



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



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Agenda item 12

**GLOBAL MINISTERIAL ENVIRONMENT FORUM**

ADOPTION OF THE REPORT

Draft Report of the Committee of the Whole

Rapporteur: Mr. Michael K. Koech (Kenya)

INTRODUCTION

1. Pursuant to the decision of the Governing Council on the organization of the work of the session, adopted at the first meeting of the session on 5 February 2001, the Committee of the Whole held ... meetings under the chairmanship of Mr. Janusz Radziejowski (Poland), Vice-President of the Council, from 5 to .. February 2001, to consider agenda item 9 (Programme, the Environment Fund and administrative and other budgetary matters), as allocated to it by the Council.
2. At its 1st meeting, the Committee of the Whole elected Mr. Michael K. Koech (Kenya) to serve as Rapporteur for its meetings.
3. With regard to the organization of work of the Committee of the Whole, it was agreed that a general discussion would be held on agenda item 9. Thereafter, the Committee would have more detailed discussions on the following seven subprogrammes contained in the programme of work: environmental assessment and early warning; environmental development and law; environmental policy implementation; technology, industry and economics; regional cooperation and representation; environmental conventions; communications and public information.

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4. At its 2<sup>nd</sup> meeting, the Committee of the Whole agreed to establish an informal open-ended group on budget. The group was to consider and make recommendations to the Committee on draft decisions 21 (The Environment Fund Budgets: proposed biennial programme and support budget for 2002-2003), 22 (Administrative and other budgetary matters) and 23 (Mercure satellite communications system), as contained in document UNEP/GC.21/L.1, and on the proposed draft decision on construction of additional office accommodation at the the United Nations complex, Nairobi, contained in a conference room paper.

5. In considering agenda item 9, the Committee had before it the following documentation: report of the Executive Director on the Environment Fund Budgets: proposed biennial programme and support budget for 2002-2003 (UNEP/GC.21/6 and Corr.1 and Corr.2); note by the Executive Director on the report of the Advisory Committee on Administrative and Budgetary Questions on the proposed biennial programme and support budget of the United Nations Environment Programme for 2002-2003 (UNEP/GC.21/6/Add.1); report of the Executive Director on administrative and other budgetary matters (UNEP/GC.21/7); report of the Executive Director on draft resource mobilization strategy of the United Nations Environment Programme (UNEP/GC.21/7/Add.1); report of the Executive Director on Mercure satellite communications system: a full review and cost-benefit analysis of the system and the experience gained in its initial operation (UNEP/GC.21/7/Add.2); (to be continued)

6. The Committee also considered the following information documents: note by the secretariat on trust funds administered by the United Nations Environment Programme (UNEP) programmatic descriptions and expenditure for 1998-1999, 2000-2001 and 2002-2003 (UNEP/GC.21/INF/2).

7. Under the agenda item, the Committee also considered the following draft decisions submitted by the Committee of Permanent Representatives: implementation of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa; Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; convention for implementing international action on certain persistent organic pollutants; the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities; coral reefs; biosafety; support to Africa; trade and environment; atmosphere (a) the Climate Agenda and the World Climate Impact Assessment and Response Strategies Programme; (b) Intergovernmental Panel on Climate Change; (c) Global Climate Observing System; (d) programmatic support to atmosphere-related conventions; [Environmental situation in the occupied Palestinian and other Arab territories]; water policy and strategy of the United Nations Environment Programme; implementation of the Malmö Ministerial Declaration; further improvement of the strategic framework on environmental emergency prevention, preparedness, assessment, response and mitigation; the Programme for the Development and Periodic Review of Environmental Law for the First Decade of the Twenty-first Century; policy and advisory services in key areas of institution-building; preparation of the draft guidelines on compliance with international environmental agreements and on effective national environmental

enforcement and international cooperation and coordination in combating environmental crime; status of international conventions and protocols in the field of the environment; establishment of a regional seas programme for the East Central Pacific region; participation of the United Nations Environment Programme in the work of the Global Environment Facility; governance of the United Nations Environment Programme and the implementation of General Assembly resolution 53/242; the Environment Fund budgets: proposed biennial programme and support budget for 2002-2003; administrative and other budgetary matters:

