



**Governing Council
of the United Nations
Environment Programme**

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**Tenth special session of the Governing Council/
Global Ministerial Environment Forum**
Monaco, 20–22 February 2008

**Proceedings of the Governing Council/Global Ministerial
Environment Forum at its tenth special session**

Introduction

The tenth special session of the United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum was held at the Grimaldi Forum in the Principality of Monaco from 20 to 22 February 2008. It was convened in pursuance of paragraph 1 (g) of Governing Council decision 20/17 of 5 February 1999, entitled “Views of the Governing Council on the report of the Secretary-General on environment and human settlements”; Governing Council decision 24/15 of 9 February 2007, entitled “Provisional agendas, dates and venues of the tenth special session of the Governing Council/Global Ministerial Environment Forum and the twenty-fifth session of the Governing Council/Global Ministerial Environment Forum”, paragraph 6 of General Assembly resolution 53/242 of 28 July 1999, entitled “Report of the Secretary-General on environment and human settlements”; and paragraph 5 of General Assembly resolution 40/243 of 18 December 1985, entitled “Pattern of conferences”; and in accordance with rules 5 and 6 of the rules of procedure of the Governing Council.

I. Opening of the session

A. Opening of the meeting

1. The tenth special session of the Governing Council/Global Ministerial Environment Forum of the United Nations Environment Programme (UNEP) was opened at 9.40 a.m. on Wednesday, 20 February 2008, by the master of ceremonies. The proceedings commenced with the presentation of a short film entitled “State of the Planet”.

2. Opening statements were made by Mr. Roberto Dobles, Minister of Environment and Energy of Costa Rica and President of the Governing Council/Global Ministerial Environment Forum; Mr. Ban Ki-moon, Secretary-General of the United Nations, by pre-recorded video message; Ms. Anna Tibaijuka, Executive Director of the United Nations Human Settlements Programme (UN-Habitat) and Director-General of the United Nations Office at Nairobi, delivered on her behalf by Ms. Inga Björk-Klevby, Deputy Executive Director of UN-Habitat; Mr. Achim Steiner, Executive Director of UNEP. His Serene Highness Prince Albert II of Monaco also delivered a statement.

3. In his opening statement, Mr. Dobles, on behalf of the Bureau and the delegations present, thanked Prince Albert II of Monaco for hosting the session, for the excellent preparations and for the warm welcome extended to those attending the session. He paid tribute to Prince Albert II, on behalf of the global environmental community, for his leadership and personal engagement in environmental conservation. The establishment of the Prince Albert II of Monaco Foundation, in particular, would be

an important source of continued action for environmental protection. Present at the session were more than 100 ministers and a large number of senior officials and other representatives responsible for the environment from civil society, the business and scientific communities and the United Nations system. As representatives of the core global environment community, they had a responsibility, he said, to respond to the expectations of the peoples of the world and to provide guidance on how to confront the problems and emerging opportunities affecting the planet and ensure its sustainability.

4. Wide-ranging steps had been taken since the twenty-fourth session of the Governing Council/Global Ministerial Environment Forum, held in Nairobi in February 2007, to further the work of UNEP in many areas, including climate change, ecosystems, waste and chemicals management and implementation of the Bali Strategic Plan on Technology Support and Capacity-building. Under the leadership of the Executive Director, UNEP was enjoying successful and far-reaching management reforms and prioritization and streamlining of its substantive work and activities. Of particular significance at the current session would be the consideration of the fourth Global Environment Outlook report (*GEO-4*) and the proposed Medium-term Strategy for the period 2010–2013. *GEO-4* set out scientific findings that were critical for environmental decision makers and had been fundamental to the drafting of the Medium-term Strategy, which presented a unique opportunity for member States to guide the direction of a more focused and results-based UNEP. The Climate Neutral Network, to be launched at the current session, was particularly worthy of support; it encouraged Governments at all levels to accept the idea of a climate-neutral society. He wished the representatives fruitful deliberations and urged them to ensure that the tenth special session took place in a spirit of cooperation and compromise. In closing, he congratulated Ms. Angela Cropper on assuming her position as Deputy Executive Director of UNEP.

5. In his statement, Mr. Ban-ki Moon expressed delight at greeting representatives to the tenth special session of the Council/Forum, noting that through similar sessions environment ministers and other representatives had for more than 20 years produced constructive and creative solutions to global sustainability challenges. Representatives and their predecessors had provided a glimpse into the real possibility of a green economy, including through the climate change framework, carbon trading and carbon markets. With the Bali Strategic Plan as its guide, the Council/Forum now faced the challenge of mobilizing finance to confront climate change, providing fresh impetus and strengthening the work of UNEP. In that regard, the Medium-term Strategy would lead to a more focused and results-based UNEP. Stressing the importance of reaching agreement at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Copenhagen in 2009, he noted the importance of sustaining momentum through practical actions. The people of the world were demanding change and he urged the representatives assembled for the current session to deliver it.

6. In her statement, Ms. Tibaijuka expressed regret at being unable to attend the current session due to the difficult political situation in Kenya, host country of UN-Habitat's headquarters. UN-Habitat, she said, was committed to long-term cooperative action to combat climate change, and its main partner in that endeavour was UNEP. The rapid pace of urbanization would increase the vulnerability of urban areas to climate change and threatened many cities and hundreds of thousands of their inhabitants, including 1 billion slum-dwellers in particular, with its negative impacts. On one of the two main themes of the session, international environment governance, she noted that it was clear that meaningful reform of the global environmental system was required to ensure better governance, enhanced use of resources and a better framework for coordination to avoid competition and duplication among United Nations agencies, development banks and other institutions. It was necessary to place greater emphasis on empowering local authorities, particularly as the effects of climate change were felt most acutely at the local level. On the other theme, mobilizing finance to combat climate change, the relationship between cities and financing for climate change was twofold: cities and local authorities were assuming responsibility for the transition to a low-carbon economy and were, particularly in the developing world, grappling with the immediate impacts of climate change. It was vital, therefore, to improve their access to financing, including through the Kyoto Protocol's Clean Development Mechanism, and to ensure that they were stakeholders in the negotiations on a post-2012 Kyoto Protocol regime. In closing, she invited representatives to attend the fourth World Urban Forum, to be held in Nanjing in October 2008, which would focus on the theme of harmonious urbanization and explore issues related to the sustainable development of human settlements and climate change.

7. In his statement the Executive Director expressed his thanks to Prince Albert II for the support that he and his Government had lent to UNEP in organizing the special session. He commended the Prince for translating his personal interest in environmental issues into a political commitment and as a matter of State importance. Through his foundation he had shown what could be achieved through

inspiration and commitment by even a small State. In 2008 he had been named a UNEP Champion of the Earth and, along with Ms. Wangari Maathai, was an active patron of the Billion Tree Campaign. The Campaign had met with a hugely enthusiastic response, with over 1.9 billion trees already planted, and the challenge now would be to find new ways of channelling the public energy and support that it had inspired. He also thanked all other participants for attending the current session, noting that more than 150 member States were represented and saying that the Council/Forum was meeting at a critical point in time, when the challenge of environmental change had been placed at the heart of the entire development agenda. The topic of climate change should not be seen to narrow the agenda, he said, but rather was a lens through which to consider other issues, and he noted that environmental intelligence and awareness were emerging as drivers for the development of societies and economies. He urged participants to consider the Forum not as an administrative function of UNEP but rather as a platform from which environment ministers could speak to a world that was looking for inspiration and practical solutions.

8. Prince Albert II said that Monaco was proud to welcome the members of the Council/Forum. He said that his thoughts were with all those affected by recent events in Kenya and on his own behalf and that of the Council/Forum he expressed his support for Ms. Wangari Maathai. He underscored the importance of immediate action if the current global environmental crisis was to be overcome, saying that effective policies had to be put in place to protect irreplaceable ecological resources, more investment choices had to be provided and technological advances had to be promoted. It was necessary to enter into an age of innovation and creativity and it was clear that public finance and the private financial sector had a key role to play in promoting sustainable development. Coherent international regulations would have to be developed to encourage the main global economies to cooperate in the development of new high-performance technologies. He emphasized that private business could influence positive change by working to change consumer attitudes. His ambition was for Monaco to become a preferred destination for entrepreneurs and investment professionals involved in the research, development and commercialization of new environmental technologies.

9. He described Monaco's efforts to reduce its emissions under the Kyoto Protocol and the carbon offsetting programme in place since 2007 for large events held in the Principality, including the current sessions of the Council/Forum. The carbon neutral programme was intended to tie in with Monaco's international cooperation policy, which centred on combating poverty, since climate change primarily affected the most disadvantaged groups in society. He emphasized, however, that paying for carbon offsets should not be seen as a simple alternative to reducing environmental impact in the first place. He also drew attention to the importance of prioritizing financing efforts for adaptation. He discussed his personal interest in the severe effects of climate change in the Arctic region, which he had witnessed first hand. To tie in with the International Polar Year, his Foundation was currently considering potential activities in the Arctic. Monaco would be open to any initiatives that might help progress in that area. He expressed the hope that the Council/Forum would consider the problem and propose concrete solutions.

B. Discussion on leadership by inspiration

10. During the 1st plenary meeting of the session a discussion took place on the theme of "leadership by inspiration-environment, peace and security". The speakers were Nobel prize laureate Ms. Wangari Maathai, founder of the Greenbelt Movement in Kenya, and Mr. Mohan Munasinghe, Vice-Chair of the United Nations Intergovernmental Panel on Climate Change (IPCC).

11. Introducing the speakers Mr. Steiner said that over the past three years the Nobel Peace Prize Committee had twice awarded the prize to individuals or groups of scientists who had shown that peace, security and the environment were interwoven. In 2004 the prize had been awarded to Ms. Maathai and her Green Belt Movement; in 2007 it had been given to Mr. Al Gore and IPCC. He explained that Ms. Maathai was unable to attend the meeting in person as she was assisting former United Nations Secretary-General Kofi Annan in mediation efforts in Kenya. A statement would therefore be read on her behalf by Tunza Youth adviser for Africa Ms. Margaret Koli. In introducing Mr. Munasinghe Mr. Steiner noted that he had played a key role in drawing international attention to the link between climate change and economic factors.

12. In her statement, Ms. Maathai said that she regretted not being present but felt that she could not neglect her country in its hour of need. In awarding the Peace Prize to her Green Belt Movement in 2004, the Nobel Committee had made the link between the environment and peace and between peace and democracy through environmental action. Through the planting of trees, symbols of peace, the Green Belt Movement had helped entire communities not only to understand that government had to be

accountable but also that mutual respect and relationships based on trust, integrity and justice were equally important. The Movement, she said, had been able to reconcile communities in conflict with one another by planting peace trees, and she suggested that it was time to rediscover the link between trees, culture and conflict resolution, especially given the effects of climate change.

13. Mr. Munasinghe also delivered a statement, conveying the apologies of IPCC Chair Mr. Rajendra Pachauri, who was unable to attend the meeting. He explained that climate change was important because it was undermining sustainable development and was affecting, in particular, the most vulnerable in the world: the poor, children, the elderly, small islands, the Arctic, Asian mega-deltas, sub-Saharan Africa and particularly vulnerable ecosystems. The relationship between development and climate change, he noted, was cyclical: development led to the emission of greenhouse gases, which in turn caused climate change. That then created problems for man-made and natural systems, which in turn had an impact on development. Mitigation and adaptation measures were therefore required and they needed to be implemented more systematically than they had been in the past.

14. He said that although the problems of climate change and sustainable development were complex and serious he was firmly convinced that they could be solved together, provided action began immediately. The most desirable scenario would be for all climate-related policies to combine mitigation and adaptation measures and to make development more sustainable. The technology and knowledge needed to make that happen already existed but political will was lacking. Sustainable development comprised environmental, social and economic elements. Governments, business and civil society therefore had to work together to ensure that sustainable development covered all elements. UNEP had a key role to play in showing that climate change affected or related to all of the Millennium Development Goals, not only the seventh goal, to “ensure environmental sustainability”. He called on UNEP to highlight the impact of climate change at the macroeconomic level and in the business and development sectors in order to mobilize support and resources and to help identify and implement solutions.

II. Organization of the session

A. Attendance

15. The following 56 States members¹ of the Governing Council/Global Ministerial Environment Forum were represented: Algeria, Angola, Antigua and Barbuda, Argentina, Australia, Austria, Bahamas, Bangladesh, Belarus, Belgium, Benin, Botswana, Burundi, Canada, Chile, China, Colombia, Congo, Costa Rica, Croatia, Cuba, Czech Republic, Finland, France, Germany, Guinea, Haiti, Hungary, India, Indonesia, Iran (Islamic Republic of), Israel, Italy, Japan, Kazakhstan, Kenya, Mali, Mauritius, Mexico, Monaco, Netherlands, Niger, Pakistan, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Somalia, South Africa, Spain, Thailand, Tunisia, Tuvalu, Uganda, United States of America and Uruguay.

16. The following 82 States not members of the Governing Council/Global Ministerial Environment Forum but members of the United Nations or members of a specialized agency or of the International Atomic Energy Agency were represented by observers: Afghanistan, Albania, Armenia, Azerbaijan, Barbados, Brazil, Bulgaria, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Côte d'Ivoire, Cyprus, Democratic People's Republic of Korea, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Gambia, Georgia, Ghana, Greece, Guatemala, Holy See, Honduras, Iceland, Iraq, Ireland, Jordan, Kiribati, Kuwait, Latvia, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malaysia, Maldives, Mauritania, Mongolia, Morocco, Mozambique, Nepal, New Zealand, Nicaragua, Nigeria, Norway, Oman, Panama, Papua New Guinea, Peru, Philippines, Poland, Portugal, Qatar, Samoa, Senegal, Sierra Leone, Singapore, Slovakia, Slovenia, Solomon Islands, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Trinidad and Tobago, Turkey, Turkmenistan, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia and Zimbabwe.

¹ The membership of the Governing Council was determined by elections held at the 43rd plenary meeting of the sixtieth session of the United Nations General Assembly, on 3 November 2005, and the 52nd plenary meeting of the sixty-second session, on 15 November 2007.

17. An observer for the Sovereign Military Order of Malta also attended.
18. The following United Nations bodies, secretariat units and convention secretariats were represented: Agreement on the Conservation of Cetaceans in the Black Sea, Mediterranean Sea and contiguous Atlantic area, Basel Convention on the Transboundary Movement of Hazardous Wastes and their Disposal, Convention on International Trade in Endangered Species of Wild Flora and Fauna, Convention on the Conservation of Migratory Species of Wild Animals, Convention on Wetlands of International Importance, Especially as Waterfowl Habitat, International Atomic Energy Agency, Ozone Secretariat, Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol, Stockholm Convention on Persistent Organic Pollutants, United Nations Conference on Trade and Development, United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, United Nations Children's Fund, United Nations Department of Economic and Social Affairs, United Nations Development Programme, United Nations High Commissioner for Refugees, United Nations Human Settlements Programme, United Nations Institute for Training and Research, United Nations International Strategy for Disaster Reduction, United Nations Office for the Coordination of Humanitarian Affairs, United Nations Population Fund, United Nations Regional Information Centre, United Nations University, World Intellectual Property Organization and World Trade Organization.
19. The following specialized agencies were represented: Food and Agriculture Organization of the United Nations, International Labour Organization, United Nations Educational, Scientific and Cultural Organization, World Bank and World Meteorological Organization.
20. The following intergovernmental organizations were represented: African Development Bank, Asian-African Legal Consultative Organization, Commission of the African Union, Commonwealth Secretariat, European Community, Global Environment Facility, League of Arab States, Organisation for Economic Cooperation and Development, South Asia Cooperative Environment Programme and World Conservation Union (IUCN).
21. In addition, 113 non-governmental and civil society organizations were represented by observers.

B. Adoption of the agenda

22. At its 1st plenary meeting the Council/Forum adopted the following agenda for the session, on the basis of the provisional agenda (UNEP/GCSS.X/1):
 1. Opening of the session.
 2. Organization of work:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
 3. Credentials of representatives.
 4. Policy issues:
 - (a) State of the environment;
 - (b) Emerging policy issues;
 - (c) Environment and development.
 5. Follow-up to and implementation of the outcomes of United Nations summits and major intergovernmental meetings, including the decisions of the Governing Council.
 6. Other matters.
 7. Adoption of the proceedings.
 8. Closure of the session.

C. Organization of the work of the session

23. At the 1st plenary meeting of the session, the Council/Forum considered and agreed on the organization of work of the session in the light of the recommendations contained in the annotated agenda (UNEP/GCSS/X/1/Add.1).

24. Pursuant to one of those recommendations, it was decided that the Council/Forum would hold ministerial consultations from the afternoon of Wednesday, 20 February 2008, to the morning of Friday, 22 February 2008. The focus of those consultations would be the themes “globalization and the environment: mobilizing finance to meet the climate challenge” and “international environmental governance and United Nations reform”, under agenda item 4 (b). It was further decided that the ministerial consultations would involve a mix of plenary meetings and panel and roundtable discussions.

