, and a major source of direct private investments
- The EU has taken commitments in favour of guarantee funds in the framework of the Cotonou agreement
- WSSD Partnership Initiatives launched with the participation of Europeans and related to sustainable trade, sustainable investment, and MDG's (universal primary education, empower women, child mortality, maternal health, diseases, drinking water, slums, renewable energies...), targeting the poor, should be backed up with a guarantee fund

Considering that, at UN level,

- The United Nations will launch by November 2004, the UN Micro-Credit Year
- The objective of the Millennium Development Goals (MDG's) will require new instruments in support to the poor to eradicate extreme poverty and hunger, ensure environmental sustainability, develop further a financial system that includes a commitment to development and poverty reduction
- The Monterrey Consensus is encouraging to explore new forms of public-private partnerships
- The Global Compact is inviting signatories, including Banks, to develop new projects
- The World Summit on Sustainable Development plan of implementation invites to create the necessary domestic and international conditions to facilitate significant increases in the flow of FDI to developing countries, which is critical to sustainable development.

Considering that, at OECD level,

- The OECD has developed a project proposal on ODA/FDI synergies to assist developing countries in attracting FDI
- The OECD is intending to address the issue at the OECD Ministerial Meeting in 2005 and the Global Forum on International Investment (GFII)

Taking note of the Consultations, which took place in phase 1 with different specialist of Microfinance and other financial actors related to development and poverty reduction, which underlined

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<sup>4</sup> including commercial banks

- A failure of the aid system in general with the direct consequence that the objectives of extreme poverty eradication and poverty reduction in general are not being met.
- Evidences that local banks in developing countries are over liquid but definitely do not lend to the poor. In the so-called developed world, there are more funds available than funds being invested in developing countries.
- A big need to find an instrument bridging the gap between the needs of investment from the poor and the money available (both in the developed and developing countries).
- At this stage of the study, it is believed that a guarantee fund could fulfil the needs observed during the consultation. In order to achieve this, the Guarantee Fund will secure investments and therefore help: The development of Microfinance in developing countries
- Support to entrepreneurs from developing countries with social and environmental guidelines to export to developed countries
- Multi-stakeholder partnership investments related to the MDG and WSSD partnership

However, the feasibility study should go on and analyse more detailed activities of the Fund, how to integrate new partnerships with the developing countries and/or with individuals from the developed countries, and what would be the delivery mechanism.

The budget required to end the feasibility study in June is 40.000 EUR.

### **III. Goals & objectives of the study phase 2:**

In response to the needs expressed in the previous paragraph, the Steering Committee already agreed on February 5<sup>th</sup> 2004 to:

- Explore with partners the launching of a guarantee fund, designed as a European public-private initiative, to (i) facilitate significant increases in the flow of private and public European funding to developing countries to serve the poor and contribute to the achievement of the MDG's and (ii) the successful implementation to WSSD/Type II partnerships initiatives
- Consult the EU Member States, the European Commission, the European Investment Bank and constituencies representing Development Banks, Global compact signatories (including commercial banks) and Foundations
- Report by the 30 of June 2004 in view of presenting the Initiative at the launching of the UN Micro-Credit Year.

Following the meeting of March 9, 2004, the way the Guarantee Fund could secure investment with a social impact in developing countries (principally by and for European investors) has been extended to the following complementary sectors:

- Microfinance in developing countries, Sustainable Trade (including Fair Trade) from developing countries towards developed countries and
- Multi-stakeholder partnership which investments aiming at poverty reduction, in line with the MDG and/or the implementation of the WSSD/type II partnership initiatives.

Based on the decision taken during the two meetings, the study will now have to be focussed on the following issues:

1. What are the new solutions?  
Different needs have been mentioned so far. Among those, we can mention the need for investors to be cover against the currency, political and commercial risk. Other investors insist their investments to be secured in the case of financing new activities or giving longer-term loans. In addressing those issues, one will have to involve the different partners (co-financing private-public partners and/or partners from the North and the South?) in such a way that the guarantee fund is sustainable.