- (a) stable, adequate and predictable funding of the United Nations Environment Programme;
- (b) management of trust funds and counterpart contributions; Mercure satellite communications system; further development and strengthening of regional seas programmes: promoting the conservation and sustainable use of the marine and coastal environment, building partnerships and establishing linkages with multilateral environmental agreements; the implementation of the Northwest Pacific Action Plan; the role of civil society; mercury assessment (UNEP/GC.21/L.1). (to be continued)

#### General discussion

8. At the 1st meeting of the Committee, the Deputy Executive Director of UNEP, Mr. Shafqat Kakakhel, presented agenda item 9 and formally introduced the report of the Executive Director on the Environment Fund budgets: proposed biennial programme and support budget for 2002-2003 (UNEP GC.21/6). In his presentation, he described the process leading to preparation of the draft budget and work programme, noting that, to an unprecedented extent, it had involved close cooperation between UNEP and Governments. He went on to describe the seven subprogrammes comprising the UNEP work programme, highlighting the functional approach first taken in the 2000-2001 biennium. He outlined the sources and amount of UNEP funding, which made clear the need for increased contributions and the importance of UNEP efforts, in accordance with Governing Council decisions, to develop a resource mobilization strategy (as described in UNEP/GC.21/7 and Add.1). He also described a proposal for which Governing Council approval was sought to advance \$8 million from the financial reserve to provide for the initial cash flow funding for the expansion of United Nations facilities in Nairobi. He submitted that the expansion, which had been approved by the United Nations Secretary General and was strongly supported by the Executive Director, was vital to raise the profile of UNEP, achieve economies of scale and improve the effectiveness of all United Nations operations in Nairobi.

9. During the general discussion, statements were made by the representatives of Australia, Kenya, Norway, Sweden (on behalf of the European Union), Switzerland, and the United States of America.

Discussion of the individual subprogrammes

10. At the 2nd meeting of the Committee, Mr. Kakakhel gave a further presentation on each of the seven UNEP subprogrammes, referring to the descriptions of the subprogrammes in document UNEP/GC.21/6.

Mr. Tim Foresman, Director, Division of Environmental Assessment and Early Warning, gave a brief presentation on subprogramme 1, environmental assessment and early warning.

11. During the discussion on subprogramme 1, environmental assessment and early warning, statements were made by the representatives of Egypt, India, Norway, Sweden (on behalf of the European Union), Switzerland, and the United States of America.

12. During the discussion on subprogramme 2, environmental policy development and law, statements were made by representatives of Antigua and Barbuda, Australia, Egypt, India, Sweden (on behalf of the European Union), Turkey, and the United States of America.

13. During the discussion on subprogramme 3, environmental policy implementation, at the 2nd meeting of the Committee, statements were made by representatives of Antigua and Barbuda, Australia, Bangladesh, China, Indonesia, Japan, Norway, Sweden (on behalf of the European Union), Switzerland, and the United States of America. At the 3rd meeting of the Committee, statements were made by Australia, Kenya, Egypt, Mauritius, and the United States of America

Action by the Committee

14. At its 3rd meeting, on 6 February 2001, the Committee took up the draft decisions submitted under agenda item 9, as contained in the document on draft decisions submitted by the Committee of Permanent Representatives pursuant to the mandate given to it by the Governing Council in paragraph (g) (iv) of its decision 19/32 (document UNEP/GC.21/L.1). The Committee agreed to forward the following draft decisions to the drafting group for revision, taking into account the comments made during the discussion:

(a) Implementation of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (draft decision number 1 in document UNEP/GC.21/L.1). The following countries made comments on the draft decision: Antigua and Barbuda, Brazil, Cuba, Egypt, Pakistan, Sweden (on behalf of the European Union), Switzerland, and the United States of America;

(b) The Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (draft decision number 4 in document UNEP/GC.21/L.1). The following countries made comments on the draft decision: Colombia, Cuba, Iceland, Mauritius, Sweden (on behalf of the European Union), and the United States of America;