25. The Council/Forum also decided to establish a Committee of the Whole, chaired by Mr. Jan Dusík (Czech Republic), which would consider agenda items 4 (a) (Policy issues: state of the environment); 4 (c) (Policy issues: environment and development); 5 (Follow-up to and implementation of the outcomes of United Nations summits and major intergovernmental meetings, including the decisions of the Governing Council); and 6 (Other matters). It was further decided that an informal group of friends of the President would be formed and charged with preparing a President’s summary of the ministerial consultations on themes I and II. The group would be chaired by Mr. Robert Calcagno, State Counsellor for Equipment, Environment, and Urban Planning of the State Ministry for Urban Planning of Monaco, and would comprise the chairs of the five regional groups and the economic integration entities.

26. It was further agreed that the Council/Forum would consider agenda items 3 (Credentials of representatives), 7 (Adoption of the report) and 8 (Closure of the session) at the plenary meeting on the afternoon of Friday, 22 February 2008.

27. In considering the agenda items, the Council/Forum had before it the documentation outlined for each item in the annotated agenda for the current session (UNEP/GCSS.X/1/Add.1).

D. Report of the Committee of the Whole

28. The Committee of the Whole held four meetings, under the chairmanship of Mr. Dusík, from 20 to 22 February, to consider the agenda items assigned to it. At its 6th plenary meeting, on the afternoon of 22 February, the Council/Forum took note of the report of the Committee of the Whole. The report is set out in annex II to the present proceedings.

E. Adoption of decisions

29. At its sixth plenary meeting, on the afternoon of Friday, 22 February, the Council/Forum adopted the following decisions:

Decision no.	Title
SS.X/1	Chemicals management, including mercury and waste management
SS.X/2	Sustainable development of the Arctic region
SS.X/3	Medium-term Strategy for 2010–2013
SS.X/4	International Decade for Addressing Climate Change
SS.X/5	Global Environment Outlook: environment for development

30. The Council/Forum adopted the foregoing decisions on the basis of draft decisions approved by the Committee of the Whole. The proceedings of the Committee, including its consideration of the draft decisions, contained in annex II to the present proceedings.

III. Credentials of representatives

31. In accordance with rule 17, paragraph 2, of the rules of procedure, the Bureau examined the credentials of the representatives attending the session. Representatives of 56 of the 58 member States attended the session and their credentials were found to be in order. The President so reported to the Council/Forum, which approved the Bureau’s report at its 6th plenary meeting, on 22 February 2007.

IV. Policy issues

A. Executive Director's policy statement

32. During the 1st plenary meeting Mr. Steiner delivered his policy statement. He commenced by noting that much of the scientific information presented by Mr. Munasinghe in his talk on leadership by inspiration was directly relevant to environmental policy. He said that the policy changes and proposed mid-term strategy for UNEP were part of two major transformations, the first being a global movement from a "brown economy" to a "green economy" and the second, a movement within UNEP to create a more focused, responsive and results-based institution.

33. Addressing the changes within UNEP, Mr. Steiner described the proposed Medium-term Strategy and the inclusive, transparent process by which it had been developed. The proposed strategy had been drafted twelve months in advance of its requested deadline as part of the reform process undertaken throughout the United Nations system and endorsed by the UNEP Governing Council. In order to provide coherence to UNEP activities, six thematic priorities were outlined in the proposed strategy: climate change; disasters and conflict; ecosystem management; environmental governance; harmful substances and hazardous waste; and resource efficiency – sustainable consumption and production. Other managerial reforms included implementation of results-based management, realignment of authority and responsibility, a return of financial control to project managers in developing work plans, achievements in gender mainstreaming and staff training in the United Nations common country programming process. UNEP was positioning itself as a service provider to the United Nations system with respect to environmental issues and to that end the organization would strengthen its ability to realize commitments in the Bali Strategic Plan for Technology Support and Capacity-building and to ground its activities in scientific findings.

34. He continued by noting that the advance preparation of the proposed Mid-term Strategy created an opportunity for members of the Governing Council to provide feedback and to determine programmatic priorities at a very early stage. In the context of the global transformation toward a greener economy, ministers of the environment carried an expanded work brief. Just as donors believed in the value of UNEP and its path of reform, investors were also committing themselves to an improved environment through actions such as clean energy production, eco-tourism and alternative transport, all of which involved job creation. The spread of environmental concerns was affecting Governments as well and in the near future finance ministers would need to be conversant in environmental issues, while environment ministers would require a higher level of economic competence. With billions and perhaps trillions of dollars being directed by the private sector and multilateral financial institutions into the green economy, UNEP and its partners, including environment ministers, had the responsibility to guide those investment flows, which were now the engines for environmental change. Given those and other changes, however, sustainable development had still not been realized on a global scale, and time to achieve that goal was short. Science, technology and public awareness were in place to support change, but policy and action were required to address the stark challenge posed by the fact that environmental degradation was outpacing human innovation.

35. Turning to the recent developments in Kenya, Mr. Steiner observed that it was unprecedented for the headquarters of a United Nations body to be situated amidst social and political upheaval. He said that the organization was operating with a business as usual attitude but that it had to be prepared for adverse change, which if it came would inevitably impact its programmes.

36. Mr. Steiner closed his policy statement with an offer of congratulations to Ms. Beverly Miller, who was retiring from service as Secretary of the Governing Council, and to Ms. Angela Cropper, who had joined UNEP as its Deputy Executive Director.

37. The full text of Mr. Steiner's policy statement is set out in annex III to the present proceedings.

B. State of the environment (agenda item 4 (a))

38. The Council/Forum took up the sub-item at its 1st plenary meeting. It commenced its consideration of it with a presentation by Mr. Steiner on the findings laid out in the fourth Global Environment Outlook report (*GEO-4*), which was the subject of a report of the Executive Director before the Council/Forum (UNEP/GCSS.X/3). *GEO-4*, he said, was the product of years of intensive work by numerous stakeholders and presented a science-based assessment of environmental change and how it affected development and human well-being. The report showed that change was occurring at an unprecedented rate and that humanity had yet to turn the corner to sustainable development; all

indicators were pointing to a worsening situation affecting both developed and developing economies. A number of innovations, or “green breakthroughs”, gave cause for optimism, however, although they had not yet been scaled up to the point where they could provide a coherent global response. Despite the existence of improved tools, better science, a more informed public and a more proactive private sector, the threshold of sustained action was yet to be crossed. In noting the great media interest that had been generated by the publication of *GEO-4*, he expressed hope that the international community would work with it and similar reports from other organizations in directing future action.

39. In the ensuing discussion *GEO-4* was welcomed as an important publication that contributed to the international environment-related agenda and strengthened the role of UNEP as the leading environmental authority in the United Nations system. Several representatives praised its key messages, including the need for a holistic approach to environmental and development issues, and its focus on sustainable development and management of ecosystems. Some representatives noted the importance of *GEO-4* as a tool enabling decision makers to underpin their decisions with a firm scientific basis.

40. One representative said that UNEP needed to ensure that it made full use of the *GEO-4* conclusions in its daily activities and to put in place a review process that would enable it to evaluate and improve upon the GEO process as a whole. Another representative mentioned the need for more focused and rapid assessments to augment the wider picture presented by *GEO-4* and requested the Executive Director to explore how further synergies might be developed with other environment-related assessments and to present a report on his findings at the next session of the Governing Council.

41. Agenda item 4 (a) was also considered by the Committee of the Whole. The report on the deliberations of the Committee is contained in annex II to the present proceedings.

42. The decisions adopted by the Council/Forum are set out in annex I to the present proceedings and are listed in chapter II, section E, above.

C. Emerging policy issues (agenda item 4 (b))

43. At its 2nd plenary meeting, on the afternoon of Wednesday, 20 February 2008, the Council/Forum began its consideration of agenda item 4 (b), policy issues: emerging policy issues, in the form of ministerial consultations, focusing on theme I of the session: globalization and the environment – mobilizing finance to meet the climate challenge, and, in particular, the role of national policies in enabling investments. At its 3rd plenary meeting, on the morning of Thursday, 21 February 2008, the Council/Forum continued its consideration of agenda item 4 (b), focusing, in particular, on the question of whether financial markets were ready to mobilize the needed investment. A panel discussion, featuring an overview presentation, was held at each of the 2nd and 3rd plenary meetings in the form of ministerial consultations, each of which was followed by four concurrent ministerial roundtable discussions. At its 4th plenary meeting, on the afternoon of Thursday, 21 February 2008, the Council/Forum continued its consideration of agenda item 4 (b), with particular focus on mobilizing capital from the local perspective. A panel discussion was held, followed by summary reports presented by the four facilitators of the roundtable discussions on the findings and recommendations that had emerged from the discussions. At its 5th plenary meeting, on the morning of Friday, 22 February 2008, the Council/Forum continued its consideration of agenda item 4 (b), with particular focus on theme II of the session: international environmental governance and the United Nations reform. A panel discussion was held, including two overview presentations, followed by a synthesis and feedback. In discussing the sub-item the ministers and other heads of delegation had before them background papers intended to stimulate discussion, including policy options emanating from the President’s summary of the ministerial-level consultations at the twenty-fourth session of the Governing Council/Global Ministerial Environment Forum, (UNEP/GCSS.X/9).

44. At the 6th plenary meeting of the Council/Forum Mr. Calcagno spoke on the outcome of the ministerial consultations. He highlighted key points from the President’s summary of the consultations, stressing that it reflected the variety of views expressed rather than a consensus. The Council/Forum took note of the President’s summary, which is set out in annex IV to the present proceedings, noting that it while it reflected a variety of views expressed during the ministerial consultations it did not constitute a consensus text.

D. Environment and development (agenda item 4 (c))

45. Agenda item 4 (c) was considered by the Committee of the Whole. The report on the deliberations of the Committee is contained in annex II to the present proceedings.

46. The decisions adopted by the Council/Forum are set out in annex I to the present proceedings and are listed in chapter II, section E, above.

V. Follow-up to and implementation of the outcomes of United Nations summits and major intergovernmental meetings, including the decisions of the Governing Council

47. Under the item, Mr. Steiner presented a note on the proposed Medium-term Strategy for 2010–2013 (UNEP/GCSS.X/8). He said that a great deal of work had been invested by the Committee of Permanent Representatives, in consultation with a broad range of stakeholders, in producing the Medium-term Strategy well ahead of schedule in order to inform the development of the UNEP programme of work and strategic framework. The Strategy identified six cross-cutting priorities and set out a vision for UNEP drawn directly from the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme approved by the UNEP Governing Council in 1997, which remained as valid as it was when adopted. He stressed that identification of the six priorities did not mean that UNEP considered itself a unique player or leader in any field; rather, UNEP believed that the priorities were core areas where it could make a transformative difference in collaboration with other organizations and bodies. Renewed emphasis would be placed on enhancing the capacity of UNEP to deliver on the Bali Strategic Plan for Technology and Capacity-Building; its role as the environment programme of the United Nations; ensuring that its interventions were based on sound science; and fully implementing results-based management. In conclusion, he said that the Medium-term Strategy, along with the programme of work and the strategic framework through which it would be realized, set a direction for UNEP that was essential to the achievement of its core agenda.

48. In the ensuing discussion there was broad commendation for both the policy statement and the Medium-term Strategy. Several representatives expressed the view that the Strategy would assist in making UNEP more efficient and better equipped to respond to the challenges of environmental change. The commitment to advancing the Bali Strategic Plan for Technology Support and Capacity-building received support from a number of representatives. One representative expressed support for the innovative financial mechanisms suggested, which offered scope to include the private sector and civil society and harness creativity.

49. Some representatives, however, said that the Medium-term Strategy required further modification and improvement, for example by clarifying the means by which it would be implemented, including through increased synergy with multilateral environmental agreements. One representative said that, while the Strategy dealt with coordination with other organizations, it paid insufficient attention to coordination within UNEP itself and linkages among UNEP strategies. She also said that efforts should be made to include representation from all regions in future work related to the Strategy.

50. One representative said that UNEP should make a greater effort to incorporate local cultures and traditional beliefs and values into its activities. Another representative stressed the need to mobilize human resources, particularly at the local level, and suggested encouraging that by dedicating a decade to climate change. Another representative drew attention to the Tunis Declaration for International Solidarity to Protect Africa and the Mediterranean Region against the Adverse Effects of Climate Change, adopted at the International Solidarity Conference on Climate Change Strategies for Africa and the Mediterranean Region held in Tunis in November 2007.

51. The representative of Norway said that his Government was developing a programme agreement with UNEP pursuant to which it would provide \$18 million per year to support implementation of the Medium-term Strategy. He also said that there was an urgent need for a legal framework to combat the threat of mercury and urged UNEP to take the lead in that matter.

52. One representative said that the presentations by the Executive Director exemplified the Global Ministerial Environment Forum working as was intended, reviewing emerging policy issues and the functioning of UNEP. He said that the Forum should concentrate on major issues, such as endorsing the Medium-term Strategy, rather than negotiate decisions for the Governing Council and adopt decisions merely for the purpose of taking note of reports by the Executive Director. He indicated that his delegation would submit a draft decision aimed at clarifying practice in that regard.

53. The representative of a group of civil society organizations said that greater attention should be given to financial mechanisms that promoted climate justice and that focused on the poor, of whom 70 per cent were women. She also expressed opposition to any efforts that might limit the authority of

the Forum to adopt decisions, as it was vital that the Forum retain its flexibility to respond to environmental issues in a timely manner.

54. Agenda item 5 was also considered by the Committee of the Whole. The report on the deliberations of the Committee is contained in annex II to the present proceedings.

55. The decisions adopted by the Council/Forum are set out in annex I to the present proceedings and are listed in chapter II, section E, above.

VI. Other matters

56. The Council/Forum took up no other matters.

VII. Adoption of the proceedings

57. The Council/Forum adopted the present proceedings at its 6th plenary meeting, on 22 February 2008, on the basis of the draft proceedings which had been circulated and on the understanding that the secretariat and the Rapporteur would be entrusted with their finalization.

VIII. Closure of the session

58. During the closure of the session the President of the Council/Forum and numerous representatives of Members paid tribute to Ms. Beverly Miller, who would be retiring from her post of Secretary of the Governing Council in September 2008, for her long years of service. Following that tribute and the customary exchange of courtesies the tenth special session of the Governing Council/Global Ministerial Environment Forum was declared closed by the President of the Council/Forum at 4.35 p.m. on Friday, 22 February 2008.

Annex I

Decisions adopted by the Governing Council/Global Ministerial Environment Forum at its tenth special session

SS.X/1. Chemicals management, including mercury and waste management

The Governing Council,

Recalling its decision 24/3 on chemicals management, in particular section IV on mercury, and its decision 24/5 on waste management,

Further recalling General Assembly resolution 53/242 of 28 July 1999 on the establishment of the Global Ministerial Environment Forum, which established the Global Ministerial Forum as a high-level environment policy forum in the United Nations system,

Noting that, as stated in paragraph 6 of resolution 53/242, the primary purpose of special sessions of the Council/Forum is the review of important and emerging policy issues in the field of the environment,

Emphasizing that whenever possible significant programme-related decisions of the Council/Forum are dealt with at its regular sessions,

1. *Acknowledges with appreciation* the reports of the Executive Director on chemicals management,² on progress of the ad hoc open-ended working group on mercury³ and on waste management,⁴ as requested by the Governing Council in its decisions 24/3 II, 23/3 IV and 24/5, respectively;
2. *Takes note* of the particular significance of the tangible recommendations for developing countries, in particular least developed countries and small island developing States, as well as countries with economies in transition, referred to in section I of chapter II of the report of the Executive Director on waste management;
3. *Decides* in view of the significant programme-related matters raised in the above-referenced reports to consider them at the Council/Forum's twenty-fifth regular session;
4. *Requests* the Executive Director to continue to implement decisions 24/3 and 24/5 and to present a full report on such implementation at the Council/Forum's twenty-fifth regular session.

