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organizations**

ECONOMICS AND TRADE

Note by the Executive Director

The present note provides a brief account of activities undertaken by the secretariat of the United Nations Environment Programme in the field of economics, trade, and financial services. The text of the note has been reproduced without formal editing.

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The present note provides a brief account of activities undertaken by the secretariat of the United Nations Environment Programme (UNEP) in the field of economics, trade, and financial services.

The main goals of UNEP in this area are to: enhance countries capacities to integrate environmental considerations into macroeconomic policies, including trade policies; assess the environmental as well as the developmental impacts of trade; assist governments in the development and implementation of mutually supportive trade and environment policies; study the effectiveness of market-based incentives in environmental policy and in achieving the objectives of multilateral environmental agreements; promote the development and implementation of sustainable development policies by the financial services sector and by national and international bodies which formulate regulations governing the financial sector and capital markets; and improve countries' understanding of the inter linkages and complementarities between environment, trade, finance and development.

In pursuance of the Governing Council decision 21/24 on Trade and Environment and in order to meet these objectives in the 2001-2002 biennium, UNEP has undertaken a number of activities detailed in the following paragraphs.

Capacity Building on Environment, Trade and Development

Capacity Building continues to be the primary focus of UNEP's activities in the field of economics and trade, and is being mainstreamed throughout its programme of work. This work includes the identification and prioritising of capacity building activities on the basis of needs assessment in order to ensure that activities and programmes delivered respond to countries environmental, and socio-economic development priorities. Moreover, UNEP emphasizes a participatory, 'learning by doing' approach to capacity building, enabling countries to shape activities according to their needs and requirements and ensuring effectiveness of the capacity building process. The strong involvement of national experts and institutions in the identification of needs and the implementation of capacity building activities is crucial to their design and effectiveness.

The approach UNEP has been taking in the delivery of capacity building activities aims at: ensuring coordination between relevant ministries, particularly environment and trade ministries and other relevant sectoral ministries; adopting a participatory and transparent approach where policy makers, the private sector, affected segments of the population, local communities and NGOs participate in the design and implementation of activities; and capacity building for policy formulation and implementation are self sustaining in the long-run. In order to enhance the effectiveness of capacity building activities, UNEP has worked closely with a number of institutions with the objective of enhancing their capacities to assist in the delivery of capacity building activities at national, sub-regional and regional levels. These institutions constitute a network of capacity building partners, to be further expanded in 2004 and 2005, enabling cost-effective delivering capacity building activities in the different regions.

In order to assess the effectiveness of capacity building activities in responding to national and regional needs and contributing to national policy development and implementation in the field of trade, environment and development, UNEP in 2002 convened two workshops. The first UNEP Capacity Building Workshop on Environment, Trade and Development was convened in March in Geneva in collaboration with the World Trade Organization (WTO). Intergovernmental organization contributing to the workshop included the United Nations Conference on Trade and Development (UNCTAD), multilateral environmental agreements (MEAs) and the Organization of Economic Cooperation and Development (OECD). The Chairman of the Committee on Trade and Environment, and the Chair of the Special Session of the Committee on Trade and Environment of the World Trade Organization (WTO), both attended and delivered keynote statements. The workshop provided an open forum for over 200 participants including representatives from 82 governments, 22 intergovernmental organizations, and 27 nongovernmental organizations to assess emerging needs, and reassess current approaches to capacity building on environment, trade and sustainable development.

The second workshop was convened in Washington in July in co-operation with the Carnegie Endowment for International Peace in collaboration with the Office of U.S. Congressman J.C. Watts (R-Oklahoma). Undersecretary of Commerce Grant Aldonas delivered the keynote statement. Intergovernmental

organizations contributing to the workshop included UNCTAD, WTO, OECD, and the World Bank. The workshop was attended by approximately 150 participants, including government representatives from and those based in the United States of America (USA), intergovernmental and non-governmental organizations, policy think tanks, foundations, universities, corporations, trade associations, law firms and the media. The workshop provided a forum for identifying capacity building activities that can help countries effectively engage in trade and environment negotiations, assess the environmental and developmental implications of WTO agreements, and identify mutually supportive trade and environment policies.

Following these two workshops, regional workshops are planned to be convened for the African and Asian regions during 2003, to assess and identify capacity building needs and priorities in these two regions. UNEP will further ensure that capacity building activities are well coordinated with those delivered by other institutions, and are based on the environmental and development priorities of countries, including poverty eradication.