(c) [Environmental situation in the occupied Palestinian and other Arab territories] (draft decision number 10 in document UNEP/GC.21/L.1). The following countries made comments on the draft decision: Egypt, Israel;

(d) Water policy and strategy of the United Nations Environment Programme (draft decision number 11 in document UNEP/GC.21/L.1). The following countries made comments on the draft decision: Egypt, Iraq, Kenya, Libyan Arab Jamahiriya, Sweden (on behalf of the European Union), Syrian Arab Republic, Turkey, and the United States of America;

(e) Implementation of the Malmö Declaration (draft decision number 12 in document UNEP/GC.21/L.1). (to be continued)

Annex

CHAIRMAN'S SUMMARY OF THE VIEWS EXPRESSED IN THE COMMITTEE OF THE WHOLE

General discussion

1. Many representatives welcomed the Executive Director's report on the budget and work programme (UNEP/GC.21/6 and Corr.1 and Corr.2) and commended the secretariat on the harmonized format, comprehensive layout and the transparency of the preparatory process that had involved collaboration with the Committee of Permanent Representatives. One representative considered that the use of quantitative rather than qualitative performance indicators was inappropriate and wondered who would measure and judge the performance indicators. Several representatives considered that stronger prioritization of the programme was needed, consistent with the available resources. One representative believed that activities in support of environmental conventions should receive high priority. In addition, cooperation with affiliated environmentally oriented organizations should be strengthened. UNEP should also work on establishing instruments for liability and compensation with respect to damage caused to non-economic values, and on systems for resolving disputes.
2. Several representatives expressed concern at the reduction in contributions to the Environment Fund and at the decline in the number of contributors to the Fund in the past biennium. They wished to see not only an increase in the level of contributions, but also a broadening of the donor base itself to also include middle-income countries and non-traditional donors. Others stressed the importance of predictability in the funding levels and urged countries to pay contributions and make their pledges in a timely manner. One other representative believed that UNEP should analyse why governments' political commitment to UNEP was not reflected in their contributions to the Environment Fund.
3. It was observed that the proportion of earmarked contributions had increased. The Fund currently represented 59 per cent of all resources available for funding of the activities under the programme of work. In UNEP's broad financial framework, it represented only 51 per cent. There was a risk that the Environment Fund could lose its role as the main funding vehicle of UNEP. Concerning a question on how earmarked funds impacted on UNEP's programme priorities, the Deputy Executive Director pointed out that UNEP ensured that all contributions were in support of those priorities.
4. Several representatives welcomed the comments of the ACABQ report and agreed with its conclusions that the financial projections for the biennium 2001-2003 were overly ambitious and the work programme needed to be adjusted accordingly. One representative suggested that different budgetary scenarios could be provided, commensurate with different resource projections.

5. Many representatives expressed appreciation for the resource mobilization strategy set out in documents UNEP/GC.21/7 and Add.1. One representative considered that action plans should be refined and should include priorities, a work plan and a time frame. Another representative considered that it was necessary to have internal controls on the acceptance of funds from non-traditional donors. He sought further information at the subprogramme level, as well as information on the number of staff to be dedicated to resource mobilization, and whether those would be new staff positions or positions created through re-allocated resources.

6. Several representatives expressed appreciation at UNEP's efforts to approach the private sector for funding and believed that partnerships with the private sector should be encouraged and strengthened. However, some representatives cautioned that UNEP's work programme should not be reliant on or influenced by such donations, which should be screened against clear criteria.

7. A number of representatives, pointing to the fact that contributions to UNEP from the regular budget of the United Nations had been static for 20 years, proposed that the Governing Council send a strong message to the General Assembly, drawing attention to the need to increase funding of UNEP from that source. One representative considered that such a proposal required further study, in light of his government's policy with regard to the real growth of the regular budget.

8. Concerning the request for the loan of \$8 million from the financial reserve for construction of new buildings at Gigiri, Nairobi, a number of representatives preferred to reserve comment, pending further study of the issue. One representative considered the loan to be inappropriate at a time when the Executive Director was calling for the financial reserve to be increased to \$20 million. Several representatives expressed concern that, if such a loan were to be granted, the financial reserve would be left with inadequate resources. The representative of UNON observed that the proposal to borrow from the financial reserve was only one among several alternatives for raising funding for new construction. In addition, he recalled that a precedent had been set in 1991, when an equivalent of the total of the financial reserve had been advanced as a loan for the required new construction of buildings at Gigiri.