SS.X/2. Sustainable development of the Arctic region

The Governing Council,

Recalling its decision 22/11 on sustainable development of the Arctic of 7 February 2003 and in particular paragraph 2, requesting the Executive Director to provide continuous assessments and early warning on emerging issues related to the Arctic environment, in particular its impact on the global environment,

Recognizing that, despite the many successful and continuing efforts of the international community since the United Nations Conference on the Human Environment and the achievement of some progress, continuing efforts by Governments to protect the environment are needed as shown in

2 UNEP/GCSS.X/4.

3 UNEP/GCSS.X/5.

4 UNEP/GCSS.X/7.

the United Nations Environment Programme's fourth Global Environment Outlook report, which noted specific concerns in relation to melting Arctic sea ice,⁵

Recalling that "Melting Ice – A Hot Topic?" was the theme for the 2007 World Environment Day and focused on the effects of climate change on polar ecosystems and communities, ensuing consequences around the world and actions that could be taken to avoid abrupt, accelerating, or potentially irreversible environmental changes,

Extremely concerned over the impact of climate change on the polar regions, especially the Arctic, because of the likely impacts of high rates of projected warming on natural systems and indigenous and other communities as well as biodiversity, with increasingly dramatic effects on the Arctic and potential significant global consequences, e.g., through contributions from glaciers and the Greenland Ice Sheet to sea level rise,

Convinced of the need to protect the Arctic environment and to ensure environmental security for its indigenous and other communities, as well as for its biodiversity,

Well aware of the influence of Arctic sea ice dynamics on the planetary climate system and ocean circulation,

Also well aware of the need for and importance of cooperative measures to promote adaptation of Arctic ecosystems to climate change and for adaptive management of such ecosystems in the face of rapid climate change,

Emphasizing that the International Polar Year 2007–2009, which involves thousands of scientists from over 60 countries working at both poles, provides a foundation for enhancing the scientific basis for informed decision making,

Acknowledging the deep concern over the vulnerability of the environment and ecosystems of the Arctic Ocean and Arctic sea ice and the need for States to strengthen scientific cooperation, as noted in the preambular paragraphs of the United Nations General Assembly omnibus resolution on Oceans and the Law of the Sea adopted by the United Nations General Assembly in December 2007,

Noting that the United Nations Environment Programme participates in Arctic Council meetings as an observer,

Emphasizing that the exploitation of Arctic resources should be done in a sustainable manner,

Believing that the Arctic environment, its indigenous and other communities and biodiversity benefit from the efforts of Arctic States and other interested States and stakeholders to ensure its protection and management with respect to commercial activities including shipping, fishing, oil, gas and mining operations in recently opened ice melt areas of the Arctic marine environment,

Acknowledging the efforts of Arctic States, individually and collectively, to protect the Arctic environment and manage activities in the Arctic to minimize the impact of those activities on the Arctic environment,

1. *Commends* the Arctic Council for its activities related to the Arctic environment and its inhabitants;
2. *Encourages* the United Nations Environment Programme to cooperate, as requested, with the Arctic Council, relevant multilateral environmental agreements and other relevant regional and international bodies, as appropriate;
3. *Urges* Governments of Arctic States and other interested stakeholders to continue to apply the precautionary approach as set forth in Principle 15 of the Rio Declaration on Environment and Development in connection with their activities potentially affecting the Arctic environment, including its biodiversity, and to continue to conduct environmental impact assessments, as appropriate;
4. *Requests* Governments, together with the International Council for Science and the World Meteorological Organization, the sponsoring agencies of the International Polar Year, and other relevant regional and international bodies including the Arctic Council, the United Nations Environment Programme and multilateral environmental agreements, to enhance the scientific basis for informed decision-making through the promotion of international scientific collaboration and

⁵ *Global Environment Outlook 4: Environment for Development*, Summary for Decision Makers, Polar, p. 19).

coordination to better track, understand, and predict Arctic change as a key International Polar Year legacy activity;

5. *Encourages* the United Nations Environment Programme to join with other relevant organizations and programmes to seek means to sustain and enhance Arctic observing networks beyond the International Polar Year research phase;

6. *Also requests* Governments of Arctic States and other interested stakeholders individually and collectively to expedite the implementation of appropriate measures to facilitate adaptation to climate change at all levels, including by indigenous and other communities as part of ongoing cooperation in the region.

SS.X/3. Medium-term Strategy for the period 2010–2013

The Governing Council,

Recalling paragraph 13 of its decision 24/9, by which it requested the Executive Director to prepare, in consultation with the Committee of Permanent Representatives, a medium-term strategy for 2010–2013 with a clearly defined vision, objectives, priorities and impact measures and a robust mechanism for review by Governments, for approval by the Governing Council at its twenty-fifth session,

Noting with appreciation the open, transparent and extensive consultation process undertaken by the Executive Director with the Committee of Permanent Representatives in developing the United Nations Environment Programme Medium-term Strategy 2010–2013;

Also noting with appreciation the consultation with the multilateral environment agreement secretariats administered by the United Nations Environment Programme and with civil society and the private sector in developing the Medium-term Strategy 2010–2013,

Further noting with appreciation that the Medium-term Strategy 2010–2013 developed by the Executive Director is well focused, results-based and elaborates six cross-cutting thematic priority areas of work and various means of implementation as a way of strengthening the work of the United Nations Environment Programme in the period 2010–2013,

Emphasizing the need to implement fully decision SS.VII/1 on international environmental governance adopted by the Governing Council at its seventh special session (“the Cartagena Package”), and welcoming the Medium-term Strategy’s particular emphasis on significantly enhancing the capacity of the United Nations Environment Programme to deliver on the Bali Strategic Plan for Technology Support and Capacity-building;⁶ on the role of the United Nations Environment Programme as the principal United Nations body in the field of environment; on ensuring that United Nations Environment Programme actions are founded on sound science; and on fully implementing results-based management,

Noting also the time set by the United Nations Secretariat in the instructions issued for the preparation of the strategic framework 2010–2011 by each fund, programme and department of the United Nations secretariat,⁷

Acknowledging that in order for the Medium-term Strategy developed by the Executive Director to be linked in a meaningful fashion with the strategic framework and subsequent programme of work of the United Nations Environment Programme for 2010–2011 it is essential that the Governing Council should first consider the Medium-term Strategy at its tenth special session,

Noting that the Executive Director will consider the views expressed at the tenth special session of the Governing Council on the Medium-term Strategy 2010–2013 when formulating the programmes of work and budgets for 2010–2011 and for 2012–2013 and fully integrate any existing policies approved by the Governing Council into the programmes of work,

⁶ Adopted by the UNEP Governing Council in decision 23/1 I.

⁷ Proposed Strategic Framework for the biennium 2010–2011, Instructions, issued by the United Nations Programme Planning and Budget Division on 11 October 2007. The Instructions will be made available at <http://ppbd.un.org>.

1. *Welcomes* the United Nations Environment Programme Medium-term Strategy 2010-2013 and *authorizes* the Executive Director to use the Medium-term Strategy 2010–2013 in formulating the strategic frameworks and programmes of work and budgets for 2010–2011 and for 2012-2013 and as a means to encourage coordination among United Nations Environment Programme divisions, without prejudicing the outcome of the governmental negotiations on the programmes of work and budgets;
2. *Notes* that any budgetary issues arising from the United Nations Environment Programme Medium-term Strategy 2010–2013 will be addressed through the programmes of work and budgets for 2010–2011 and 2012–2013 that will be approved by the Governing Council at its respective sessions based on priorities expressed and agreed by member States;
3. *Encourages* the Executive Director to continue to strengthen results-based management in the United Nations Environment Programme and, working within the approved programme of work for 2008–2009, to use the period 2008–2009 to commence the implementation of the transition to a fully results-based organization;
4. *Requests* the Executive Director to inform Governments about the implementation of the United Nations Environment Programme Medium-term Strategy 2010–2013 at regular intervals and to submit to the Governing Council, at its twenty-sixth regular session in 2011, a progress report on the implementation of the Strategy.

SS.X/4. International decade for addressing climate change

The Governing Council,

Remaining deeply concerned that all countries, in particular developing countries, including the least developed countries and small island developing States as well as countries with economies in transition, face increased risks from the negative effects of climate change, and stressing the need to address adaptation needs relating to such effects,

Recalling the provisions of the United Nations Framework Convention on Climate Change, including the acknowledgement that the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response in accordance with their common but differentiated responsibilities and respective capabilities and social and economic conditions,

Noting the significance of the scientific findings of the fourth assessment report of the Intergovernmental Panel on Climate Change, which contribute positively to the discussions under the United Nations Framework Convention on Climate Change and the understanding of the phenomenon of climate change, including its impacts and risks,

Determined to maintain the spirit of international solidarity and commitment generated by the outcomes of the thirteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the third session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol, held in Bali, Indonesia, from 3 to 15 December 2007, as well as the Bali Action Plan (also known informally as the “Bali Roadmap”),

Reaffirming its commitment to support efforts to mitigate and adapt to climate change, which are interlinked with efforts to reduce significantly the loss of biodiversity, promote desertification control, eradicate extreme poverty and famine, promote sustainable development and improve the lives of affected or vulnerable populations,

Invites the United Nations Economic and Social Council to consider a proposal for the proclamation of an International Decade for addressing Climate Change for the period 2010–2020, bearing in mind General Assembly resolution 61/185 of 20 December 2006 on the proclamation of international years, and to inform the United Nations General Assembly prior to its sixty-third session.

SS.X/5. Global Environment Outlook: environment for development

The Governing Council,

Pursuing its functions and responsibilities as outlined in General Assembly resolution 2997 (XXVII) of 15 December 1972, including to keep under review the world environmental situation in order to ensure that emerging environmental problems of wide international significance are prioritized and receive appropriate and adequate consideration by Governments and to promote the contribution of relevant international scientific and other professional communities to the acquisition, assessment and exchange of environmental knowledge and information,

Recalling its decisions 22/1 on early warning, assessment and monitoring, 23/6 on keeping the world environmental situation under review and 24/2 on the world environmental situation,

Welcoming the preparation and publication of the fourth Global Environment Outlook report by the Executive Director, including the intergovernmentally and stakeholder endorsed Summary for Decision Makers,

Welcoming with appreciation the in-kind contributions to the fourth Global Environment Outlook report of experts, Governments, United Nations bodies, collaborating centres, the private sector and civil society, as well as the statement adopted by the participants at the Second Global Intergovernmental and Multi Stakeholder Consultation on the Fourth Global Environment Outlook Report, held in September 2007, in which they endorsed the report's Summary for Decision Makers,

1. *Expresses* its continued deep concern over the evidence in the assessment report of unprecedented environmental changes at all levels, including the natural and social time lags involved in addressing those changes and the risk that biophysical and social systems can reach tipping points beyond which there may be abrupt, accelerating and possibly irreversible changes and potentially negative implications for human well-being and economic and social development, especially for the poor and vulnerable groups in society;

2. *Acknowledges* that current environmental degradation represents a serious challenge for human well-being and sustainable development, and in some cases peace and security, and that for many problems the benefits of early action outweigh the costs and represent opportunities for the private sector, consumers and local communities for strengthened cooperation at the national and international levels to achieve sustainable development;

3. *Welcomes* the progress that has been made on several fronts in addressing the challenges outlined in the report and encourages greater sharing of lessons learned and best practices and their broader application;

4. *Stresses* that the transition toward sustainable development may involve hard choices among different concerns and interests in society which need to be supported by well-governed, effectively managed, innovative and results-oriented institutions able to create appropriate conditions for change and that the United Nations Environment Programme should promote such efforts and lead by example;

5. *Encourages* Governments, the United Nations Environment Programme and other United Nations bodies, international organizations, the private sector, civil society and the public at large to work at the global, regional, national and local levels to achieve sustainable development and to take timely action to prevent, mitigate and adapt to unprecedented environmental change;

6. *Requests* the Executive Director to encourage and support where possible, within the framework of the Bali Strategic Plan, the efforts of national bodies to conduct national assessments of environmental change and its implications for development;

7. *Also requests* the Executive Director, in building on the experiences gained from the preparation of the fourth Global Environment Outlook report and other environmental assessments as well as other recent developments aimed at strengthening the scientific base of the United Nations Environment Programme, to present to the Governing Council at its next session, in consultation with the Committee of Permanent Representatives:

(a) An overview, prepared in close cooperation with multilateral environmental agreements and other United Nations entities, of the international environmental assessment landscape, identifying possible gaps and duplications;

(b) Options for the possible development of a scientifically credible and policy-relevant global assessment of environmental change and its implications for development, including a cost analysis and an indicative benefit analysis for each option.

Annex II

Report of the Committee of the Whole

Rapporteur: Mr. Boonam Shin (Republic of Korea)

Introduction

1. At the 1st plenary meeting of its tenth special session, on 20 February 2008, the United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum decided to establish a Committee of the Whole to consider agenda items 4 (a), 4 (c), 5 and 6. The Committee was also to consider draft decisions prepared by the Committee of Permanent Representatives to UNEP and proposed for adoption by the Council/Forum, which were contained in document UNEP/GCSS.X/L.1.

2. The Committee of the Whole held 4 meetings from 20 to 22 February 2008 and was chaired by Mr. Jan Dusik (Czech Republic) in accordance with the decision of the Council/Forum taken at its 1st plenary meeting. The Committee elected Mr. Boonam Shin (Republic of Korea) to serve as Rapporteur of its meetings.

I. Organization of work

3. The Committee agreed to follow the programme of work set out in a conference room paper circulated to Committee members at its 1st meeting.

4. In considering the items entrusted to it, the Committee had before it the documentation outlined for each item in the annotated agenda for the current session (UNEP/GCSS.X/1/Add.1).

II. Policy issues: state of the environment; environment and development (agenda items 4 (a) and (c))

Follow-up to and implementation of the outcomes of United Nations summits and major intergovernmental meetings, including decisions of the Governing Council (agenda item 5)

5. The Committee took up items 4 (a), 4 (c) and 5 together.

6. The Committee took up the items at its 1st meeting, on the afternoon of Wednesday, 20 February 2008, with an introduction by the representative of the secretariat. Noting that the most important relevant documents, notably the findings of the fourth Global Environment Outlook report and the proposed Mid-term Strategy, had already been described in detail during the morning plenary session, he focused on the context of, and challenges related to, the sub-items on the state of the environment and environment and development. In terms of context, he underscored the need to translate talk into immediate action and to move from a conceptual to an operational approach to environment and development. He described the four main challenges faced by UNEP in that regard: programme development; assessment and communication; the sectoral challenge; and delivery. UNEP, he said, had to enhance its capabilities in order to strengthen and target its response to current and emerging challenges and provide guidance and leadership to the global community.

7. In the ensuing discussion many of those who took the floor expressed thanks to the secretariat for its efforts in preparing the proposed Medium-term Strategy and some welcomed the fact that it had been presented a year ahead of schedule. Several representatives expressed support for the current version of the Strategy. A number of representatives said that there was a need to make explicit reference in the Strategy to enhancing UNEP capacity to assist developing countries with their scientific capacity-building needs. Another representative agreed that more emphasis needed to be placed on the Bali Strategic Plan for Technology Support and Capacity-building as one of the driving forces for UNEP in its future work. A number of representatives said that the Medium-term Strategy should be consistent with the UNEP mandate and that UNEP should not seek to develop new mandates. One

representative said that the Strategy fully complemented instruments such as the Cartagena package and was helpful in defining the role of UNEP. Another, speaking on behalf of developing countries, said that there was a need to include the water policy under the ecosystem management priority area.

8. One representative asked how UNEP proposed to marshal all of the multilateral institutions involved in environmental governance under a single framework. In response, the representative of the secretariat said that UNEP would require leadership from member States on that matter. He added that, although some of them might not be referred to explicitly in the Medium-term Strategy, flagship projects had not been overlooked and efforts would continue to build on them. One representative said that although the Medium-term Strategy had been prepared in consultation with the Committee of Permanent Representatives it had been a secretariat-driven process and therefore should not replace the programmes of work and budgets in determining UNEP activities. The work of UNEP had to be based, he said, on Governments' needs, with the Medium-term Strategy as an input into the development of the programme of work. He also expressed concern that if they were not included in the Medium-term Strategy some flagship programmes might have difficulty attracting funding if the Strategy came to form the basis for decisions on the allocation of resources from the Environment Fund. The representative of the secretariat stressed that UNEP had no power to influence decisions on funding without the approval of member States and that priorities would be defined in the programmes of work for the bienniums 2010–2011 and 2012–2013. Another representative pointed out that the secretariat had driven the process only because the member States had requested it to do so.

9. One representative stressed that, regardless of whether the final Strategy was amended, it was important that the views expressed during the current discussions be taken into account if it was to be used as guidance for future work. She added that, in addition to the six priorities, attention should be paid to strengthening the UNEP regional offices and the important role played by UNEP in assisting countries to meet their implementation commitments under multilateral environmental agreements. One representative said that, although her Government supported the six priorities set out in the Strategy, sufficient resources had to be allocated to core UNEP functions to allow it to remain the central pillar of the environmental governance structure.

10. Two representatives commended the quality of the fourth Global Environment Outlook report, although one of them said that it did not adequately address coastal pollution problems. The other expressed the hope that the international community would pay due attention to the urgent issues raised in the report such as the need to address the capacity deficit in developing countries and to mobilize financing to achieve sustainable development.

11. Regarding waste management, one representative underscored the importance of strengthening the management of industrial and medical waste and developing electronic waste facilities. On chemicals management, he said that the Council should mobilize additional financial resources for the implementation of priority activities and that there was a need to develop means of ensuring that the objectives of chemicals programmes were met. Finally, he highlighted the importance of financing regional activities, particularly in the Maghreb, to train customs services in the control of illicit trafficking. Another speaker welcomed UNEP efforts in the area of chemicals management, particularly its cooperation with other international organizations, and called on wealthy countries and the international community in general to provide funds for the implementation of the Strategic Approach to International Chemicals Management. The Strategic Approach, he said, should support countries facing difficulties in terms of legislation and other conditions by providing capacity-building and technology transfer. He also called on UNEP to mobilize sufficient financing and to promote technology transfer and capacity-building in the field of mercury.

A. Introduction of draft decisions

12. Ms. Agnes Kalibbala, Deputy Permanent Representative of Uganda to UNEP, and Chair of the Committee of Permanent Representatives to UNEP, gave an overview of the work carried out by the Committee of Permanent Representatives in preparation for the tenth special session of the Governing Council/Global Ministerial Environment Forum. She introduced five draft decisions that had been prepared by the Committee for consideration by the Council/Forum at the present session. The draft decisions, which were contained in document UNEP/GCSS.X/L.1, pertained to chemicals management, including mercury and waste management; the Medium-term Strategy for the period 2010–2013; response to the findings of the fourth Global Environment Outlook report; sustainable development of the Arctic Region, proposed by Monaco; and a proposal by Algeria to declare an International Year of Combating Climate Change.