To reinforce its capacity building work, UNEP in close collaboration with UNCTAD has continued to expand its activities under the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF). The CBTF is strengthening the capacities of countries, particularly developing countries and countries with economies in transition, to effectively address trade-environment-development issues at the national level and to participate effectively in related deliberations at the international level. Through extra budgetary funding, the CBTF has engaged beneficiary countries world wide in research, country projects, training, policy dialogues, networking and information exchange. It has also worked closely with governmental and non-governmental organisations, at national, regional and international levels.

In the first two years, the CBTF attracted just over US\$ 500,000 from Canada, Germany, Norway, Sweden, the United States of America (USA), the United Kingdom (UK), and the European Commission. Activities undertaken during these first two years included country projects aimed at strengthening the capacities of developing countries to assess the environmental impacts of trade policies and the trade implications of environmental policies, and to develop appropriate policy responses. Policy dialogues and training workshops at national and regional level complemented these “learning by doing” country projects. Countries benefiting from activities in the first phase included Lebanon, Indonesia, Cuba, Vietnam, El Salvador and Trinidad and policy dialogues were organized for Latin American and Caribbean countries in Mexico, and for ACP countries in Brussels.

At the WSSD in Johannesburg UNEP and UNCTAD convened a side event, which marked the launch of phase II of the CBTF with the announcement of a contribution of Euros 1.25 million from EC DG Development. A concept note for phase II has been developed into an integrated set of capacity building activities in collaboration with UNCTAD, the WTO and other relevant organizations, and in consultation with beneficiary countries. The Plan of Implementation agreed at World Summit for Sustainable Development (WSSD) will also guide the development of UNEP’s work in the field of trade, economics and finance, including on capacity building.

UNEP’s capacity building work based on the assessment of developing countries’ needs, will be mainly delivered through a network of national, regional sub regional institutions. The enhanced second phase of the UNEP-UNCTAD CBTF, will develop “streams” of capacity building activities at these different levels. Cooperation with the WTO will be further deepened in this area, with a focus on enabling developing countries to take effective negotiating positions in the WTO, which support their sustainable development.

Integrated and environmental assessment of trade-related policies

During 2001 and 2002, UNEP has continued to assist countries in the development and application of assessment and incentive tools, including: environmental and integrated assessment; environmental and natural resource valuation; and economic instruments. UNEP has also initiated and conducted several policy research projects to examine critical policy measures with significant environmental implications such as subsidies, intellectual property rights, and the relationship between multilateral trade rules and precaution.

Following a first round of country projects on environmental assessment of trade and trade policies, UNEP launched the second round of projects in Argentina, China, Ecuador, Nigeria, Senegal and Tanzania. The

main objective of these projects was to identify the impacts of trade and trade liberalisation on these nations' natural resources and environment, with a view to developing policies, including economic instruments, to sustainably manage these resources.

UNEP Country Projects are entirely country-driven – conceived, designed and conducted by national teams of assessment practitioners. They involve multi-stakeholder participation to identify the dynamics involved in environmental degradation, and to develop widely acceptable national response strategies. The implementation of policy recommendations emerging from the first and second round of country projects is already underway in some of these countries. These include Uganda, Senegal and Argentina. The second round of six country studies and a synthesis of the main results were published and widely disseminated.

Preliminary results from this second round of country projects were discussed at a UNEP High-Level Meeting on Environment, Trade and Sustainable Development in Berlin in March 2001. The three-day meeting, attended by over 30 Ministers and Deputy Ministers, and about 200 participants representing governments, international organizations, and NGOs, provided a forum for technical experts to refine assessment methodologies, share lessons from their application at national level in different circumstances, and discuss policy responses to assessment. Ministers and their advisers joined the technical experts at the end of the second day enabling the meeting to raise the technical discussions to a more political level on the third day, securing a strong endorsement of UNEP's work in this area from the governments present at the meeting.

In early 2002, responding to country demands, UNEP launched a new round of six country projects on the impacts of the WTO Agriculture Agreement on the rice sector. The projects, which are being undertaken in close collaboration with the Food and Agriculture Organization (FAO), UNCTAD and the WTO, focus on the environmental and biodiversity impacts as well as the economic and developmental impacts of trade liberalization in this sector. Additional emphasis is being given to understanding the effects of trade liberalization on efforts to alleviate poverty. The projects are intended to assist countries in maximising the sustainable development gains from trade and trade liberalization in the agriculture sector. The projects, which are planned to be completed by the third quarter of next year, are being undertaken by national institutions in Colombia, Cote D'Ivoire, Indonesia, Nigeria, Senegal, and Vietnam.