9. One representative considered that the reporting on the management of trust funds and counterpart contributions should be more transparent. In reply, the representative of UNON pointed out that the complexity of the organizational work on 98 trust funds often made it difficult to report on that work in simpler terms.

10. In answering various points raised in the debate, the Deputy Executive Director explained that all the recommendations of OIOS had been implemented. Regarding the concerns raised by the Board of Auditors about projects not being closed, he said that the secretariat was addressing the matter. The representative of

UNON said that work on a mechanism to establish how costs of UNON administrative services should be apportioned between UNEP and UNCHS (Habitat) was being undertaken by a working group of UNEP and UNCHS (Habitat) management and was expected to be completed by the second quarter of the year, in time for the next session of the General Assembly. Concerning the recent United Nations reclassification of the duty station at Nairobi, no changes were being proposed in the draft budget, hence there was an expectation that the related increase in the staff costs would be absorbed within the resources proposed for approval in the draft budget.

### Discussion of individual subprogrammes

#### Subprogramme 1: Environmental Assessment and Early Warning

11. Many representatives welcomed the presentation by the Deputy Executive Director. Generally, the representatives praised the subprogramme highly, observing that its functions were important and well executed. A strong consensus was expressed that the subprogramme areas of assessment, information and early warning were core functions for UNEP and justified the subprogramme's receipt of the lion's share of Environment Fund resources. One representative opined that UNEP was uniquely placed to make a major contribution to environmental reporting on a global scale, concluding that this subprogramme was therefore of vital importance. Representatives also praised the subprogramme's interaction with the scientific community in the collection and validation of information, but some encouraged further collaboration with other agencies and organizations. Upon learning that UNEP was exploring ways to refine its assessment tools, such as the GEO report series, many delegates expressed considerable interest and support. Some representatives, while praising the subprogramme highly, expressed concern that its agenda might be over-ambitious in light of budgetary constraints, and suggested that there was a need for prioritization. Several representatives expressed concern that some activities under the subprogramme, such as those pertaining to draft agreements governing shared water resources, might be outside the scope of the UNEP mandate and were inconsistent with recent revisions of UNEP water policy by the Committee of Permanent Representatives.

#### Subprogramme 2: Environmental Policy Development and Law

12. Subprogramme 2 was introduced by the Deputy Executive Director, who highlighted the overall objectives, strategy and outputs of that subprogramme. In the ensuing discussion, there was general endorsement of subprogramme 2, although the following specific issues were raised.

13. One representative, supported by others, wanted objective 4, activity (d), preparation of a draft water basin agreement for shared water resources, to be dropped, since it went beyond the mandate of UNEP. They emphasized the need for UNEP to focus on environmental issues related to water resources. Another representative expressed concern about objective 4, activity (c) (iii), strengthening the legal basis of the

precautionary approach as contained in the Rio Principles. The representative was of the view that it was premature to create a legal basis in support of the precautionary principle and urged UNEP to move with caution in that respect.

14. Regarding objective 4, activity (c) (v), a global survey on the status of the application of environmental norms by military establishments, developing a concept of international guidelines, one representative was of the view that such guidelines must be left to individual governments to develop, rather than to UNEP. He was also concerned about objective 4, activity (f) (iv), multi-stakeholder forum on legal issues associated with trade and environment, and believed that such a non-intergovernmental forum could not issue a formal statement on legal aspects of environment and trade to an intergovernmental forum such as the World Trade Organization. Another representative advised UNEP to work within its mandate.

15. One representative congratulated UNEP for the well-balanced and useful activities in subprogramme 2 and emphasized the key role of UNEP in the World Summit for Social Development, the Environmental Management Group and cooperation with non-governmental organizations and civil society. Those efforts had high value and could be pursued at relatively low cost.