13. Ms. Kalibbala noted that some Governments had expressed reservations regarding some of the decisions, which had necessitated the continuation of informal consultations prior to the current session. The representative of Algeria reported that as the result of such informal consultations on the draft decision submitted by his Government the original draft, proposing an international year of combating climate change, had been amended to call for an international decade of combating climate change. Introducing the amended draft decision, he stressed the importance of teaching the private sector and the general public about climate change in order to mobilize funds and galvanize public opinion and suggested that a decade would be a time frame more conducive to achieving those goals.
14. A representative of the United States of America introduced a draft decision submitted by his Government in a conference room paper, which was aimed at prioritizing the work undertaken by the Council/Forum at its special sessions. He said that many of the issues raised at a given special session could easily be deferred until the next regular session of the Governing Council. He stressed, however, that the draft decision was in no way an attempt to change the rules of procedure or limit the right of any member to propose draft decisions. Similarly, with a view to reducing the number of draft decisions that needed to be considered at Governing Council sessions, the draft decision would clarify that the Governing Council did not need to adopt a formal decision in order to take note of a report of the Executive Director and that its doing so could simply be reflected in the report of the session at which it had occurred.
15. The Chair then opened discussion of the draft decision on the Medium-term Strategy for the period 2010–2013. Several representatives said that they were reluctant to approve a document that had not been negotiated by Governments. Nevertheless, they said they fully supported use of the strategy as a support for UNEP in planning the budget and programme of work for 2010–2013, as a means of encouraging cooperation between UNEP departments and as a guide for elaborating the UNEP strategic framework. Other representatives, however, were ready to adopt the draft decision as it stood, although they expressed readiness to engage in further discussions in order to find a solution that suited all.
16. Several representatives highlighted specific topics or subject areas that did not appear in the Medium-term Strategy but which they nevertheless considered to be priorities, expressing concern that in future their omission from the Medium-term Strategy might lead to their being sidelined. One representative suggested adding an operative paragraph to the draft decision to allay such concerns but others felt that it would not be possible to be exhaustive and mention all priority areas that were missing from the draft decision. Another representative said that more emphasis should be placed on the cross-cutting nature of various topics within the strategy.
17. A representative of civil society voiced appreciation for the rapid progress made in drafting the Medium-term Strategy, noting the incorporation of civil society concerns in the document, and urged that the momentum of that process not be lost. Specifically, he suggested that UNEP programmes and budgeting proceed on the basis of the strategy rather than be postponed until a review by the Governing Council at its twenty-fifth session, twelve months hence.
18. In view of those interventions, the Committee formed a contact group chaired by Mr. Jeremy Robert (France) and Mr. Juan Carlos Cue Vega (Mexico), with a mandate to report back to the Committee at its next meeting with recommendations on three points related to the draft decision on the proposed Medium-term Strategy. The first point was whether to adopt the strategy through a formal decision or, alternatively, to recognize the strategy in the report of the current session as a basis for further work without the need to negotiate the text of the strategy document. The second point concerned integration of the proposed strategy with the UNEP programme of work and budget and the third point was the status of other environmental concerns, such as water and technology transfer, in relation to the strategy.
19. Mr. Dusik introduced the draft decision on chemicals management, including mercury and waste management (UNEP/GCSS.X/L.1). In the ensuing discussion some representatives expressed support for the reasoning behind the draft decision submitted by the United States of America, saying that the limited time available at special sessions of the Governing Council was better spent on ministerial consultations rather than on often prolonged negotiations over the text of decisions that, unless they were particularly urgent, would be more appropriately addressed during a regular session of the Governing Council. Some representatives supported the proposal that the Council/Forum should take only those decisions that were necessary to serve its purposes.
20. Several speakers noted the need to acknowledge the work of the Ad hoc Open-ended Working Group on Mercury, and one added that synergies among the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the

Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the Stockholm Convention on Persistent Organic Pollutants should also be encouraged. One representative proposed an amendment to the draft decision on chemicals management to include least developed countries and small island developing States along with developing countries and countries with economies in transition. The Committee then approved the draft decision for consideration and possible adoption by the Council/Forum.

21. One representative stressed that to enable the Ad hoc Open-ended Working Group on Mercury to present consensus recommendations and options to the Governing Council/Global Ministerial Environment Forum at its twenty-fifth session, member States should prepare, and share, packages of practical solutions before the Working Group's second meeting, which was scheduled to take place from 6 to 10 October 2008.

22. At its 2nd meeting, on the morning of Thursday, 21 February, the Committee of the Whole considered the draft decision on the response to the findings of the fourth Global Environment Outlook report (*GEO-4*). During the discussion there was general support for *GEO-4* and for the draft decision, though some representatives said that the draft decision contained weaknesses and was not necessary.

23. Several representatives praised the collaborative efforts that had gone into the development of *GEO-4* and the scientific basis it provided for the work of policy and decision makers. It was generally felt that *GEO-4* strengthened the position of UNEP as the leading environment agency within the United Nations. Some representatives drew attention to inaccuracies in the text and data, however, and one pointed out that the report as a whole had not been endorsed by Governments or stakeholders.

24. One representative asked if there were sufficient finances to implement the measures recommended in the report. The representative of the Secretariat responded that resources would be needed. One representative drew attention to the role of New Zealand as main host for World Environment Day, on 5 June 2008, with the theme "Kick the Carbon Habit", which would encourage adoption of a low-carbon lifestyle.

25. Those supporting the draft decision said that it was in keeping with the global sense of urgency regarding environmental change; that it sent a positive message that UNEP intended to translate its strong knowledge base into firm and prompt action; that it would help strengthen UNEP monitoring and assessment capacities; that it encouraged bolder and more innovative action by decision makers; and that it would assist in building the relationship between UNEP and other bodies and organizations.

26. Some representatives expressed reservations about aspects of the draft decision, including its focus on problems and difficulties rather than on solutions; its language; its failure to give due prominence to the identification and dissemination of best practices; its attribution to UNEP of roles that it need not play, such as monitoring and establishing environmental targets; and a lack of attention to the bottom-up, government-centred processes that should characterize future assessments. One representative said that negotiating the draft decision would needlessly divert attention from the ministerial discussions, noting that past GEO reports had not been the subject of decisions by the Governing Council. He therefore suggested that it be put aside.

27. Following the debate a drafting group was formed, chaired by the representative of Switzerland, to further work on the draft decision taking into account the comments made during the debate.

28. There was broad support for the draft decision to declare an international decade of combating climate change, particularly from the representatives of developing and small island States. Many of them expressed the view that it was important to capitalize on the strong political support garnered by the recent United Nations High-level Event on Climate Change and the United Nations Climate Change conference in Bali in order to keep climate change at the forefront of not only the environmental agenda but the international political agenda as well. One representative pointed out that although intergovernmental awareness of climate change issues had been raised, an international decade would contribute to raising national awareness.

29. One speaker said that, while the draft decision was to be commended, given the thorough consideration and preparation required for the declaration of an international decade to be successful, the draft decision should not be considered at the current time. Another speaker pointed out that since human and financial resources would already be stretched in view of the busy meeting schedule to conclude the negotiation process under the Bali Roadmap by the end of 2009, consideration of the draft decision should be deferred. He said that sufficient public attention had already been attracted to the issue of climate change. Others countered that it was the ideal time to declare a climate change decade, since it would coincide with international efforts to address climate change. One speaker welcomed the

fact that the draft decision brought together existing commitments and would therefore not have major budgetary implications. Another representative noted that since most of the actions called for under the decade would be at the national level, they would not necessarily affect the budgets of relevant international organizations.

30. One representative queried whether the United Nations Framework Climate Change Convention might not be a more appropriate body to adopt a decision on the declaration of a decade on climate change. Another countered that, as the leading international environmental organization, UNEP was well placed to adopt a decision on such a declaration; if the decision were adopted, however, linkages should be created with the Convention to ensure its successful implementation. Another speaker clarified that the decision simply recommended that the General Assembly declare an international decade and that it would thus not be UNEP itself making the declaration. The representative of the secretariat informed the Committee that the Climate Change Convention secretariat had already been consulted on the draft decision and had not raised any objections.

31. A number of representatives said that although they were in favour of the draft decision, some amendments would have to be made to the text. For example, reference was made to implementation through national climate change committees, which might not exist in all countries. One representative welcomed in particular the citizen component of the proposed decade and also noted that, since 2010–2020 had already been proposed as the international decade for deserts and desertification, there might be opportunities for the development of synergies.

32. In view of the lack of consensus, the Committee agreed to create a small informal drafting group of interested parties, with the representative of Mauritius as the contact point. The group was asked to report to the Committee on progress at the Committee's next meeting.

33. The representative of Monaco introduced an amended version of the draft decision proposed by his Government on sustainable development in the Arctic region. The amended version was the result of consultations that had taken place since the last meeting of the Committee of Permanent Representatives to UNEP. He thanked all those involved in those consultations for their contribution and stressed the importance of protecting such a fragile area of the planet. In the ensuing discussion, other representatives concurred with the sentiments expressed in the draft decision, noting that UNEP was an observer at the Arctic Council and that enhanced international cooperation involving the Arctic Council and multilateral environmental agreements was important. The Committee approved the draft decision for consideration and possible adoption by the Council/Forum.

34. In introducing the decision by the United States of America the representative of that country said that the decision was intended to focus the special sessions of the Governing Council/Global Ministerial Environment Forum on the ministerial discussions of the forum in accordance with General Assembly resolution 53/242 and to limit the decisions taken at special sessions to those that were urgent and could not be deferred to a regular session of the Council/Forum. He assured the Committee that the decision was not intended to change the rules of procedure, stop Governments from introducing draft decisions or preclude decisions from being taken at special sessions.

35. In the ensuing discussion some Governments expressed sympathy for the general aims of the draft decision. Nevertheless, concern was expressed that the decision, if adopted, would be detrimental to the work and profile of the Governing Council. One representative pointed out that the issue had not arisen before adoption of resolution 53/242 because special sessions had been held only when required. The holding of a regular biennial special session in conjunction with a meeting of the Global Ministerial Environment Forum was, however, testimony to the importance of such a gathering, which gave ministers the opportunity to discuss pressing and emerging environmental issues. If the ability of the Governing Council to take decisions at its special sessions was in any way hampered then ministers might choose not to attend, which would lower the profile of the special sessions.

36. In response to several of the concerns expressed, the representative of the United States said that the draft decision was in no way an attempt to amend the rules of procedure; it did not seek to limit the power of the Governing Council to take decisions and, if adopted, would not be applied retrospectively. By seeking to ensure that only issues requiring urgent attention were taken up at special sessions the United States was aiming to place greater focus on the Global Ministerial Environment Forum. One representative pointed out, however, that the number of draft decisions before the Council at each special session was already on the decline. That, he said, indicated that representatives were already thinking along the right lines; a decision on the matter was therefore unnecessary and indeed would cause confusion. Instead, the report of the Committee for the current session of the Council/Forum

should reflect the need to minimize decisions. Another representative actively supported the view that reports did not require decisions.

37. The representative of the United States expressed his willingness to work on the language of the draft decision to make it more positive. Other representatives said that they had ideas for clarifying its content. The Chair therefore requested the representative of the United States to undertake informal consultations with interested parties in the margins of the meeting in attempt to reach consensus and to report back to the Committee on the results of those consultations. The representative of the United States subsequently reported that he had consulted widely with representatives of other delegations. Most of them, he said, had supported the substance of the draft decision and in particular the ideas that special sessions should focus on ministerial discussions; that draft decisions considered at special sessions should be limited in number and should focus on urgent matters; and that a decision was not needed to acknowledge a report of the Executive Director. Notwithstanding their agreement with the ideas behind the decision, however, they felt that a decision was not the best way to advance them and suggested that it would be preferable simply to note them in the report of the session. The representative of the United States accordingly withdrew the draft decision proposed by his Government, asking that his remarks be reflected in the present report.

38. The Chair requested Mr. Robert, co-chair of the contact group focusing on the draft decision concerned with the UNEP Medium-term Strategy for the period 2010–2013, to report to the Committee on the outcome of the group's deliberations. Mr. Robert introduced the revised draft decision, which was presented in a conference room paper, and reviewed the changes made to the substance of the draft, which took into account the concerns raised in the plenary discussion. The representative of Argentina, speaking on behalf of the Group of 77 and China, said that issues of concern to that group, particularly interim reviews of the strategy implementation, had been incorporated into the revised draft and that the spirit of the discussions had been cooperative and constructive. He added that his country placed great importance on Governing Council decision 24/11 concerning the UNEP water policy and on the Global Programme of Action for the Protection of the Marine Environment from Land-based Sources of Pollution, and accordingly the integration of water policy and programmes into the proposed strategy was imperative. The Committee approved the draft decision for consideration and possible adoption by the Council/Forum.

39. At its 3rd meeting, on the afternoon of Thursday, 21 February, the Committee of the Whole further considered the draft decision on the response to the findings of *GEO-4*. The chair of the drafting group presented the text that had been agreed by the group. The representative of a regional economic integration entity said that the phrase "to the extent articulated in the summary for decision makers", which had been inserted after each reference to *GEO-4* as a result of the consultations, unnecessarily limited the application of *GEO-4*, particularly given that Governments, United Nations agencies and others would use the report as they saw fit. Another representative reiterated his Government's view that the decision was unnecessary. He was nevertheless willing to support it but only if the language quoted above was included. That language was essential, he said, because the summary for decision makers was the only part of the report that had been negotiated to any extent in consultation with all stakeholders. He agreed that Governments and others could use *GEO-4* as necessary. The full *GEO-4* report was not a negotiated text, however, and was, in his Government's view, in some respects flawed and therefore should not receive an unqualified endorsement in a decision of the Governing Council/Global Ministerial Environment Forum.

40. As there was no consensus on the draft decision, it was agreed that it would not go forward for consideration by the Council/Forum.

41. Following the discussion of the *GEO-4* decision one representative offered suggestions for the preparation of the fifth GEO report, saying that it should feature improved consultation, a more balanced contribution from all organizations and better integration of scientific work. She also said that future GEO reports should be more focused in areas where UNEP had a comparative advantage.

42. At its 4th meeting, on the morning of Friday, 22 February, the Chair announced that informal consultations had continued on the draft decision on *GEO-4*, which the Committee had the day before agreed would not be presented for consideration by the Council/Forum, and that a compromise text had been prepared and was before the Committee in a non-paper. Following consideration of the compromise draft decision the Committee approved it for consideration and possible adoption by the Council/Forum.

43. At the same meeting the representative of Mauritius reported that the drafting group on the draft decision on the declaration of an international decade for addressing climate change had reached

agreement on the draft decision. The Committee then approved the draft decision for consideration and possible adoption by the Council/Forum.

B. Presentations by multilateral environmental agreement secretariats

44. At the 3rd meeting of the Committee of the Whole, on the afternoon of Thursday, 21 February, a panel of representatives of multilateral environmental agreements gave presentations on the theme “multilateral environmental agreements and international environmental governance”. An interactive discussion then followed. The session was chaired by Mr. Janos Pasztor, Director of the Environment Management Group. The aim of the session, he said, was to explore ways to respond coherently to the findings of *GEO-4*, particularly with regard to improving international environmental governance through innovative approaches to communication and information sharing, in which there was potential for multilateral environmental agreements to play a major role.

45. The panel of speakers comprised Mr. Luc Gnacadja, Executive Secretary, United Nations Convention to Combat Desertification; Mr. Marco Gonzalez, Executive Secretary, Ozone Secretariat, UNEP; Ms. Maria Nolan, Chief Officer, Multilateral Fund for the Implementation of the Montreal Protocol; Mr. Donald Cooper, Executive Secretary, Rotterdam Convention and Stockholm Convention; Mr. Anada Tiéga, Secretary General, Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Mr. Willem Wijnstekers, Secretary General, Convention on International Trade in Endangered Species of Flora and Fauna (CITES); Mr. Robert Hepworth, Executive Secretary, Convention on the Conservation of Migratory Species of Wild Animals (CMS); Ms. Marie-Christine Grillo, Executive Secretary, Agreement on the Conservation of Cetaceans in the Black Sea, Mediterranean Sea and contiguous Atlantic area (ACCOBAMS); and Mr. Ibrahim Shafii, Programme Officer (Technical Officer), Secretariat, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.

46. Mr. Gnacadja dealt with two main issues: focused intervention at different levels and synergies within and between conventions and agreements. He said that the goal of improved governance should be to contribute to sustainable development, both nationally and globally: nationally, through greater synergies and mainstreaming in national development plans, and globally, by offering support to national and other processes. A key question was whether, given the rapid rate of environmental change, significant improvements in governance could be achieved through institutional changes. The United Nations should demonstrate adaptability and the ability to restructure itself, he said, rebuilding capacity and employing a range of approaches to respond flexibly to emerging problems. In that regard, the 10-year strategy of the United Nations Convention to Combat Desertification stressed the need to create synergies to stimulate action in recognition of the link between desertification and climate change. In the event of a cluster approach being taken for organizational reasons, he concluded, the clusters would be built around themes with specific links between them.

