

CHANGING BUSINESS

Environmental change is almost entirely caused by, or exacerbated by, human activity, and particularly society's patterns of consumption and production. The private sector therefore has a hugely significant role to play in providing solutions to today's environmental challenges. Increasingly, major private sector players are taking a leadership role, by adopting socially and environmentally responsible practices and identifying the commercial advantages that those strategies present. UNEP is working closely with the private sector to support and build on this momentum.

The area that presents the most risk, and increasingly the greatest opportunity, to businesses and financial institutions is climate change. In November, at the UN climate change meeting in Nairobi, expert members of UNEP's Finance Initiative (FI) warned that losses from extreme weather events linked to climate change are doubling every 12 years. Representing many of the world's most powerful financial institutions, with assets worth trillions of dollars, the group called for urgent public-private action to prepare for the economic impacts of climate change, integrating adaptation with sustainable economic development and disaster management. Their report, 'Adaptation and Vulnerability to Climate Change: The Role of the Finance Sector' was the latest from the UNEP FI Climate Change Working Group. It includes case studies and recommendations for the finance sector and policy makers. The Working Group also initiated an online training project on climate change and carbon finance, which will be launched in 2007.

In Asia-Pacific, a four-year project to reduce industrial greenhouse gas emissions was completed in 2006. Along with capacity building of national institutes and industries, a major output was the launch of the 'Energy Efficiency Guide for Industry in Asia' to help industry reduce energy use, greenhouse gas emissions and costs. An international event and nine national launch



events were organized to raise awareness and disseminate the Guide. Parts of the Guide were also translated into several Asian languages, including Bahasa Indonesia, Bangla, Chinese, Mongolian, Sinhala, Tamil, Vietnamese and Thai. At the global level, also with the aim of reducing greenhouse gas emissions, the Sustainable Buildings and Construction Initiative (SBCI) was launched in April 2006 as a partnership between building sector stakeholders and UNEP.

SBCI promotes sustainable building practices, in particular reducing climate change contributions, and developing policies and economic instruments for a life cycle approach in design, construction and use of buildings. In 2006 SBCI had 27 members from 14 countries, established two think tanks, three pilot projects, and published its first



strategic report 'Climate Change and Energy Efficiency in Buildings'. The initiative also welcomed its first North American member, the U.S. Green Building Council.

ENVIRONMENTAL RESPONSIBILITY

At the 23rd Annual Consultative Meeting on Business and Industry, held in October 2006 in Paris with the International Chamber of Commerce, representatives from business organizations and industry associations, individual companies, NGOs, including Greenpeace, WWF and IUCN, as well as the International Confederation of Free Trade Unions and the International Energy Agency, discussed ways to address energy and climate challenges and promote corporate responsibility in industrial

Computer monitors on the beach in Sai Kung, Hong Kong, 1 October, 2006. Hundreds of computer monitors, believed to have been dumped into the sea by recyclers, were found in the space of a few days. The growing use of electronic products, such as mobile phones and computers, is creating a growing environmental challenge, especially in Asia and the Pacific, where so-called 'e-waste' is one of the fastest growing areas of waste production. © Paul Yeung/Reuters/The Bigger Picture



UNEP works with the private sector to promote corporate environmental responsibility. 30 Report Cards on environment and sustainability were launched in the publication 'Class of 2006' at CSD14, in May 2006.

development, two themes that are also being examined by current sessions of the UN Commission on Sustainable Development (CSD). The meeting considered possible action plans for different industry sectors, building on the 30 Report Cards that were launched in the publication 'Class of 2006' at CSD14, in May 2006 in New York. Hosted with the governments of Norway and South Africa, the launch event at CSD14 debated progress with promoting life cycle approaches and the effectiveness of voluntary initiatives in promoting corporate responsibility.

Environmental responsibility is becoming an increasingly important factor in business strategies, as well for consumers and investors. To strengthen the movement towards environmentally sustainable business, UNEP works closely with the UN Global Compact and Global Reporting Initiative (GRI). In early 2005, UN Secretary-General Kofi Annan invited institutional investors to develop a set of Principles for Responsible Investment. Individuals representing 20 institutional investors from 12 countries came together to form the Investor Group, while a 70-person multi-stakeholder group of experts from

the investment industry, intergovernmental and governmental organizations, civil society and academia gathered to support the process. Coordinated by UNEP FI and the UN Global Compact, the drafting process was conducted between April 2005 and January 2006, resulting in Six Principles for Responsible Investment, which were launched in April 2006 at the New York Stock Exchange by Secretary-General Annan. The Principles are open to all institutional investors, investment managers and professional service partners to support, and are now supported by more than 90 institutions, representing more than \$5 trillion in assets.