In order to provide practical and cost-effective approaches to comprehensive – environmental, social and economic – reviews of trade-related policies, the "Reference Manual on the Integrated Assessment of Trade-Related Policies" first published in 2001 (and translated into Spanish and French) has been widely disseminated for use by practitioners worldwide. Furthermore, UNEP in close collaboration with FAO, WTO and other relevant institutions has initiated the preparation of a sectoral manual to assist policy makers to assess the effects of trade liberalization and other trade-related policies on the agricultural sector. The sectoral manual, which is being prepared under the guidance of an international expert group will be completed in 2003.

The UNEP "EIA Training Resource Manual", published in 2002, is being widely disseminated. The manual is a tool, which is enabling trainers to develop tailor-made courses for different target groups participating in EIAs. The revised manual has been supplemented by a compendium of case studies reflecting experiences of countries conducting EIAs. A number of regional institutions have been identified to assist in customizing and disseminating the manual according to regional needs.

UNEP's future work will focus on the further refinement of integrated assessment methodologies building on the experience acquired from the UNEP country projects, and work undertaken by other countries and institutions. Emphasis will be placed on the use of integrated assessment to develop and implement sustainable development policies in the agriculture, fisheries and energy sectors. Due consideration in the assessment will be given to the development priorities of countries, including the promotion of environmental goods and services as a market opportunity, equity considerations and poverty eradication.

Building synergies between MEAs and the WTO

UNEP has continued to develop and promote its multi-stakeholder dialogue process aimed at building synergies between MEAs and the WTO during 2001 and 2002. This process has taken on increased

importance with the establishment at the WTO's Doha Ministerial of a mandate for formal negotiations on the relationship between WTO and MEAs, and specifically on trade-related measures, which contribute to the implementation of MEAs. Meetings organised by UNEP, in collaboration with MEAs and the WTO, have been convened back-to-back with the WTO Committee on Trade and Environment (CTE) and the CTE Special Session.

In June 2001, UNEP convened a Workshop on Compliance, Enforcement and Dispute Settlement in MEAs and the WTO, that enabled an in depth examination of the differences and complementarities in these mechanisms between WTOs and MEAs. The workshop, based on a joint UNEP-WTO paper, generated substantive discussions and a chairman's summary, which fed into the subsequent discussions in the WTO CTE.

In November 2002 a meeting on Information Exchange between MEAs and WTO was convened in close collaboration with secretariats of a number of MEAs. It immediately preceded the Special Session of the WTO's Committee on Trade and Environment on 12 November, addressing the same issue and that of observer status for MEAs and UNEP in the WTO negotiations. Outcome of the discussions and the Chairman' summary of the meeting fed into the CTE Special Session.

This process has provided a forum for exchange of views, knowledge and experience by trade and environment officials, governmental and non-governmental organizations. Involvement of environment officials from developing country capitals in these meetings and the CTE meetings were made possible by UNEP through the Environment Fund or through donors' government support. The process has led to more coordination and the development of shared positions of MEAs and UNEP on key issues on the trade and environment policy interface.

The UNEP process on building synergies between MEAs and the WTO will be further developed both to generate synergies during the implementation of these agreements at national level, and to inform ongoing WTO negotiations on this issue. Further work in this area will focus on undertaking joint capacity building activities between UNEP, MEAs, and the WTO and UNCTAD to further enhance synergies between the multilateral trade and environment regimes. Joint WTO-MEA-UNEP capacity building efforts at regional level will be further developed, bringing together trade and environment officials in capitals, to enable them develop integrated and mutually supportive policies. It is hoped that this process will contribute to enhancing coherence between global economic and environmental governance, by building trust and understanding between the two legal regimes.

Economic Instruments

In order to further promote its efforts in providing assistance to countries in the development and application of economic instruments at the national level, UNEP has developed an integrated range of activities that advances both the theory and practice of economic instruments. Country projects that develop practical approaches to specific environmental problems at the national level have been complemented by policy research work and analysis on the effectiveness of economic instruments to achieve environmental objectives and the impacts of perverse incentive measures on the sustainable management of environmental and natural resources.