47. Mr. Gonzalez recalled that when the Montreal Protocol was being negotiated in the late 1980s there had been no proven alternatives to ozone-depleting substances, no clear understanding of the relationship between ozone depletion and climate change and no clear understanding of the effect of ozone depletion on physical, biological and chemical processes. Nevertheless, the scientific community had convinced Governments that it was essential to act immediately to protect the ozone layer and that the cost of inaction would be far greater than that of early action. The Montreal Protocol, he said, was result-oriented, focusing on compliance with control measures at the national and international levels and helping developing countries to meet their obligations. The Montreal Protocol placed a lot of value on technical, scientific and environmental assessments to ensure that Governments had accurate and reliable information on which to base their decisions. He recalled that in September 2007 the Parties to the Protocol had taken the historic decision to accelerate the phase-out of hydrochlorofluorocarbons (HCFCs) both to strengthen the Protocol and because of the beneficial effects for climate change. The creation of such synergies was a major challenge that the Montreal Protocol took seriously and in that spirit the Ozone Secretariat regularly invited the secretariats of other multilateral environmental agreements to its meetings and encouraged them to hold side events. It also published a regular newsletter on linkages among multilateral environmental agreements for which it solicited input from other secretariats. Mr. Gonzalez believed that there were plenty of opportunities for the secretariats of multilateral environmental agreements and UNEP to promote and support such synergies. The sharing of information, however, was essential for that process.

48. Ms. Nolan informed the representatives that since its establishment in 1991 the Multilateral Fund had supported activities in 146 countries, 141 of which had received capacity-building support for institutional strengthening projects, training or regional networks. The Fund had committed more than

\$2 billion in order to phase out 220,000 tonnes of ozone-depleting substances, which had eliminated about 1 gigatonne of greenhouse-gas emissions. She too welcomed the monumental decision by the Parties to the Montreal Protocol to accelerate the phase-out of HCFCs. Challenges, however, remained, such as how to provide the right level of support to developing countries to enable them to meet their commitments under the Montreal Protocol and how to balance that support with the needs created by other environmental challenges like climate change. Other challenges included the creation of more synergies among multilateral environmental agreements and the development of further alternatives to ozone-depleting substances, including those that addressed the dual effects of ozone depletion and climate change. There were emerging opportunities too. Multilateral environmental agreements, for example, needed to pool their resources for further capacity-building. She said as well that the Fund, with a flexible governance structure that enabled it to adapt to evolving circumstances, was well-equipped to achieve its goals. Nevertheless, it was still reliant on the continuing support of donor and recipient countries.

49. Mr. Cooper, Executive Secretary and co-Executive Secretary, respectively, of the Stockholm and Rotterdam convention secretariats, outlined the administrative structure of the conventions, which were to a considerable extent jointly administered. Since such administration was proving successful, States might wish to consider it as a model for other environmental areas. The two secretariats shared administrative services and had mandates for the joint implementation of their practical work, such as capacity-building and technical assistance, at the regional and national levels. The possibility of including the Basel Convention in those arrangements was currently under consideration. In addition to savings in terms of costs and improved efficiency, such an approach also enabled the relevant agencies in a single country to be brought together to implement the chemicals agenda jointly. Another of the benefits of the Rotterdam Convention's administrative structure was that it had the support of two parent agencies: UNEP and the United Nations Food and Agriculture Organization, to the latter of which Mr. Cooper's Co-Executive Secretary was attached. Synergies could thus also be developed between the two organizations. He described recent developments in the secretariats' programmes, which included a shift towards comprehensive, multi-stakeholder projects that addressed specific issues under the conventions and provided a total package that countries could take advantage of regardless of their region. In following such an approach, the secretariat avoided repeating the initiatives of others, benefitted from the established links of other agencies and ensured that resources were maximized.

50. Mr. Tiéga said that the mission of the Convention on Wetlands was the conservation and sustainable use of wetlands with a view to contributing to sustainable development through national, regional and international action. He said that wetlands were important water-related ecosystems from the mountains to the sea and included rivers, lakes, floodplains, estuaries, deltas and coastal areas, and therefore also covered marine ecosystems. It was crucial to understand the significance of wetlands in terms of mitigation and adaptation to climate change and such areas as food security, energy production, the protection of endangered species and water supply. He briefly described the role of wetlands in the Amazon Basin and how their protection was vital to the protection of forests and by extension the prevention of desertification. The key approach adopted by the Convention on Wetlands was to develop partnerships with relevant organizations and players at the local, national and international levels to ensure that wetlands were included in the sustainable development agenda.

51. Ms. Grillo said that ACCOBAMS, which had been established in 1996 and entered into force in 2001, was still a young agreement. Nevertheless, it had already been able to implement a number of initiatives because of the commitment of the countries and scientists involved. As yet, however, there was no information available regarding the impact of those initiatives on the species that ACCOBAMS was seeking to conserve. That was something that she hoped would be obtained in the coming years. During that time, another goal was to integrate biodiversity into government policies and the work of ministries. Links between politicians and the private sector were required in order to mobilize funds targeting specific areas. Although ACCOBAMS dealt with conservation, the problems that it was fighting against were caused by social and economic activity. It was therefore necessary to work with those engaging in such activities in order to find solutions. In addition, cooperation between intergovernmental organizations working in the same region or in the same field of expertise was essential. UNEP could create synergies between the organizations and even facilitate agreements that would maximize the value of that cooperation. Furthermore, it was essential for all stakeholders to have a common understanding of the problems to enable them to move forward together in solving them.

52. Mr. Shafii said that under the Basel Convention there had been a shift from control at the international level to supporting implementation at the national and regional levels, as illustrated in the strategic plan for the implementation of the convention adopted in 2002. Given the resulting significant increase in the scope of the secretariat's tasks, it was necessary to rethink its mode of operation. Like

any small secretariat, its primary role was catalytic and facilitative. As in other organizations, funding for activities had not increased in line with increased expectations. He underscored the need to raise awareness of the issues addressed by the Basel Convention in order for it to gain political and financial support. Incidents such as the toxic dumping in Côte d'Ivoire in 2006 highlighted that the Convention still had major relevance for both developing and developed countries. The management of e-waste was one of the emerging issues for the secretariat, which had entered into partnerships with relevant organizations, including Governments, the private sector, industry and civil society, to develop innovative cross-sectoral approaches to the sound management of waste. The Mobile Phone Partnership Initiative was a successful example and work was currently under way on a similar initiative on computing equipment and accessories. The Basel Convention was involved in developing synergies with the Rotterdam and Stockholm conventions and worked closely with the Strategic Approach to International Chemicals Management and bodies such as the World Customs Organization.

53. In the ensuing discussion, many representatives expressed appreciation for the collaborative spirit and activities already established among multilateral environmental agreements, particularly for the potential synergy and efficiency in achieving the goals of those agreements. Not only partnerships among those agreements but also a holistic approach toward their implementation at the national, regional and international levels was seen as useful. The ongoing coordination on international chemicals management and hazardous wastes among the Basel, Rotterdam and Stockholm Conventions was highlighted as an especially positive development that contributed to the growth of international environmental governance. Several representatives noted that developing countries might require capacity-building or other support to ensure synergies in implementation at the national level, which might take the form of pilot projects, field missions by secretariats or the involvement of the UNEP Division of Environmental Law and Conventions. The importance of coordinated implementation at the national level was recognized and UNEP support through the Bali Strategic Plan was also seen to be desirable. It was noted that not all countries were Parties to all multilateral environmental agreements, which raised potential legal issues, and that cooperative activities among multilateral environmental agreements was subject to the approval and direction of their respective governing bodies. It was also noted that subregional implementation could be better coordinated where adjoining States were contracting parties to the same agreements. A gradual approach to synergistic collaboration among agreements was seen to be preferable, in which lessons and experiences from coordination could be shared. One representative stressed that UNEP, in order to deliver effectively on its mandate, needed to work in cooperation with the multilateral environmental agreements within their respective frameworks and the guidance provided by them. Concluding the discussion, the Chair observed that synergistic coordination was already taking place on the international and national levels and that continued progress would yield future benefits for the environment.

III. Other matters (agenda item 6)

54. The Committee took up no other matters.

IV. Adoption of the report of the Committee

55. At its 4th meeting, on the morning of Friday, 22 February 2008, the Committee adopted the present report on the basis of the draft report contained in documents UNEP/GCSS.X/CW/L.1 and Add.1, as orally amended, on the understanding that the report would be completed and finalized by the Rapporteur, working in conjunction with the secretariat.

V. Closure of the meetings of the Committee

56. The 4th and final meeting of the Committee of the Whole was declared closed at 11.40 a.m. on 22 February 2008.

Annex III

Policy Statement by Mr. Achim Steiner, United Nations Under-Secretary General and Executive Director of the United Nations Environment Programme at the tenth special session of the Governing Council/Global Ministerial Environment Forum

The present annex sets out the text of a speech in which Mr. Achim Steiner, United Nations Under-Secretary General and Executive Director of the United Nations Environment Programme, delivered his policy statement on the occasion of the tenth special session of the Governing Council/Global Ministerial Environment Forum. It is presented without formal editing.

1. **20 February, Monaco**—Your Serene Highness Prince Albert II of Monaco, Your Excellency Roberto Dobles, Minister of Environment and Energy of Costa Rica and President of the Governing Council; Your Excellency Robert Calcagno, Environment Minister Principality of Monaco,

2. Honourable Ministers; delegates from civil society, business and the scientific community; members of the United Nations family including the Executive Secretary of the United Nations Framework Convention on Climate Change, Director General of the International Labour Organization, Deputy Executive Director of the United Nations Human Settlements Programme (UN-Habitat), representing the Executive Director of UN-Habitat, colleagues from the World Meteorological Organization and the World Trade Organization, and Executive Heads of multilateral environmental agreements, the Chief Executive and Chair of the Global Environment Facility; colleagues, friends, ladies and gentlemen,

3. UNEP is delighted to be holding the tenth special session of the Governing Council/Global Ministerial Environment Forum here in Monaco. The Principality has many claims to fame. But increasingly it is becoming known as an international champion for the environment, pinning its colours to a decidedly green mast, not least on marine issues. This is in no small part due to the creativity and commitment of Monaco's head of State, His Serene Highness Prince Albert II, whom I am delighted and honoured to welcome here today.

Grassroots mobilization, Green Shoots and the Billion Tree Campaign

4. The tenth special session of the Governing Council/ Global Ministerial Environment Forum takes place two months after the world's attention was focused on the climate negotiations taking place in Bali. Mr. Ban Ki-Moon, the United Nations Secretary-General, has called for grassroots mobilization on the climate change challenge in 2008 in order to maintain the breathtaking momentum of 2007. The United Nations Environment Programme (UNEP) is delighted to contribute to this by extending "by popular demand" the Billion Tree Campaign into a two Billion Tree Campaign this year.

5. Under the inspirational and active patronage of HRH Prince Albert and Nobel Peace Prize laureate Wangari Maathai, this germ of an idea was planted at the climate convention meeting in 2006. The result has been quite extraordinary. In just one year, around 1.5 billion trees have been planted in about 150 countries.

6. Heads of State, including the Presidents of Indonesia, the Maldives, Mauritania, Mexico, Turkey and Turkmenistan, businesses, cities, faith-based, youth and community groups and individuals have all enthusiastically taken part. Proof, if proof were needed, that the global public want tangible action on climate change and are prepared to roll up their sleeves by the millions in order to demonstrate their commitment.

BILLION TREE CAMPAIGN HIGHLIGHTS

- **In a single day in Uttar Pradesh, India, 10.5 million trees planted.**
- **35 million young people in Turkey mobilized to plant trees.**
- **500,000 schoolchildren in sub-Saharan Africa and the United Kingdom engaged.**

7. The Billion Tree Campaign was designed to empower people. It achieved its objective and continues to do. Its success brings the responsibility full circle, further empowering you, the political leaders, and we, the United Nations system, to roll up our sleeves over the coming days and months to find and promote practical measures to meet the climate challenge.

Ladies and gentlemen,

8. I would like to focus my policy statement on two broad and related themes.
- The transformation of the "brown" global economy into a modern twenty-first century green economy; and
 - The evolution and transformation of UNEP into a more focused, responsive and results-based organization, one that is better able to embrace the opportunities while rising to the sustainability challenges.

Let me first start with UNEP.

TRANSFORMING UNEP

9. At the last Governing Council session in Nairobi I outlined our determination to reform this institution. To achieve this I established last March, in consultation with my senior management team, a Strategic Implementation Team to spearhead and support these reforms.

10. We have already made good progress on the reform agenda, including achieving some key results well ahead of schedule.

11. The Medium-term Strategy (MTS) before you for approval, covering the period 2010–2013, is one of the fruits of this labour. It was arrived at through an open, transparent and inclusive process with our Committee of Permanent Representatives under the able chairmanship of His Excellency Mr. Antonio José Rezende De Castro, the (former) Ambassador and Permanent Representative of Brazil.

12. This collaborative process has set the benchmark for a new and higher level of engagement with the Committee.

13. This inclusive process also harvested the wisdom and knowledge of UNEP staff, the secretariats of UNEP-administered conventions, representatives from civil society and the private sector. As such, the MTS represents a new level of collaboration, exchange of ideas and openness in defining strategic directions for UNEP.

14. The MTS, in line with the UNEP mandate, is very much science-based and identifies six cross-cutting thematic priorities aimed at strengthening and focusing the UNEP response to:

- (a) Climate change;
- (b) Disasters and conflicts;
- (c) Ecosystem management;
- (d) Environmental governance;
- (e) Harmful substances and hazardous waste;
- (f) Resource efficiency—sustainable consumption and production.

15. The identification of cross-cutting thematic priorities serves to focus the efforts of UNEP on its distinctive role and will enable UNEP to better deliver on its mandate. It does not necessarily imply an overall lead role for UNEP, and this is something I wish to stress in the context of our work on climate change.

16. There are many inter-linkages and positive synergies between the six cross-cutting thematic priorities, and achieving co-benefits will be pursued, for example, through the linkages between climate change mitigation and adaptation and sustainable ecosystem management.

17. These thematic priorities are underpinned by four core cross-cutting objectives:

- (a) Significantly enhancing UNEP capacity to deliver on the Bali Strategic Plan for Technology Support and Capacity-building;
- (b) Further embracing our role as the environment programme of the United Nations;
- (c) Ensuring that UNEP interventions are founded on sound science;
- (d) Fully implementing results-based management.

18. The MTS has been developed a full year ahead of schedule so that it can be used to guide the formulation of the Strategic Framework and programme of work for 2010–2011. Its approval will provide me, as your Executive Director, with the direction I need to meet your expectations for a more efficient, effective, focused and results-based UNEP.

Other transformations at UNEP—the secretariat

19. We are working towards a transition to being a fully results-based organization through the 2008–2009 programme of work, including through new, more focused costed work plans.

20. Gender mainstreaming is going from strength to strength. A Senior Advisor on Gender and a network of 35 focal points—the Gender Team—are now operating at headquarters and in the regional offices to mainstream gender issues into our work programme. Focusing on gender in recruitment has also yielded positive results in 2007. Almost 50 per cent of recruitments to professional posts were filled by women – up from 23 per cent in 2006.

21. Over the past 12 months innovations have been achieved in respect to information and communications technology, including the establishment of the first ever UNEP-wide intranet for in-house information sharing, a UNEP Experts Database and increased bandwidth to enhance our headquarters connectivity.

22. A new accountability framework has been designed and implemented for senior managers, linked with a set of delegations of authority on programme management, human resources and procurement.

23. UNEP has re-integrated previously outsourced financial management functions and has strengthened its corporate line management functions through the establishment of the Quality Assurance Section and Corporate Services Section.

24. Over 120 staff have been trained in the United Nations Common Country Programming Process over the past six months under the philosophy of Delivering as One, and a Strategic Presence Study has been finalized to assist UNEP further to evolve its global and regional presence and service model.

25. These are some of the achievements and actions UNEP has been putting in place to meet your expectations, our expectations and those of the wider world.

The green economy—glimpsed through the lens of climate change

26. In 2007, climate change was propelled from one among many concerns to the centre of global scientific and political discourse. This was in no small part due to the fourth assessment reports of the

Intergovernmental Panel on Climate Change (IPCC)—the 2,000 plus body of scientists and experts established 20 years ago by UNEP and the World Meteorological Organization (WMO).

27. I will not dwell on their scientific findings or their ever clearer and ever more sobering impact assessments—these are well known to all of you as a result of the enormous media attention they generated, assisted and supported by UNEP and the WMO’s communications staff.

28. UNEP is proud also to have contributed to the adaptation chapters via a \$9 million, five-year Global Environment Facility-funded project entitled “*Assessments of Impacts and Adaptations to Climate Change*”. The contribution of Dr. Balgis Osman Sudan's Higher Council for Environment & Natural Resources to the project was among the many reasons why UNEP chose to honour her as the Africa winner of the 2008 Champions of the Earth.

ASSESSMENTS OF IMPACTS AND ADAPTATIONS TO CLIMATE CHANGE

In Arbaat, various practical and institutional measures have been tested including the deployment of rainwater harvesting and tree planting alongside micro credit schemes, adult literacy for women and training for improved agricultural practices.