As part of its contribution to the UN Global Compact, UNEP also continued to represent the initiative in the International Standards Organization (ISO) process to develop a new standard on social responsibility. An expert meeting held in Lisbon in May was used to remind participants of relevant management tools promoted by UNEP and its partners to advance the environmental dimension—sustainable consumption and production—of social responsibility. UNEP also presented a workshop on business and climate change at the annual meeting of the Global Compact National Networks, in Barcelona in September.

In the field of sustainability reporting, UNEP was involved in the launch of the third generation of the GRI Guidelines in October 2006. The UNEP Executive Director spoke at the opening plenary of the meeting, whose high level speakers also included the Royal Prince of Orange and former US Vice President Al Gore. At the event, UNEP and KPMG launched the publication 'Carrots and Sticks for Starters', which gives an overview of trends and approaches in mandatory and voluntary requirements for sustainability reporting, and is a valuable guide for government officials and company managers on legislative trends in reporting in OECD and selected emerging market economies. UNEP also published 'Learning by Doing', the UNEP Division of Technology, Industry and Economics 2004–2005 Sustainability Report. The result presents a model that can be considered by other UNEP divisions and UN offices. It is the first sustainability report by a UN office based on the GRI Guidelines.

SUSTAINABLE CONSUMPTION AND PRODUCTION

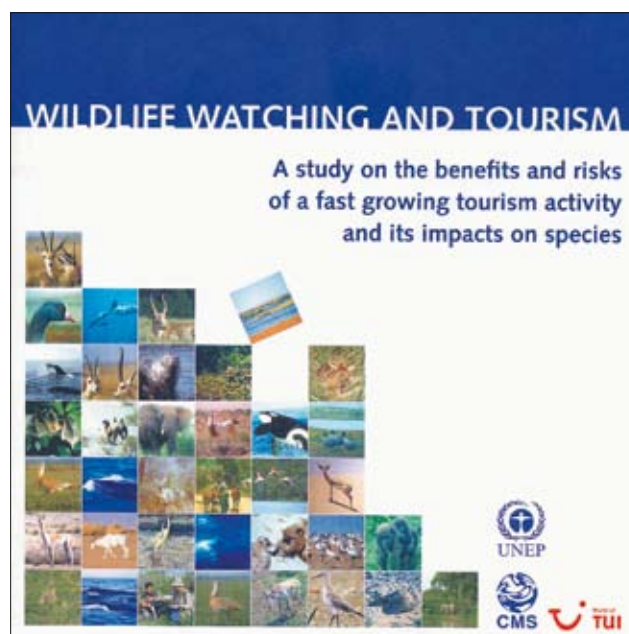
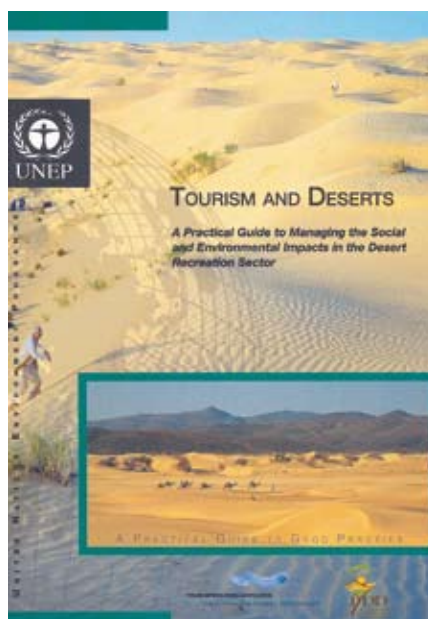
During 2006, UNEP continued its role in the development of the 10-Year Framework of Programmes on Sustainable Consumption and Production (SCP)—the Marrakech Process. Among the most important outcomes was the launch, in May 2006 in Ethiopia, of the African 10-Year Framework of Programmes on SCP, which was endorsed by AMCEN, NEPAD and the African Union. In Beijing, China, the Asia Pacific Help Desk on SCP was established, and in China and India two national roundtables were organized with the support of the European Commission. Two more roundtables are planned for 2007 in Brazil and South Africa.

UNEP also continued to support the Marrakech Task Forces, together with the UNEP-Wuppertal Institute Collaborating Centre on Sustainable Consumption and Production (CSCP) and in cooperation with the UN Department of Economic and Social Affairs. Three more Task Forces were launched in 2006, bringing their total to seven: Cooperation with Africa (led by Germany); Sustainable Products (United Kingdom); Sustainable Lifestyles (Sweden); Sustainable Procurement (Switzerland); Sustainable Tourism (France); Sustainable Building and Construction (Finland); and Education for Sustainable Consumption (Italy). UNEP also co-organized an expert conference on the Marrakech Process

‘Creating Solutions for SCP’ with CSCP that gathered all the Marrakech Task Forces, and implemented over 10 demonstration projects on SCP in cooperation with the Task Forces.