With the technical and financial assistance of UNEP, five country projects were undertaken by national institutions involving a broad range of stakeholders, including relevant government ministries, the private sector, NGOs and academia. The country projects so far completed were undertaken in (The Philippines: forestry sector; Kenya: waste sector, Chile: mining sector; India: automobile sector; Uganda: fisheries sector).

UNEP has established an international working group on economic instruments to guide its work in this area. The group was established in January 2001 and has so far met three times (Jan 2001, Jan 2002, Nov 2002). It consists of 20 experts from developed and developing countries, representatives from governments, research institutions and relevant international organizations. The aim of the working group is to enhance awareness of the national and international context in which economic instruments function, assist

governments in identifying circumstances and opportunities for the use of economic instruments to achieve national environmental objectives and to promote their use to achieve the objectives of MEAs.

A technical document for use by policy maker and practitioners has been finalized under the guidance of the working group. The document entitled “Opportunities, Prospects and Challenges for the Use of Economic Instruments in Environmental Policy-Making” provides practical guidance on when economic instruments may be most effective, taking into account the policy context and conditions under which they may be introduced. It examines the necessary baseline conditions for particular approaches to work, as well as the potential effects that economic instruments may have on important policy objectives, such as equity, poverty eradication as well as market access opportunities.

Another area of work identified by the working group is the use of economic instruments to achieve the objectives of MEAs. Work leading to the preparation of a reference document, in close cooperation with the Basel Convention on the Transboundary Movement of Hazardous Waste, the Convention on Biological Diversity (CBD) and the Convention of International Treaty on Endangered Species (CITES) has been initiated. The document is intended to examine and analyse the use of economic instruments within the context of MEAs, and illustrate best-practice examples for their implementation.

Following the WSSD recommendations, UNEP’s work in this area will focus on promoting the internalisation of environmental cost by facilitating an international multi stakeholder process to enhance the use of economic instruments for environmental policy at the national, regional and international levels, including in the context of MEAs. Due consideration will be given in this process to the socio-economic conditions and development priorities of countries, including market access considerations and capacity building requirements.

Environmentally Harmful Subsidies

UNEP is also exploring ways to reduce environmentally harmful subsidies, in particular to the fisheries and the energy sector. Following up on its work on fisheries subsidies, UNEP has undertaken country projects on the environmental impacts of trade liberalization on the fisheries sectors in Uganda, Argentina, and Senegal. Four further country projects conducted in Mauritania, Bangladesh, Argentina and Senegal have specifically explicitly examined the impacts of subsidies on the fisheries sector and resource sustainability. All studies conducted have illustrated the need for appropriate policy responses to trade liberalization, including targeted subsidy reform, as well as effective fisheries management regimes.

Two workshops on the “Impacts of Trade-Related Policies on Fisheries and Measures Required for their Sustainable Management” were convened in February 2001 and March 2002. The workshops aimed to create better understanding, quantification and classification of the economic, environmental and related social effects of subsidies on the fishery sector. The workshops provided a forum for the exchange of views and open discussions among policy makers from the fisheries and environmental sectors, trade negotiators, officials from relevant intergovernmental and non-governmental organisations, including the WTO, FAO and the OECD, as well as representatives of artisanal fishermen. The workshops were held prior to sessions of the WTO’s CTE and contributed substantively to the discussions that took place in the committee. They also enhanced participation of developing developing country environmental and fisheries officials in these meetings. The discussions at these workshops were underpinned by the results of the UNEP country studies and the background document entitled “Fisheries Subsidies and Overfishing: Towards a structured discussion”. The background document aimed at clarifying the relationship between fisheries subsidies, overcapacity and the sustainable management of fisheries, has been widely disseminated.

Recognising the need for reform of energy subsidies associated with inefficient and polluting energy use, the Economics and Trade Branch and the Energy and Ozone Branch of UNEP, in collaboration with the International Energy Agency, organised a series of regional workshops to enhance in-country capacities to identify sustainable energy strategies and outline policy options that can support them. These workshops were held in Europe (Paris, Sept 2000), Africa (Durban, December 2000), Asia (Bangkok, January 2001) and Latin America (Santiago de Chile, March 2001). Based on the outcome of these workshops, UNEP has published a user-friendly information document on energy subsidies and their reform. UNEP has also

initiated the preparation of a publication, which will include eight case studies in both developed and developing countries, and an analysis of main factors necessary for achieving energy subsidy reform, which contributes to sustainable development in that sector.