The work in Arbaat has led to land productivity increasing by 12 per cent and crop productivity by almost a fifth with improvements in both water quality and quantity. (Sudan-AIACC December 2007)

29. However, our main thrust is to underline the opportunities which are also outlined in the IPCC fourth assessment—opportunities for transformation via a transition to a low-carbon society, which is one central plank upon which we should build UNEP reforms.

30. IPCC estimates that combating the worst impacts of climate change might cost as little as 0.1 per cent—or at the very most a few tenths of one per cent—of global GDP annually over 30 years. In some sectors, such as energy efficiency improvements in buildings, there would, in fact, be no costs but savings.

31. In order to realize the IPCC conclusions—alongside other compelling findings, including those of Sir Nicholas Stern on behalf of the United Kingdom treasury, and those of the United Nations Framework Convention on Climate Change (UNFCCC)—mobilizing finance will be central. This is why it is a key theme of the current special session. Having, as environment ministers, brought the challenge of global warming to the centre stage, the world is now looking to you for guidance and leadership on how we can respond.

32. The mobilization of finance is already under way, driven in part by the evolving impact of the Kyoto Protocol and its market mechanisms and the prospect of deeper and more decisive emission reductions post-2012.

33. The Clean Development Mechanism of the Kyoto Protocol may deliver up to a \$100 billion of investment into cleaner energy and forestry projects in developing countries. The decision to include Reducing Emission from Deforestation and Degradation within the Bali Road Map at the climate change meeting in Indonesia, alongside Norway’s announcement of \$2.7 billion to provide tangible support, is also transformational.

34. Let me cite a few further examples:

(a) The Principles for Responsible Investment, facilitated by the UNEP Finance Initiative and the Global Compact in 2006, now has 275 financial institutions on board, with assets of \$13 trillion;

(b) The UNEP Sustainable Energy Finance Initiative (SEFI) is emerging as a thriving network of financiers. SEFI’s report last year underlined how capital is mobilizing towards these low-carbon sectors, with total transactions surpassing the \$100 billion milestone in 2006 and reaching nearly \$160 billion in 2007;

(c) UNEP will, in 2008, launch a new Sustainable Energy Finance Alliance that groups together leading public finance agencies investing in clean energy sector development.

35. Some questioned why UNEP and the Global Ministerial Environment Forum should address the issue of financing. One of our key objectives for the next two years must be to address the economics of responding to global warming. Much of the analytical and public policy debate has highlighted costs—rather than the returns on investment in a more energy and resource efficient economy.
36. UNEP is not a bank. UNEP does not aspire to become a bank. Rather, UNEP targets its work at lowering market development barriers, developing new financial incentive concepts, where needed, and building the capacity and awareness banks need to mobilize investment into the new climate sectors.
37. The UNEP role is to push the frontiers of environmental finance beyond the conventional orthodoxy of financial institutions and markets.
38. In collaboration with the United Nations Foundation and the Shell Foundation, UNEP has helped two of India's largest banking groups—Canara Bank and Syndicate Bank—create a credit market for helping rural villages finance the purchase of solar lighting systems. One-hundred-thousand people in southern India have benefited and the initiative is now self-financing, with some 20 banks involved. The programme was awarded the prestigious Energy Globe Award in 2007.
39. In Tunisia a similar initiative has created a credit market for bank financing of solar hot water systems. Over 20,000 systems have been financed, increasing annual market volume more than 700 per cent since 2004. The positive results have led the Tunisian Government to enact legislation aimed at decreasing the country's reliance on using liquid petroleum gas for water heating by instead helping homeowners make the shift to solar.
40. UNEP and partners such as the United Nations Development Programme (UNDP) and the World Bank are also building the capacity of some 30 developing countries to access the carbon markets for financing climate-friendly infrastructure. These multi-million dollar initiatives, including some under the Nairobi Framework, fall under the umbrella of the CD4CDM (capacity-building for the Clean Development Mechanism) programme—the largest initiative of its kind.
41. There are other ways to address the constraints and risks of a renewables revolution. The geothermal electricity potential in Africa is estimated at 7,000 megawatts. With funding from GEF, UNEP and the World Bank are just about to launch the African Rift Geothermal Facility (ARGeo). The \$17 million project will underwrite the risks of drilling for steam and in doing so build the confidence of the private sector to build geothermal power stations from countries such as Kenya up to Djibouti.
42. The UNEP/GEF Solar and Wind Resource Assessment Partnerships have “found” 10 million megawatts of solar and wind energy in 26 developing countries in Asia, Africa and Latin America, thereby facilitating public and private sector development.
43. With \$20 million in GEF and United Nations Foundation support, UNEP is also working with the Asian Development Bank and the African Development Bank to leverage private sector financial flows toward clean energy entrepreneurs. Over 50 entrepreneurial businesses specializing in clean energy technologies and services have been financed to date in Africa, Brazil and China.
44. We are working to boost energy efficiency in a sector using 40 per cent of the world's energy and generating a third of the global greenhouse gas emissions—I refer to the UNEP Sustainable Buildings and Construction Initiative.
45. We are also developing, in partnership with the insurance sector, new weather derivatives and other instruments that help renewable energy developers to manage project risks such as low wind speeds and uncertain biomass fuel supply.
46. In 2007, UNEP was also invited to join the board of the Corporate Sustainability Index of BOVESPA—the Brazilian stock exchange which, along with South Africa, is championing environment, social and governance issues in developing world markets.
47. These examples, among hundreds of others—some of which you will address first hand here in Monaco—are vital proof that investing in the transformation of our economy is both viable and scaleable.

Green growth – the Marrakech Process

48. Central to the UNEP mandate and central to transforming the world into a greener, leaner and more resource-efficient one is the 10-year framework of programmes on sustainable consumption and production under the Marrakech Process.
49. Following the outcomes of the World Summit on Sustainable Development, held in Johannesburg in 2002, UNEP is promoting more sustainable product life-cycles and supply chains and is evolving its response.
50. With funding from Governments and the European Commission, we have just established the International Panel for Sustainable Resource Management. Metals recycling and biofuels are two key areas of focus for its first phase. This is one service UNEP can provide in terms of scientific analysis to inform public policy and investment choices in these sectors.

RESOURCE EFFICIENCY

“Quadrupling resource-productivity worldwide (doubling wealth while halving resource use) is the smoothest avenue to sustainable development,” according to Ernst Ulrich von Weizsaecker, Dean of the Donald Bren School of Environmental Science and Management at the University of California and Co-chair of the new UNEP Sustainable Resource Panel. (World Science Forum, Budapest, 9 November 2007

Green economy – new and rapidly evolving partnerships

51. The links between climate change and trade are now the focus of joint work between UNEP and the World Trade Organization—not least the way import tariffs can discriminate against the widespread take-up of climate-friendly technologies and goods.
52. Green growth is also about jobs and more especially decent work. I am delighted that Juan Somavia, Director General of the International Labour Organization (ILO) is with us today, alongside key representatives from the International Congress of Trades Unions (ICTU).
53. This is a rapidly evolving partnership underlined at the last Governing Council session in Nairobi, cemented in Bali and confirmed here in Monaco. This week we are presenting a report on green jobs, a snapshot of a wider joint research initiative including UNEP, ILO and ICTU.
54. One fact perhaps tells it all and speaks volumes on the transformations that are underway in the world’s factory floors and offices. There are today 2.3 million people employed in the renewable energy industry, which is now greater than there are in oil and gas.

GREEN JOBS

In the United States alone, the environmental industry in 2005 is estimated to have generated more than 5.3 million jobs - ten times the number in the United States pharmaceutical industry.

Renewable energy programmes in some European countries like Spain are merely ten years old but have already created several hundred thousand jobs.

The Indian city of Delhi is introducing new eco-friendly compressed natural gas buses that will create an additional 18,000 new jobs.

The ethanol programme in Brazil has created half a million jobs and its biodiesel programme is specifically designed to benefit hundreds of thousands of mostly poor smallholder farmers.

By 2020, Germany will have more jobs in the field of environmental technologies than in its entire automotive industry.

In Europe, a 20 per cent increase in energy efficiency would create about a million jobs. The same applies in emerging and developing countries.

In solar heating, China is the global leader. With combined sales revenues of about \$2.5 billion in 2005, more than 1,000 Chinese manufacturers employ more than 150,000 people. Future estimates of installed capacity mean employment could grow substantially in this area.

55. UNEP has also become an active partner on climate change with the United Nations World Tourism Organization and is now working with other United Nations partners, including UNAIDS on the implications of climate change for those living with HIV and AIDS.

56. The United Nations headquarters is also part of this transformation. Indeed, among the important drivers of the new momentum on climate change has been the personal involvement of the United Nations Secretary-General to lead a cohesive, United Nations System-wide, response. UNEP is fully supporting the Secretary-General and his staff in these efforts and played a key role in making his high-level event on climate change in New York last year a success.

57. UNEP also contributed, and I personally attended, the two-day General Assembly thematic debate on climate change earlier this month, reinforcing the political momentum for a global agreement by 2009.

Green economy—glimpsed through the lens of *Global Environment Outlook-4 (GEO-4)*

58. Climate change is providing a spark and a lens from where we can glimpse the emergence of a green economy. But there are other lenses too, some of which are more opaque, from where we can also glimpse the nature of the challenges we face in making the transition.

59. You, as ministers and as representatives of Governments, ask UNEP to keep the global environment under review. The UNEP Year Book 2008 before you here in Monaco is part of that partnership and responsibility.

60. The *GEO-4* report, launched last October, was our landmark report in 2007. Its findings were sobering and stark. Its overarching conclusions are that, despite some successes, the international response to so many sustainability challenges are simply failing to match the pace and magnitude of change.

(a) In 1987, around 15 per cent of global fish stocks were classed as collapsed—*GEO-4* says this has roughly doubled to 30 per cent;

(b) Twenty years ago around a fifth of fish stocks were deemed over-exploited—this has now risen to about 40 per cent;

(c) Globally, more than two million people may be dying prematurely as a result of outdoor and indoor air pollution;

(d) Land use intensity, with links to land degradation, soil erosion, water scarcity, nutrient depletion and pollution, has increased. In 1987, a hectare of cropland yielded 1.8 tonnes. Now the figure is 2.5 tonnes;

(e) In Latin America and the Caribbean, desertification—caused by deforestation, overgrazing and inadequate irrigation—affects a quarter of the region;

(f) Available freshwater resources are declining—by 2025, close to 2 billion people are likely to live with “absolute” water scarcity;

(g) Populations of freshwater vertebrates have declined on average by nearly 50 per cent since 1987 as compared with an around 30 per cent decline for terrestrial and marine species;

(h) About 40 per cent of big estuaries in the United States, including those that link to the Gulf of Mexico and Chesapeake Bay, suffer severe eutrophication—which can lead to deoxygenated ‘dead zones’—because of nitrogen enrichment;

(i) In the Caribbean, over 60 per cent of coral reefs are threatened by sediments, pollution and over-fishing.

61. The release of the *GEO-4* report was a defining moment for UNEP scientific work, including how it relates to the existing programme of work and the draft Medium-term Strategy. *GEO-4* really caught the mood of the moment. In little more than a day, *GEO-4* hit the headlines in well over 200 key newspapers worldwide, not to mention television and radio stations across continents, such as a two-part *Earth Report* series on BBC World. Even the *Times of London* observed in its editorial on *GEO-4* that “[p]rophets of doom are ten a penny but this time it is serious”.

GEO-4 IN THE NEWS

Le Devoir, on its front page, said: “L’espece humaine est menacé” and *Le Soir* headlined: “La planete est dans un etat critique”.

“Natural decline hurting lives”—*BBC*; “La humanidad en grave riesgo”—*La Jornada Mexico*; “Environment Woes Threaten Survival of Humans-GEO4”—*Financial Times*.

“UN Warns of Rapid Environmental Decay”—*NY Times*; “Progress Comes at Cost. But All not Lost yet”—*China Daily*; “Abominable Footprints”—*Times of India*; “5 Millionen Umwelttote schon jetzt”—*TAZ Germany*.

62. So, we may be turning the corner of climate change and starting to realize the transition and transformation to a green economy on one crucial level. But *GEO-4* underlines that a green economy will remain elusive if the wider issues are ignored and we continue to run down our natural and nature-based capital.

The green economy--implementing the Cartagena Package and the Bali Strategic Plan

63. If UNEP is to fulfill its mandate, fully realize its responsibilities and meet the increasing calls for assistance, it needs to continue with its reform process—and I have already outlined some of the directions, actions and significant achievements made to date. But UNEP needs other transformations too, which this forum of environment ministers needs to consider now and in the near future.

64. The “Cartagena Package” of 2002 expressed the view that “preference” be given to “making better use of existing structures”, which was the focus of the package. It has been my focus too.

65. I would like to present some developments here.

Improved coherence in international environmental policy-making

66. At the last Governing Council/GMEF session in Nairobi we invited five heads of United Nations agencies to the ministerial consultations and established a number of roundtable sessions to facilitate a better and deeper level of engagement. I, in turn, joined the United Nations Industrial Development Organization (UNIDO), the United Nations World Tourism Organization (UNWTO), UN-Habitat and ILO for their governance meetings in 2007.

67. We are following a similar pattern here in Monaco, including through bringing in senior figures from the worlds of business, finance, organized labour, civil society and industry, in order to enhance debate on the “mobilizing finance” theme.

Strengthening the role and financial situation of UNEP

68. In 2007 I established a resource mobilization task team. UNEP is on track for an annual contribution to the Environment Fund of an estimated \$80 million, up from \$69.2 million in 2007 and \$59 million in 2006.

69. In 2007, several countries provided core funding for the first time or renewed their payments as invited through the voluntary indicative scale of contributions, including Ecuador and Haiti and the new United Nations Member State Montenegro.

70. The Netherlands increased its core funding from \$6.2 million in 2006 to over \$10.2 million in 2007. Italy increased its core funding from \$4.1 million in 2007 to \$11.6 million in 2008. The

United Kingdom concluded a memorandum of understanding with UNEP for additional core funding from the Department for International Development (DFID). In the years 2008–2011, a total of around \$11.8 million in United Kingdom Pounds will be made available on top of the regular contributions of \$8.5 million in 2007.

71. In addition to increasing its core funding in 2008, Norway is considering a new innovative and flexible programme cooperation agreement that may result in additional support of close to \$40 million for 2008–2009 in Norwegian Krona channeled to UNEP cross-cutting thematic priorities.

72. Sweden and UNEP are planning to sign a new framework agreement for the years 2008–2010. The agreement will provide a unique umbrella for both support to the Environment Fund and additional contributions and brings together all Swedish Government entities.

73. I believe these welcome developments are tangible and concrete signs of growing confidence in the relevance of this institution and its ability to set its strategic directions in an open, transparent and inclusive manner and to deliver on its programme of work and internal reforms. It also represents a significant boost to the capacity of UNEP to respond to the Bali Strategic Plan for Technology Support and Capacity Building.

74. Complete details of all contributions made to UNEP in 2007 are included in the UNEP Annual Report 2007.

Improving coordination among and effectiveness of multilateral environmental agreements

75. We have established a multilateral environmental agreement management team and a multilateral environmental agreement focal point for UNEP-administered multilateral environmental agreements in order to be more responsive to a range of needs and concerns of multilateral environmental agreements. There is now a more regular dialogue between the Executive Director and the executive secretaries of multilateral environmental agreements on policy and programme matters.

76. Equally important, UNEP is fully engaging the secretariats in all its new human resources initiatives. Through the functions of the new focal point decisions for approval by the Executive Director are considered in a rapid manner. We also consulted with the secretariats of UNEP-administered multilateral environmental agreements during the development of the Medium-term Strategy.

Capacity building, technology transfer and country-level coordination for the environmental pillar of sustainable development

77. The Bali Strategic Plan provided UNEP with a new set of ambitious objectives. I am delighted to report that such objectives can no longer be said to be an aspiration. In 2007 we have seen new and concrete manifestations on the ground. For example, through our partnership in the UNDP Millennium Development Goals Fund, UNEP has, in 2007, increased its support to Bali Strategic Plan objectives by joining 15 new initiatives in 15 countries. In 2007, UNEP also committed itself to engaging fully in the One UN pilot, countries thereby strengthening its work in eight countries on Bali Strategic Plan related objectives.

78. A comprehensive environmental assessment of oil-impacted sites in the Ogoni region of Nigeria's Niger Delta was launched last November in association with UNDP. The move follows a request by the Federal Republic of Nigeria and forms part of the broader Government-led peace and reconciliation process in Ogoniland. Part of the assessment involves building the capacity of local communities and partners to undertake evaluations.

79. UNEP and the Republic of Korea signed a more than \$4 million agreement to assist the Democratic People's Republic of Korea address a range of environmental degradation concerns.

80. A new partnership with the Democratic Republic of Congo has been launched which includes capacity-building for law and natural resource management at a time of increased international interest in the country's nature-based assets.