Responding to the main request of the Marrakech Process, UNEP is carrying out a two-year project on National Strategies on SCP with the support of the UK Department for Environment, Food and Rural Affairs. The main output of the project will be a manual for national SCP strategies that will include guidance on how to include SCP into existing sustainable development, poverty reduction and other strategies. In the area of poverty reduction, UNEP has continued its project on integrating SCP in Poverty Reduction Strategies, developing a manual and implementing two pilot projects in Ghana and Senegal, and strengthening the Marrakech Cooperation Dialogue with development agencies. These activities will be supported by a two-year project on SCP and Poverty Alleviation funded by Norway. The project includes sectoral approaches and demonstration projects in various regions of the world that demonstrate the SCP contribution to poverty reduction. UNEP’s Sustainable Consumption and Production Branch will also be providing capacity building and technical assistance over next four years, with European Commission support, to promote eco-labelling in China, India, Brazil, Mexico, Kenya and South Africa. Product categories include textiles, footwear, appliances and paper.

UNEP promotes sustainable tourism that benefits local communities and the environment.



SUSTAINABLE TOURISM

One of the world's largest and fastest growing industries, tourism has the potential to boost national and local economies and, in some cases, help to protect important ecosystems, if it is developed and managed sustainably. At the February 2006 Governing Council meeting in Dubai, UNEP presented its sustainable tourism strategy, followed by the launch of the Sustainable Tourism Task Force of the Marrakech Process in September 2006. During the World Tourism Forum for Peace and Sustainable Development 2006, UNEP organized three workshops on innovation for sustainable tourism, raising consumers' awareness for responsible travel and integrating sustainability into the global agenda for tourism development. UNEP has also started a collaboration with the UNDP Action on Cooperation and Trust in Cyprus, focusing on the implementation of the Global Compact environmental principles, with an emphasis on the tourism sector. In West Asia, UNEP is working with the Council of Arab Ministers Responsible for the Environment (CAMRE) and other regional stakeholders on an Arab approach towards sustainable tourism. There are two key activity areas: development of policy guidelines and a regional strategy for sustainable tourism; and capacity building within the tourism sector for sustainable development.

At the Conference of Parties of the Convention on Biological Diversity, held in Curitiba, Brazil, in March, UNEP launched a new report 'Wildlife Watching and Tourism' that listed the range of benefits that tourism can provide for biodiversity conservation. Focusing on 12 case studies, the report highlights the growing economic impact of wildlife watching, as well as flagging some of the pitfalls of insensitive management. In November 2006, UNEP signed a Memorandum of Understanding with the International Ecotourism Society. The two institutions will organize a Global Ecotourism Conference with Ecotourism Norway in Oslo in May 2007.

DEVELOPING PARTNERSHIPS

In the area of partnership development, UNEP continued its work with UNDP and the IUCN as core partners in the Seed Initiative, which supports local partnerships for implementing the goals of the Millennium Declaration and Johannesburg

Plan of Implementation. A Seed Partnerships Forum was held in New York at CSD14 to launch the first Seed Partnership Report. The report gives an overview of the first two-year cycle of the initiative, as well as special analysis of progress made by the five award winning partnerships. During 2006, the second cycle of the Seed Initiative was launched, and submissions for the 2007 Seed Awards received. From the more than two hundred entries, finalists have been selected and the new award winners will be presented at CSD15. In June 2006, UNEP also launched a Creative Gallery on Sustainability Communications. This online database features hundreds of advertising campaigns from companies, public authorities and NGOs all around the world. The campaigns highlighted in the Gallery address sustainability issues through various themes, types of media and strategies. The object of the Gallery is to foster more and better communications on sustainability issues from all stakeholders. Since its launch, the Gallery, which featured in UNEP's keynote presentation at the inaugural UK Green Awards, has received over 150,000 visits.

For youth, the youthXchange.net English website, which provides reliable, clear and entertaining information on the meaning and challenges of sustainable consumption for youth, went live in January 2006. The site now has more than 7,000 visitors a month. A UNEP/UNESCO youthXchange networking meeting, held in April 2006, saw translating partners exchanging their experiences for the first time. Participants asked UNEP to intensify training on the youthXchange tool kit and to activate regional hubs to further expand the project and the network. As well as English, the kit is available in Arabic, Chinese, Flemish, French, Hungarian, Italian and Norwegian.

CLEANER PRODUCTION

Developing tools and approaches that support the development and adoption of cleaner production worldwide is a key focus for UNEP's Sustainable Consumption and Production programme. During 2006, UNEP undertook a global assessment of the status, challenges and opportunities for National Cleaner Production Centres (NCPCs). Among the year's highlights were the production of a training resource kit CD-ROM on cleaner production and multilateral environmental agreements; a training programme on cleaner production and energy efficiency for nine NCPCs; and a new programme on water conservation in Africa's brewery sector.