16. Another representative voiced his concern regarding objective 1, activity (b) (iii), analysis of the requirements for a strengthened institutional structure for international environmental governance, and cautioned UNEP not to pre-empt the Third Global Ministerial Environment Forum in 2002. Regarding objective 1, activity (d), position papers on the effects of environmental degradation on human health, he requested UNEP to focus on the clear link between environment and health. He pointed out that objective 1, activity (e) (i), best policies in land use and climate change, would duplicate future work of the Intergovernmental Panel on Climate Change. He advised UNEP to contribute to the work of that panel. Another representative supported that position.

17. A representative of the secretariat thanked the delegates for their constructive comments and contributions and pointed out that the four objectives in the subprogramme emanated from General Assembly resolution 2997, Commission on Social Development resolutions and several decisions of the Governing Council. He reiterated that the UNEP programme responded to the requests and desires of Governments and drew the Committee's attention to the fact that governments and intergovernmental bodies continued to receive input from UNEP. That was the case with the Southern African Development Community and other bodies. It was necessary to note that, in cases where governments requested assistance from UNEP, the organization was duty-bound to play its part, guided by its mandate and the decisions of the Governing Council. With that in mind, the comments and the views of governments would be taken into account.

18. One representative, however, believed that the member States of the Southern African Development Community should give their views on water basin agreement for shared water resources.

Subprogramme 3: Environmental Policy Implementation

19. General comments on this subprogramme were positive; several representatives observed that it was at the heart of UNEP's work, others noted that this subprogramme and subprogramme 2 were mutually reinforcing, another expressed satisfaction that this subprogramme reflected the provisions of the Malmö Declaration, and others commended the subprogramme's modest budget.

20. A number of representatives commended the activities pertaining to compliance with and enforcement of international environmental obligations, describing this area as crucial to the success of environmental laws and policies. Several representatives suggested that UNEP should follow a two-track approach, working closely with governments to develop separate policies for compliance on the one hand, and national enforcement of environmental laws, cooperation and coordination, on the other. Several representatives urged UNEP to avoid taking a one-size-fits-all approach to developing guidelines on compliance and enforcement, arguing for the development of a "tool-kit" adaptable to countries' respective circumstances. Another representative struck a note of caution, noting that differences in national legal regimes and questions of sovereignty made the issue of compliance and enforcement a complex one. He stressed the need for UNEP to strengthen collaboration and coordination with Governments on this issue.

21. Several representatives expressed support for inclusion of environmental emergency response and disaster preparedness activities in the subprogramme and praised UNEP's cooperation in the area with the Office for the Coordination of Humanitarian Affairs (OCHA). One representative considered that there was a link between disasters and urban development, and argued that there was therefore a need for capacity-building in this area in developing countries. Another representative expressed the view that emergency preparedness should be considered to be at the core of the subprogramme, and submitted that funding for activities in this area was inadequate. He requested that UNEP undertake a study of the long-term environmental effects of disasters and submit it to the twenty-second session of the Governing Council.

22. Several representatives expressed satisfaction that the subprogramme gave emphasis to land-based sources of marine pollution, and argued strongly for efforts to implement the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities and its clearing-house mechanism. Other representatives questioned how the activities pertaining to the Global Programme of Action would be implemented, since no money had been allocated to these activities.

23. Several representatives praised the inclusion of capacity-building activities in the subprogramme.

24. With respect to compliance and enforcement, Mr. Donald Kaniaru, Director of the Division of Environmental Policy Implementation, informed the Committee that document UNEP/GC.21/INF/5, paragraph 3, provided information on the UNEP mandate on these issues. He described the process through which UNEP had developed guidelines on compliance and enforcement, emphasizing that it had worked

closely with governments and their experts in developing two sets of guidelines, respectively, on compliance and on national enforcement. The guidelines were intended to be generic and non-binding and to serve as models that governments and stakeholders could adapt to suit local situations.

25. With respect to the zero direct cost allocation for the implementation of activities relating to the Global Programme of Action, he explained that the bulk of the budget for implementation of activities would be provided by governments, and noted that \$1.7 million had been provided from the Environment Fund for staff to run the GPA Coordinating Office for the past two years.

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