2. New partnership. It is clear that sustainable development requires partners in the South to make sure the investments realised are made on a long-term basis. Therefore, the study will identify potential partners from the developing countries. Individual donors may represent up to 85% of the money available in some foundations. The study will also see whether there is a place for them in the structure and try to identify some of them.
3. In its search to help Sustainable Trade, the Guarantee Fund will not only encourage activities from developing countries towards developed countries but will also encourage exports from developing countries towards other developing countries.
4. Multistakeholder. Because of an evident complementarity between different initiatives, the Guarantee Fund will have to analyse on a permanent basis new multistakeholders projects, including potential fiscal advantages.
5. Delivery mechanism. In order to be attractive for the final beneficiary, the Guarantee Fund should meet different criteria. Among those, the Fund should be able to react quickly to the demand of the social investor and in a flexible way (avoid bureaucracy), the funds committed by the Guarantee Fund should also be available on request and the Guarantee Fund should be established on a permanent basis. Therefore, the study, in agreement with the partners will propose an organisation of the board in such a way that the Fund delivers results.
6. A legal and a working structure for the Fund
7. The Financial structure of the Fund, including financial commitment from the investors

### Annex 3. Responsible Purchasing: ONE decision when managing multiple concerns.

- How to integrate, in one single decision, a cradle to grave approach, a life cycle perspective, sustainable, fair and ethical trade, eco-efficiency, cleaner production, waste management, SME's, suppliers and shareholders concerns and European regulations, global/local ?
- How to increase the market for sustainable products and sustainable management? How to launch new public/private joint purchasing initiatives?
- How to design a « fast track » to accelerate the transition towards fair trade, eco-efficiency and zero waste, new processes, products and services?

A ACRR –EPE-IBGE (\*) Joint conference – December 2004 - to celebrate ACRR and EPE Xth anniversary preceded by a programme of monthly roundtables (under invitations) on

- Agri-food and packaging, sponsored by Dow Europe, March 8th, 2004
- Palm oil, hosted by WWF-Europe, April 27th, 2004
- Uniforms and workwear hosted by the International Association of Public Transport (tbc) and/or the Belgian Post, 25 May (tbc)
- Shrimps, hosted by Carrefour (tbc), June
- Building construction, hosted by Skanska (tbc), September
- Electronics hosted by Philips and/or Sony (tbc), October
- Companies and Officials Cars, hosted by the Brussels Region, November

#### Objective

To organize a process between institutional purchasers from companies and governments, regions, local authorities, public and private institutions (universities, hospitals, airports) of the enlarged European Union and Ngo's to examine

- How to integrate, in one single decision, a cradle to grave approach, a life cycle perspective, sustainable, fair and ethical trade, eco-efficiency, cleaner production, waste management, SME's and suppliers shareholders concerns and European regulations .
  - (i) *Completely decoupling environmental degradation from economic growth within ten years from now*
  - (ii) *Engage constructively in the trade dialogue on how to incorporate sustainable development and environmental concerns: opening up markets and giving access to the products of specific interest to developing countries*
  - (iii) *Live up commitments on the various international environmental agreements and CSR.*
- How to develop the market for sustainable products. ?
- How to contribute to a sustainability fast track initiative a 'convergence process for sustainable development' similar to the 'Euro method ' and comprising some indicators reflecting the triple bottom line, targets and timetable

The meeting would be prepared by

- Exploratory discussions on 7 pilots

The Conference following step would be

- A Life project
- Joint purchasing initiatives
- Euro-Mediterranean Partnership
- Partnership with STIC.

(\*) ACRR Euro-Med Network of Cities interested in Waste Management  
IBGE Environmental Agency of the Brussels Region , member of EPE  
EPE European Partners for the Environment.

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(3) Letter of the Permanent Forum of Civil Society to the Irish Presidency.