81. In Canada in 2007, developed and developing countries agreed to accelerate the freeze and the phase-out of hydrochlorofluorocarbons. These are chemicals now known to damage both the ozone layer and contribute to climate change. The necessary funds to assist developing countries to achieve this will be made available under the UNEP-administered Montreal Protocol.
82. UNEP and UNDP in 2007 cemented their Poverty and Environment Initiative with the establishment of a joint Poverty and Environment Facility to enhance country level delivery. We have so far around \$16 million, or half of the target funding requested from donors for scaling-up the initiative, and are in the process of initiating work in 12 countries.
83. UNEP and the Peoples Republic of China are in the process of expanding South-South capacity-building, particularly for Africa.
84. On capacity-building for climate negotiators, in the run-up to the December Bali meeting up to 200 civil servants from around 90 countries attended UNEP-UNFCCC preparatory meetings in Bangkok, Abuja, Panama City and Saint Kitts and Nevis.
85. And in our host country Kenya, we conducted a comprehensive state of the environment report on Nairobi with recommendations for an environmental management plan, assessed environmental and health impacts of one of Africa's biggest refuse sites at Dandora and supported the piloting of rubbish-into-energy cookers in the Kibera slum as part of the ongoing Nairobi River Basin Project.
86. Furthermore, staff members have been trained on how the United Nations Development Assistance Framework operates to boost the capacity of UNEP to deliver on the Bali Strategic Plan at the country level. I believe these measures and examples illustrate the concrete and measurable impact of our commitment to mainstreaming the Bali Strategic Plan.

POVERTY AND ENVIRONMENT

The UNDP-UNEP Poverty and Environment Initiative (PEI) is achieving increasing success in Rwanda and Tanzania. With new and stronger donor support, and guided by the new PEI Facility, the initiative is expanding to additional countries in Africa (e.g., Malawi, Burkino Faso, Liberia), Asia (e.g., Bangladesh, Bhutan, Laos, Bangladesh) and shortly to Latin America and the Caribbean. The UNDP-UNEP PEI is a leading example of inter-agency cooperation, with joint programming and budgeting. It is also leading UNEP engagement in the One UN pilot countries in Africa.

Enhanced coordination across the United Nations system

87. The Chief Executives Board in October agreed to work towards transforming the entire United Nations system and its operations to climate neutrality, supported by another transformation—a revitalized Environment Management Group, which UNEP hosts and I chair.
88. UNEP has also established a Sustainable UN (SUN) Team to further catalyze this transformation, with advisory services to Governments and the United Nations family responding to both the Bali Strategic Plan objectives and our role within the United Nations.
89. As UNEP Executive Director I will continue to make the most of existing structures, enhancing and strengthening them within the art of the possible. But where do we go from here? How will UNEP meet the full range of opportunities and challenges over the coming years and decades? How will UNEP strengthen the capacity of Governments to achieve their environmental goals, targets and objectives?
90. The opportunities and challenges are outlined in reports such as those of IPCC and *GEO-4*, and also in other assessments, including the Millennium Ecosystem Assessment and the UNEP post-conflict assessments of Iraq, Liberia, Lebanon and, more recently, the Sudan, including Darfur.
91. The question is: can UNEP—even if it sensibly and efficiently exploits its existing structures—fully respond to the Bali Road Map and a post-2012 climate regime and deliver on the Bali Strategic Plan?

92. Can it address the need to reverse the rate of loss of biodiversity; assist in developing a representative network of marine protected areas; deliver on the chemicals and hazardous waste agenda and the heavy metals question; and ultimately meet, in cooperation with partners, the Millennium Development Goals as they relate to environmental sustainability?

93. I believe Governments will need to continue to do some hard thinking on how we move forward.

Managing the green economy—future international environmental governance

94. It seems self-evident that the environment, now so firmly in the centre stage, is unlikely to retreat back to the margins. It is already emerging as a key and revitalized focus for public policy making and the future of markets, while emerging as being a central issue for delivering equity, stability and prosperity for the one billion people still in extreme poverty.

95. The “Cartagena Package” was to be considered as “the commencement of a longer-term enterprise to develop international understanding, commitment and resolve towards ensuring the sustainability of the global environment”.

96. Meanwhile, the mandate of UNEP as the environmental programme of the United Nations is to fulfil its role as a lead authority in articulating, facilitating and supporting a response to current environmental challenges and opportunities.

97. There are many international environmental governance (IEG) reform processes under way within the United Nations. An informal consultative process on IEG has been taking place within the United Nations system led by the Ambassadors of Mexico and Switzerland. The results of this informal consultative process were discussed during a plenary session of the General Assembly in November 2007.

98. Meanwhile, the Joint Inspection Unit of the United Nations has also recently completed its “Management Review of Environmental Governance within the United Nations System”. It made some significant IEG-related recommendations, including on the relationship between UNEP and multilateral environmental agreements.

99. There are also several informal initiatives of groups of Governments addressing IEG from various perspectives, most notably initiatives catalyzed by Governments such as Brazil and France.

100. We also know that billions of dollars of public sector investment is being lined up for mitigation and adaptation in respect to climate change, including through bodies and mechanisms such as the World Bank and GEF. This new level of investment is very welcome. In investing these considerable sums of money we must be cognizant of ensuring the right governance arrangements are wrapped around the funds.

101. In that respect our concern should focus less on which institution receives these funds but how they will be used. More money invested in yesterday’s economy will not result in the transformations we need. Thus the new money must be guided by new direction and partnerships.

102. I believe it is high time that these threads were pulled together. I can think of no other forum than the one we are attending where the current progress can be reviewed and where the world’s environment ministers can articulate a coherent policy and implement an agenda that will catalyze the necessary economic and institutional transformation.

Looking ahead—overcoming the barriers to mobilizing a green economy

103. I have outlined some of the possible institutional barriers to a green economy. But there are others that reflect the theme of this meeting which fall fairly and squarely into the financial and legislative fields. There are numerous papers before you outlining discussion areas, not least on the issue of energy efficiency. More than doubling annual improvements in energy efficiency could play a key role in averting serious climate change according to some estimates.

104. Over recent years, advances and investments in energy savings in transport and power generation, industry and households, have been reducing the intensity of energy used by 1 to 1.5 per cent a year. Experts say that if the annual rate of improvement in energy efficiency could be doubled to 2.5 per cent worldwide it might be possible to keep carbon dioxide concentrations in the atmosphere below 550 parts per million (ppm) through the end of the century.
105. So why can't we do this now? What are the barriers to these seemingly huge and probably cost effective gains?
106. Another report before this meeting covers the way innovative laws and policies have mobilized low-carbon finance, unleashing innovation and spawning new technology markets— a case in point is Germany, where a feed-tariff turned the country from nowhere into the number one wind power manufacturer and exporter.
107. In some cases we need to think small-scale. UNEP GEF has just launched a project to replace diesel generation in the energy-intensive tea industry in East Africa with small-scale hydro. But we must think big too. Only a few weeks ago three leading experts published in a detailed assessment in *Scientific American*, including costings, of what they call “A Solar Grand Plan” for the United States.
108. They estimate that by 2050 the plan could supply almost 70 per cent of America's electricity and 35 per cent of its energy needs. Surplus electricity from solar would be used to compress air and be stored in aquifers, caverns, and so on and used to turn turbines at night.
109. Some experts calculate that there is enough solar energy hitting desert regions such that an 800 by 800 kilometre area of the Sahara could capture enough solar energy to generate all the world's electricity needs and more.
110. If we can put a man on the Moon, send submarines under the polar ice caps and perfect heart and liver transplants, why can we not harness sunlight for electricity, or for hydrogen production, on a scale that is transformational forever?
111. Here in Monaco we have the opportunity to shape the future through the way globalized and national markets either reject or respond to the wider interests and aspirations of global society.

Post-Election Kenya

112. Before I end, I think it is important to brief you on the situation at UNEP headquarters in the wake of Kenya's December elections.
113. We have, in common with the international community, been alarmed by the humanitarian tragedy that has unfolded. But we are also hopeful that the initiative by the former UN Secretary-General, Kofi Annan, and his team of eminent African personalities, is bringing reconciliation and a path to peace between Kenya's leaders and the Kenyan public.
114. I would also like to recognize the visit of the Secretary-General, Ban Ki-Moon, to Nairobi on 1 February, 12 months to the day after his first visit to our headquarters. It meant a lot to the staff of the United Nations in Nairobi, who saw his deep personal concern for the situation affecting Kenya, its people and the United Nations staff.
115. The situation in Kenya has put some strain on our operations and also on staff, not least those preparing for the current special session. I can only thank them for their professionalism, commitment and courage during these past few weeks.
116. I would also like to express my sincere thanks to all members of the Committee of Permanent Representatives. Despite the additional pressures on embassies and high commissions over the past month, Committee members have continued to travel to Gigiri to work with the secretariat in preparing for the current session.
117. While the situation in Kenya remains volatile we have, in collaboration with our United Nations colleagues in Nairobi and New York, implemented a number of measures addressing two objectives:

business continuity and preparedness. UNEP remains operational and we await a successful outcome to negotiations and a final and full end to violence and suffering.

Goings and Comings

118. Lastly, the organization of the UNEP Governing Council and the Global Ministerial Environment Forum for over the past 10 years would not have been possible without the patience, skill and tact of many, but, above all, of one person in particular.

119. Beverly Miller is the Secretary of the Governing Bodies and is familiar to us all. Well, ladies and gentlemen, this is Beverly's last session of the Governing Council/Global Ministerial Environment Forum before she retires later in the year. Beverly first joined UNEP back in March 1988, as Senior Programme Officer. She served UNEP in a variety of capacities before she assumed her current position. Prior to her appointment, Beverly was well known to UNEP, having served as the Acting Head of the Jamaican Natural Resources Conservation Department, of which she was one of the main driving forces behind its establishment in 1975. On behalf of UNEP I would like to thank you Beverly for all that you have done and achieved on behalf of the organization, member States and the environment.

120. But the Caribbean spirit will not be lost in Nairobi. Angela Cropper, our new Deputy Executive Director, who is a citizen of Trinidad and Tobago, has just assumed her post in UNEP. Angela Cropper succeeds Shafqat Kakakhel, who retired after nine years of dedicated service as UNEP Deputy Executive Director. I would like to record my deep personal appreciation and that of UNEP for the outstanding support of Shafqat Kakakhel during these years.

121. This post is a key leadership and managerial appointment in UNEP—one that is central to the success and future direction of this organization. Thus I am grateful for the Secretary-General's decision to appoint Angela Cropper—a person who brings demonstrable intellect, depth of experience in the environment and sustainable development fields, outstanding management qualities and natural diplomatic skills to this post at this important juncture in the organization's evolution.

122. I believe that as Deputy Executive Director and United Nations Assistant Secretary-General she represents a further transformation alongside the many already outlined. Please welcome Angela Cropper to this, her first, session of the Council/Forum and the first, I hope, of many more to come.

123. I began with grassroots mobilization and perhaps I can end with it too. World Environment Day on 5 June is THE United Nation's day on the environment. It is therefore your day too.

124. In 2007 Norway was the main host under the theme "Melting Ice-A Hot Topic?" The event was celebrated around the world not in just a few States but indeed in almost 100 countries. In India alone, close to 95 towns and cities took part, while in a developed country like the United Kingdom some 60-plus events were held.

125. This year New Zealand will be the main host under the forward-looking theme "Kick the CO₂ Habit". New Zealand was not chosen at random—it is one of a handful of countries that have pledged to "go" climate neutral, including Costa Rica and Norway. In doing so they are living examples that the Green Economy is no pipe-dream but a sign of the times. We have started to move beyond the pilot phase. Today we are beginning to witness shifts of a transformative scale.

Excellencies, ladies and gentlemen,

126. When we leave Monaco in three days time I would like to think that we will leave with a sense of hope and possibility of how our agenda—environment for development—can accelerate the transformation I refer to in my policy statement.

127. Hundreds of billions of dollars are now flowing into cleaner and renewable energy technologies. Trillions of dollars more are waiting in the wings. Whether they flow into tomorrow's economy that is emerging today or head into the polluting technologies of the past will in large part depend on the decisions you as ministers and representatives of your Governments take over the coming days, months and years.

128. The private sector is moving. It is now looking to Governments to define and devise the policy and regulatory frameworks that will help shape new markets, fiscal incentives and instruments that will either accelerate a transformation towards a green economy or shunt it onto the sidings.

129. The role of UNEP is to support you as member States and the broader community of civil society, the private sector and organizations within and outside the United Nations in making informed and transformational choices.

130. The core objective is not to foster a green economy for its own sake. The core objective is to promote development—but development along a more sustainable and equitable path.

131. The environment agenda of the twenty-first century is becoming an integral part of the economic and social development agenda of this century. For in addressing hazardous wastes, ecosystem decline, climate change and the other wide-ranging sustainability issues that are in front of us, we are fundamentally addressing the inequities of poverty, insecurity and instability that we need to conquer to achieve the Millennium Development Goals.

132. UNEP, as your principal partner and service provider on the environment in the United Nations, is rapidly reforming itself to meet these challenges. With the renewed focus of the Medium-term Strategy, the increase in the Environment Fund of around 30 per cent from 2006 to 2008, a reinvigorated partnership with the United Nations family and involvement with civil society and the private sector, UNEP can evolve to be an example of a United Nations entity that is effective, efficient and responsive.

Thank You

Annex IV

President's summary of the discussions by ministers and heads of delegation at the tenth special session of the Governing Council/Global Ministerial Environment Forum of the United Nations Environment Programme

The present document is a summary of the interactive dialogue that occurred among the ministers and other heads of delegation attending the tenth special session of the Governing Council/Global Ministerial Environment Forum of the United Nations Environment Programme. It reflects the ideas presented and discussed rather than a consensus view of all points raised by participants.

I. Organization of the ministerial consultations

1. Ministers and heads of delegation from 138 United Nations Member States attending the tenth special session of the United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum in Monaco from 20 to 22 February 2008 held ministerial consultations on the themes "Globalization and the environment – mobilizing finance to meet the climate challenge" and "International environmental governance and United Nations reform".
2. The consultations were conducted under the leadership of the President of the Council/Forum, Mr. Roberto Dobles of Costa Rica, with the assistance of ministers and heads of delegation from Burkina Faso, Denmark, Dominican Republic, El Salvador, Finland, France, Gambia, Germany, Mauritius, Mexico, Monaco, Mozambique, the Netherlands, South Africa, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America.
3. In order to facilitate interactive dialogue, the Council/Forum conducted the ministerial consultations in the form of plenary presentations and panel discussions followed by smaller roundtable discussions. In both the plenary and roundtable discussions the President of the Council/Forum, together with ministers, a number of private sector leaders, representatives of United Nations bodies and leaders of local authorities and civil society organizations, aided the process.
4. The consultation participants discussed various options for action that Governments, UNEP and the international community could consider. The ideas enumerated below reflect different views expressed during the discussions. Their inclusion here does not mean that they are without controversy or that each idea has been fully considered by each Government. They provide for Governments, UNEP and the international community a fertile source of ideas from which to undertake further exploration.
5. The present document is issued without formal editing.

II. Summary of ministerial discussions on theme I: Globalization and the environment – mobilizing finance to meet the climate challenge

6. The interactive dialogue on globalization and the environment – mobilizing finance to meet the climate challenge consisted of three separate but linked sessions, each having a distinct topic: "The role of national policies in enabling investment"; "Are the financial markets ready to mobilize the needed investment?"; and "Mobilizing capital – the local perspective". The panel presentations and discussion that took place during the first two plenary sessions provided a springboard for the roundtable discussions. The format of the final plenary was different: presentations and discussion among the panelists were followed by combined reports on the roundtable discussions and then additional discussion. In the present summary the main points made at each of the plenary sessions are presented separately, followed by a general summary of the roundtable discussions.
7. Although the plenary sessions and roundtable discussions had distinct themes, many of the points raised in the presentations and discussions were overarching in nature and therefore cut across the sessions. Thus:

- (a) Climate change, economic growth and poverty alleviation can be compatible if addressed in an integrated manner;
- (b) Sufficient investment capital is available globally to address the climate challenge but to scale up current levels of investment there is a need for an effective international framework with clear targets and financial architecture combined with stable and long-term policies and institutional structure at the national level;
- (c) The carbon market has demonstrated its potential for mobilizing new financing for mitigation and technology transfer but the importance of a price for carbon that is high enough and predictable over the long term is crucial to maintaining the current momentum;
- (d) Financing for adaptation activities is still limited, as many countries are in the process of identifying priority action areas, but it is critical urgently to make the Adaptation Fund operational and ensure that the proceeds from the Clean Development Mechanism market are supplemented by significant contributions from industrialized countries to meet the envisaged challenge.

8. The first plenary session, entitled “The role of national policies in enabling investment”, commenced with opening remarks by Mr. R. Witoelar, Minister of Environment of Indonesia, and featured an overview presentation by Mr. Yvo de Boer, Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC). The panel discussion was moderated by Mr. James Cameron, Vice Chairman, Climate Change Capital. Panelists were Mr. Guangsheng Gao, Director General, National Development and Reform Commission, China; Mr. Sigmar Gabriel, Minister of Environment, Germany; Mr. Erik Solheim, Minister of the Environment and International Development, Norway; Ms. Batilda Burian, Minister of State, United Republic of Tanzania; and Mr. Juan Somavia, Director General, International Labour Organization.

9. Speakers noted that while there was sufficient investment capital available for cleaner technologies – those that were broadly superior in terms of their environmental characteristics – effective markets would depend on Governments providing the strategic direction toward what one referred to as a new financial architecture. A general note struck was that there was a need to move beyond a mantra that “government will fix problems” or “the private sector will fix problems” to a view that recognized that it was the intelligent interface of public policy, markets, and entrepreneurs that would lead to innovation and investment in cleaner technologies. The importance of coherence between national policy and multilateral policy and policy making was also highlighted.