UNEP's future work in this area includes the preparation of guidelines on policy reforms in the fisheries and energy sectors and supporting country projects to enhance countries' capacities to introduce such reforms. Particular attention will be given to the impacts of policy reforms on market access, equity considerations and poverty eradication.

Enhancing regional activities

At the regional level, UNEP contributed to the WTO regional seminars in Thailand in March 2001, Saint Lucia in January 2002, in Latvia in September 2002 and Fiji in November 2002. As part of the CBTF activities, UNEP jointly with UNCTAD convened a training workshop back-to-back with the WTO seminar in Fiji. Officials from MEAs also participated in some of these seminars. National trade and environment officials welcomed the training and capacity building activities that were provided by these intergovernmental bodies with complimentary mandates and expertise.

The Economics and Trade Branch of UNEP also organized jointly with the UNEP Regional Office for Western Asia, the Centre for Environment and Development in the Arab Region (CEDARE), the Islamic Development Bank (IDB), the Council of Arab Ministers responsible for the Environment (CAMRE), a regional workshop on trade in Manama, Bahrain in July 2001. The objectives of the workshop were to identify and examine the challenges facing the trade and environment interface, discuss critical issues of particular importance to the Arab region, and develop a provisional position for the Arab countries for the WTO Ministerial Meeting in Doha.

The Economics and Trade Branch of UNEP jointly with UNEP Regional Office for Latin America organized an International Conference on Trade, Environment and Sustainable Development: Perspectives from Latin America and the Caribbean in Mexico City in February 2001. The conference provided an opportunity to launch the UNEP-UNCTAD CBTF on Trade, Environment and Development in the region, develop and strengthen contacts with foreign affairs and environment ministries in the region, and explore the potential for advancing UNEP's programme objectives on environment and trade at a regional level.

Future work will focus on the development of training modules to be adapted and customized based on regional and national needs and conditions. These training modules which will be used in the UNEP/UNCTAD CBTF training workshops convened back-to-back with the WTO regional seminars, will initially focus on integrated assessment, reform of fisheries subsidies, and environmental goods and services.

Poverty, environment and trade

Poverty eradication was one of the issues highlighted at the WSSD held in 2002. Due to the close linkage between environment, poverty and globalization, the Economics and Trade Branch has jointly with the Division of Policy Development convened an expert meeting on poverty and the environment in October 2002. The meeting reviewed ongoing work in this area and identified approaches to be undertaken by UNEP to address poverty and environment in the context of globalization. It underlined the importance of empirical research through country projects to investigate the linkages between globalization, poverty and the environment. The outcome of this work will contribute to the preparation of a conceptual framework for addressing poverty and environment linkages, and the development of a guide or manual for policy makers seeking to assess these linkages and integrate trade, poverty alleviation and environmental protection.

Future work in this area will include assisting countries in assessing the impacts of different policies on poverty, with particular focus on investment and trade liberalization policies. This will also include the development of policy response packages that sustainably manages the environment, eradicates poverty, and enhances human welfare.

UNEP Finance Initiative

UNEP has been working closely with banks and insurance companies since the early nineties, in two initiatives, which now have a membership of 295 institutions. Members are drawn from the banking, insurance, re-insurance, asset management and private equity communities. These partnerships promote

environmentally sound and sustainability oriented practices in the internal and external operations of these institutions, and awareness and understanding of the benefits accrued by these enterprises by integrating such considerations into their operational policies. Relevant policies include the investment, lending and liability coverage policies of banks and insurance companies. Through the establishment of working groups, workshops and international conferences, UNEP has been able to promote and facilitate environmentally responsible investments within the sector.

In 2001- 2002, the UNEP Finance Initiatives held a series of two-day regional meetings as part of its preparations for WSSD and also to explore the role of the finance sector in facilitating sustainability supporting Foreign Direct Investment (FDI). Regional events included: Manila, The Philippines; Santiago, Chile, in 2001; and Midrand, South Africa, in January 2002). An event for the economies in transition was also held in Budapest, Hungary, in 2002 to complete the UNEP WSSD Regional Outreach series. The events explored two themes: The Business Case for Sustainability Performance in the Finance Sector; and Creating a Sustainability Dynamic for Foreign Direct Investment.

In order to enhance the capacities of financial institutions integrate environmental considerations in their operations, a training course has been developed for the private and public sector financial institutions, particularly in developing and transition economies, to be implemented during 2003-2004. The finance sector training course was piloted during the four aforementioned UNEP Finance Initiatives regional outreach meetings.

The Eighth Annual UNEP FI Global Roundtable was held in Rio de Janeiro, Brazil, in March, 2002. The theme covered "Financing a Sustainable Future: Strategies, Partnerships, and Opportunities". The Roundtable attracted over 300 participants from all continents and provided them with an opportunity to interact with key players and global leaders in finance, insurance and sustainability. The recommendations from the Roundtable were presented during a workshop at the UN Financing for Development Summit in Monterrey, Mexico. Furthermore, after further refinement these recommendations were presented at the UNEP African Task Force day on finance and sustainability held in Johannesburg during the WSSD.

A series of thematic workshops to engage and activate different sections of the finance sector in sustainability issues were convened during the biennium. In an effort to more effectively engage the venture finance and private equity communities in environment and sustainability, UNEP convened with the management school INSEAD a two-day roundtable at Fontainebleau, France. Over 80 representatives from industry, academia, NGOs and government debated whether and when it is profitable to invest in sustainability-oriented venture capital funds and entrepreneurial ventures. Working with the UNEP Post Conflict Assessment Unit, a workshop on foreign direct investment was convened for the Federal Republic of Yugoslavia (FRY). The purpose of the meeting was to commence a dialogue with key financial institutions in FRY and to promote awareness of sustainability considerations in their efforts to secure FDI flows. Two workshops on the environment for Export Credit Agencies (ECAs) were convened in 2001 and 2002. The workshops examined sustainability through case study examples on project screening. A half-day North American workshop, hosted by Citigroup, was held in New York in 2001. Some 40 executives explored UNEP FI's, role, goals and possible activities in North America. This workshop led to the creation of the North American Task Force (NATF) in December 2001.

Three finance working groups were either relaunched or had their work scope broadened during the biennium. These groups included: the Asset Management; the Climate Change; and Environmental Management and Reporting working groups. In 2002 the climate change working group published a study exploring the threats, opportunities and action required to be taken by the financial services sector to address climate change. The climate study was presented at Eight Conference of the Parties of the United Nation Framework Convention on Climate Change (UNFCCC) in New Delhi. The Environmental Management and Reporting working group will launch an international reporting guidelines in 2003. The guidelines are linked by a memorandum of understanding to the Global Reporting Initiative (GRI). The Asset Management group is developing a new work programme for 2003.

A number of finance sector regional task forces were launched during 2001-2002. These included task forces for North America and Africa. Task forces for Latin America and Asia-Pacific will be launched in early 2003.

During 2001-2002, several finance related publications were published. These included: a joint UNEP-World Bank-International Monetary Fund report on Financing for Sustainable Development; the Finance and Insurance sector report for WSSD; and an inventory of sustainable energy funds.

Future work of UNEP in the field of finance and the environment, will include engaging and working closely with institutions responsible for formulating regulation and guidance for the financial services sector and capital markets. The purpose of this work will be to secure a higher prioritization of environmental and sustainability considerations in the governance, reporting, disclosure and listing requirements for financial companies in their interactions with regulatory bodies and capital market authorities. These institutions include, inter alia, securities and exchange commissions, financial standards authorities, and, where appropriate, supranational bodies involved in regulatory and standards formation. Additionally, UNEP will engage with those bodies setting policy and operational guidance for financial companies specifically with respect to governance issues, where environmental and sustainability considerations form an important part.

Partnerships and consultation

UNEP continued to build on partnership it has developed with the WTO, the World Bank, the International Monetary Fund (IMF), UNCTAD, the OECD, FAO, financial institutions and national, regional and sub regional organisations during the past several years. This closer cooperation between UNEP is enhancing the scope and value of UNEP's work on capacity building, the MEA-WTO relationship, on the integrated assessment of trade policies, and on enhancing the role of the financial sector in sustainable development. In the next phase of its work, UNEP will emphasize building partnerships with regional and sub-regional institutions, including regional trade, economic cooperation and environmental cooperation bodies established at the intergovernmental level. Partnerships with financial institutions and NGOs will be further strengthened in a number of specific areas, most notably on integrated assessment of trade-related policies, and capacity building activities.

At the national level, UNEP will continue to regularly consult with governments in the formulation and implementation of its activities to ensure that countries' concerns and needs are met. Such consultations ensures that UNEP's work in the field of trade, economics and finance caters for countries interests and reflects their priorities and concerns.