10. Speakers noted the importance of setting a sufficiently high price on carbon that was predictable over the long term. Growing carbon markets were providing needed capital and needed to be expanded but were insufficient on their own to bring about the required changes. Overall investment needs were large – some \$200–210 billion each year by 2030 according to the UNFCCC secretariat’s estimates – but were modest in the context of global GDP. The International Energy Agency and others have pointed out that large investments in energy infrastructure are required in any event; the challenge is to make sure this investment is compatible with emission reduction goals. Speakers also emphasized the environmental, economic, social, and development benefits of green growth.

11. Regarding the Bali Roadmap, the point was made that technology, finance, and capacity-building would provide the link between developing country engagement and developed country commitments. Developing countries no longer had to be convinced of the advantages of green growth but did need financial and technical assistance to make the transition to lower carbon economies. Panelists also shared their experiences and ambitions regarding different national approaches, which ranged from auctioning emission allowances and using the funds generated thereby to spur investment in cleaner energy technologies to government risk sharing and support for technology development.

12. The session entitled “Are the financial markets ready to mobilize the needed investment?” was moderated by Mr. Bert Koenders, Minister for Development Cooperation, the Netherlands. Opening remarks were provided by Ms. Monique Barbut, Chief Executive Officer and Chairperson of the Global Environment Facility, and Mr. Michael Liebreich, Chief Executive Officer of New Energy Finance. Panel members included Mr. Andreas Carlgren, Minister of Environment, Sweden; Mr. Neil Eckert, Chief Executive Officer, Climate Exchange PLC; Mr. Robert Tacon, Head of Risk Management, Standard Chartered Bank and Chair, UNEP Finance Initiative; Mr. Olav Kjørven, Director, Bureau for Development Policy, United Nations Development Programme; and Ms. Kristalina Georgieva, Director, Sustainable Development Vice Presidency, World Bank.

13. In the statements and the ensuing discussion speakers and panelists in part returned to themes of the previous session, namely, that climate protection, economic growth and poverty alleviation were

compatible, that sufficient investment capital existed to reduce greenhouse gas emissions through the use of new technologies and that the challenge to governments was to adopt policies that aligned public interests concerning climate change with private motivations, thereby allowing markets to work.

14. A presentation on investment trends in the renewable energy sector made clear that the financial sector was ready to invest in climate mitigation under the right enabling conditions. Speakers from the private sector made clear that renewable energy had “shed its fringe image” and was treated as a mainstream business by the financial sector. Continued strong growth in the sector was both a result of and spur to the innovation of new financial products. The panel highlighted the importance of such information in providing a new understanding of the fundamental changes taking place in the sector. One problem area, however, was the lack of activity in the poorer developing countries, in particular those in Africa. Several speakers highlighted the responsibility of Governments in safeguarding the interests of the very poor and of those affected by industrial restructuring caused by a shift to low carbon energy sources. It was noted that current funding mechanisms are yielding insufficient resources to address the challenge of adaptation.

15. Speakers reemphasized the importance of carbon markets in allocating and redirecting capital to cleaner investment and again noted that a sufficiently high and predictable price for carbon was critical. Developing countries in particular were said to be less able to pay higher costs of technology and were often riskier from an investor perspective; there was thus a role for public sector institutions in undertaking some of the risk. A suggestion from the floor was that other greenhouse gases and sectors such as forestry and agriculture needed to be included in markets as quickly as possible even if the science was not fully understood.

16. One speaker noted that although it was fine to say that Governments needed to provide sound policy frameworks an enlightened private sector finance sector should take a proactive stance, acting ahead of Governments even when there were uncertainties. Investments made in the present with no expectation of a carbon constrained future would undoubtedly prove unwise.

17. The final plenary session on the theme “Mobilizing capital - the local perspective” started with opening remarks from Mr. Apirak Kosayodhin, Governor of Bangkok. UNEP Executive Director Achim Steiner then moderated a panel discussion involving Mr. Fernando Ibanez, Chief Executive Officer, Saguapac, Bolivia; Mr. Andrew Etwire, Chief Executive Officer, Power World Limited, Ghana; Ms. Barbara James, Chief Executive Officer, Henshaw Capital Partners, Nigeria; and Dr. Harish Hande, Managing Director, Selco India.

18. From the perspective of those working at the local level, increasing awareness of different groups about climate change, the need for different thinking and approaches, and the inherent opportunities were critical. This was true for groups as varied as residents of cities, local banks, business owners, venture capitalists and pension fund managers, among others. Improving the capabilities of different professional groups to devise new approaches to financing cleaner energy investments went hand in hand with raising awareness.

19. Speakers also stressed the importance of appropriate forms of financing that matched the ability of poor people in particular to pay for cleaner energy. Appropriate financing coupled to appropriate technology brought to the people, meaning site specific solutions to financing needs, was important. That might mean using public money to fill financial gaps and thereby stimulate local investment and lending. Consultations with local groups were essential in such cases in order to make sure that solutions actually worked for the intended group.

20. An appeal was made for approaches based on the concept of “holistic infrastructure”, the blending of public policies that drove awareness raising, training and capacity-building and investment. The Indian approach to self-sufficiency in agriculture was offered as a model for the sort of transformational effort that is required for a shift to a lower carbon economy.

21. The roundtable discussions were supported by facilitators and in some cases featured short presentations. It was recognized that there had been a positive development in terms of growing investment in clean energy technology and rapid expansion of the carbon market. To further accelerate this positive development, Governments had to create the conditions for a scale-up of private-sector investment, both domestic and foreign, in carbon-mitigating technologies, infrastructures and services. That required stable and long-term policy and regulatory frameworks coupled with public finance mechanisms that leveraged private capital at all stages of technology development. Policies named ranged from feed-in laws for renewable energy to supportive policies like building codes, green public procurement, policies to promote environmentally friendly transport and public awareness and capacity-building.

22. UNEP and other United Nations institutions could play a key role in helping developing countries to establish such policy and institutional frameworks and to build their capacity to access finance. Constituencies including civil society and local authorities had to be considered in policy development. A strong international framework was called for with clear targets and financial architecture, especially to promote investment in developing countries.
23. It was necessary for financial mechanisms to provide incentives for climate-friendly solutions and disincentives (high prices) for carbon-intensive systems. One speaker noted that significant commitments under the Kyoto Protocol can spur development of the carbon market, which clearly offered a huge potential for mobilizing financing for mitigation. To date, however, it had largely benefited industrialized countries and a small number of larger developing countries. The carbon market had to be expanded and become more flexible and the Clean Development Mechanism needed to be developed further to ensure more equitable regional distribution. Models were needed for mobilizing appropriate forms of financing for small and medium-sized enterprises (SME) and enabling capital markets. New approaches to financing end-users were required, most of which involved mobilizing local sources of capital. Market mechanisms had to provide incentives for avoided deforestation, forest conservation and organic agriculture.
24. Public-private partnerships such as national climate funds with private-sector participation were suggested as an important instrument. There was a need to explore other new sources of funding such as the auctioning of emissions allowances and the extension of a CDM-type levy to other Kyoto mechanisms. Instruments similar to those used under the Montreal Protocol were suggested. Other speakers remarked on the importance of Intellectual Property Regimes in promoting the transfer of technologies.
25. In the area of adaptation, experience with adaptation finance was limited because many countries were still in the process of examining key national vulnerabilities and identifying priority actions. It was agreed that the Adaptation Fund urgently had to be made operational. Some speakers noted that while the proceeds from the Clean Development Mechanism were an important start for the Fund, to meet the challenge anticipated there was an immediate need for industrialized countries to make additional funds available.
26. The ministerial consultations on mobilizing finance to meet the climate challenge represented a first important opportunity after the thirteenth session of the UNFCCC Conference of the Parties in Bali to discuss the issues of finance and technology transfer; it produced a rich mix of ideas, perspectives, experiences and observations. There was no attempt to draw conclusions regarding the priorities for different actors, whether Governments, the private sector, non-governmental organizations or intergovernmental organizations, or to identify the specific actions each could or should undertake. The objective, rather, was to provide a platform for discussion and learning about the finance sector and its role in addressing the climate change challenge. Ministers and other heads of delegation were able to learn from each other and to explore the breadth of opportunities available for constructive policies that mobilized the needed finance.
27. The consultations thus provided an excellent basis for further creative thinking about the broad changes needed to increase investment in technologies and practices that reduced greenhouse gas emissions, both new approaches and those that were an expansion or scale-up of proven models. The tone struck throughout the consultations was optimistic: much needed to be done but much was already happening and much more was possible.

III. Summary of ministerial consultations on international environmental governance and United Nations reform

28. Ministers engaged in an interactive dialogue to take stock of the implementation of decision SS.VII/1 on international environmental governance by which the Governing Council/Global Ministerial Environment Forum had adopted the “Cartagena Package”, and recent developments of relevance to UNEP under the wider United Nations reform agenda, as well as to provide input for the ongoing and forthcoming discussions in the General Assembly.
29. The ministerial consultation participants heard an overview presentation on the status of the informal consultation on environmental activities in the United Nations by Mr. Claude Heller Rouassant of Mexico and Mr. Peter Maurer of Switzerland, Co-chairs of the informal consultations. Mr. João Paulo Capobianco, Vice Minister of Environment, Brazil, presented an overview presentation on the

Outcome of the Ministerial Conference on Environment and Development: Challenges for International Environmental Governance, which had been held in Rio de Janeiro, Brazil, in September 2007.

30. A panel moderated by Mr. Marthinus van Schalkwyk Minister of Environmental Affairs and Tourism, South Africa and consisting of Mr. Francisco Santos, Vice President, Colombia; Ms. Claudia McMurray, Assistant Secretary of State, United States of America; Mr. James Leape, Director General, WWF; and Mr. Mark Halle, Director of Trade and Investment, International Institute for Sustainable Development, further highlighted the issues under consideration. The interactive dialogue also included a plenary discussion, during which the large number of constructive interventions from participants reflected the significant interest in the issue. The participants discussed various options for action for consideration by Governments, UNEP and the international community.

31. Reversing the current trend of global environmental degradation would require strengthening of environmental governance at all levels, which in turn would require international institutions and processes to become more coherent and effective and to cooperate more in addressing important existing and emerging global environmental challenges. Environmental ministers from around the world had expressed a shared concern on this point when they met in Malmö, Sweden, for the first session of the Governing Council/Global Ministerial Environment Forum, in May 2000. That session had led to a series of intergovernmental debates on international environmental governance in 2001 and the adoption of decision SS.VII/1 on the subject by the Governing Council/Global Ministerial Environment Forum at its seventh special session, which took place in Cartagena, Colombia, in February 2002. In the Cartagena Package adopted in decision SS.VII/1 the Council/Forum highlighted the need to make the best use of existing structures and noted the evolutionary nature of strengthening international environmental governance. The Cartagena Package was still recognized as an important policy response.

32. The 2005 World Summit Outcome,⁸ which set the global policy agenda agreed by world leaders, addressed, among other issues, international environmental governance, especially in the context of United Nations reform. In paragraph 169 of the Outcome, Governments agreed to explore the possibility of a more coherent institutional framework, including a more integrated structure, for environmental activities in the United Nations system by improving the key areas of concern, including enhanced coordination; improved policy advice and guidance; strengthened scientific knowledge, assessment and cooperation; better treaty compliance, with due respect for the legal autonomy of treaties; and better integration of environmental activities in the broader sustainable development framework at the operational level, including through capacity-building.

33. Following up on paragraph 169 of the World Summit Outcome, the General Assembly initiated in 2006 an informal consultative process on the institutional framework for the United Nations' environmental activities, work on which continued in 2007. The co-chairs of the informal consultative process issued on 14 June 2007 an options paper that highlighted the need for enhanced coordination; improved policy advice and guidance; strengthened scientific knowledge, assessment and cooperation; better treaty compliance, coupled with respect for the legal autonomy of the treaties; and better integration of environmental activities into the broader sustainable development framework at the operational level, including through capacity-building.

34. The informal consultative process in the General Assembly culminated in a co-chairs' summary which formed the basis for further consultations that commenced in January 2007. Efforts were under way to consider the need for and modalities of a possible resolution by the United Nations General Assembly on international environmental governance. Such a resolution could address entities in the international environmental governance system, including UNEP, provide for regular reviews and set the format for future talks. The resolution might focus on pragmatic approaches that had received attention in the consultations, including the role of science, issue-based coordination within the United Nations system and cooperation among multilateral environmental agreements that respected their legal autonomy. The option of regular consolidated appeals for financial support for capacity-building in developing countries by the international environmental governance system, including for the implementation of multilateral environmental agreements, could also be given attention.

35. Participants welcomed the work of the co-chairs of the informal consultation. They noted that while there were some differences of opinion on elements of the options paper it was a very important and useful document. They noted too the importance of the contribution of UNEP, including the

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General Assembly resolution 60/1 of 16 September 2005.

Governing Council/Global Ministerial Environment Forum, to the ongoing discussions. Some participants called for a further strengthening of the role and function of the Council/Forum.

36. A number of participants said that there was a risk that the urgency and magnitude of environmental problems would outgrow the capacity of existing institutions. It was also said that the current international governance structure had several strengths, including that it was decentralized, specialized and relatively flexible. It was said, however, that the current institutional structure had to become more effective and efficient. It was said too that UNEP had made important strides in that respect, including through developing its Medium-term Strategy. In that context participants applauded the role of UNEP in the United Nations Development Group, its cooperation with the United Nations Development Programme on environment and poverty and its participation as a non-resident agency in the “One UN” Pilot programmes.

37. The consultation participants said that international environmental governance and United Nations reform were evolutionary in nature and noted their interest in continuing to contribute to the discussions. Government and civil society representatives noted that the increasing investments in environment, in particular in the area of mitigation and adaptation to climate change, added a new dimension to international environmental governance and national environmental policies. Several said that there was a need to implement appropriate governance arrangements for those investments to ensure that they contributed to achieving sustainable development objectives.

38. The current United Nations reform process presented an opportunity for strengthening United Nations environmental activities. Options for strengthening, reforming or upgrading UNEP should be seen in that context. Many delegates highlighted the importance of maintaining the headquarters of UNEP in Nairobi, Kenya. A steady increase in the political attention being accorded to the environment had supported this reform process and there was growing recognition that environmental sustainability could not be de-linked from sustainable development and economic growth. Mainstreaming the environment across other sectors, and in the process enhancing the role of environment ministries, would allow the necessary integration of environmental considerations. It was emphasized that environmental challenges needed to be integrated into development planning and economic strategies. Implementation should encourage new partnerships between UNEP and UNDP, the International Labour Organization and others in the United Nations system. Several participants said that it was necessary to enhance further the role of the Environment Management Group.

39. The consultation said that the UNEP Medium-term Strategy 2010–2013 constituted an important step in enhancing UNEP programmatic support to the effort to strengthen international environmental governance rooted in the Cartagena Package.⁹ Many delegations called for a further strengthening of the financial base of UNEP, in particular for the implementation of the Bali Strategic Plan. The role of UNEP in strengthening the scientific base of the United Nations and its member States, particularly developing countries, was underscored, and some participants felt that the ongoing consideration of the Environment Watch, Vision 2020, could contribute in that respect.

40. Support was expressed for a reformed United Nations environmental pillar as well as for an increase in its financial resources. Complex, growing and interlinked environmental challenges urgently required coordinated responses, including in policy sectors other than environment. A variety of measures were discussed, including better coordination among the institutions currently involved in the environment and more cooperation with multilateral agencies with economic and developmental mandates. Some delegates highlighted the ongoing work of the ad-hoc joint working group on enhancing cooperation and coordination among the Basel, Rotterdam and Stockholm conventions as a good example.

41. The question of strengthening UNEP or upgrading it into a specialized agency with the commensurate authority to foster better coordination was discussed, as was the possible establishment of a new United Nations environment organization. The idea of establishing an umbrella organization for the environment that would also deal with sustainable development and include UNEP, the Global Environment Facility and multilateral environmental agreements was also tabled. One participant said that the reform process should not lead to new legally binding agreements. Many noted the need for an integrated approach to international environmental governance. Ministers and heads of delegation

⁹ The Cartagena Package refers to the recommendations of the Open-Ended Intergovernmental Group of Ministers or their representatives on International Environmental Governance. The report of the group, containing its recommendations, was adopted by the Governing Council in its decision SS.VII/1 of 15 February 2002 and is set out in the appendix to that decision.

committed themselves to a continued dialogue on how to further the evolution of international environmental governance.

42. The importance of involving ministers for foreign affairs and others in the debate was stressed, with specific reference being made to the Ministerial Conference on Environment and Development in Brazil. In finding a way forward it was proposed that form should follow function and that the first priority was to clarify the goals of the international community.

43. The extent of convergence was stressed by many. There was broad support for the need to strengthen UNEP further, including through strengthening its regional presence, its financial base and its ability to deliver on the Bali Strategic Plan, while also considering other more ambitious options for strengthening international environmental governance through an open dialogue. In that context some participants said it was necessary to be more specific regarding terminology and areas of convergence. The importance of continuing to take immediate steps to further strengthen UNEP was highlighted by most.
