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Committee of Permanent Representatives to  
the United Nations Environment Programme

**DECISIONS ADOPTED BY THE TENTH SPECIAL SESSION OF THE GOVERNING  
COUNCIL/GLOBAL MINISTERIAL ENVIRONMENT FORUM AND THE SUMMARY OF THE  
PRESIDENT OF THE DISCUSSIONS OF MINISTERS AND HEADS OF DELEGATION AT THE  
TENTH SPECIAL SESSION OF THE COUNCIL/FORUM**

**Advance copy**

The secretariat of the United Nations Environment Programme (UNEP) has the honour to provide the Committee of Permanent Representatives to UNEP, the advance copy of the decisions adopted by the tenth special session of the Governing Council/Global Ministerial Environment Forum as well as the summary of the President of the discussions of ministers and heads of delegation at the tenth special session of the Council/Forum.

## Decisions adopted by the tenth special session of the Governing Council/Global Ministerial Environment Forum

### 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 provides 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 wherever 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 (UNEP/GCSS.X/4), on progress of the ad hoc open-ended working group on mercury (UNEP/GCSS.X/5) and on waste management (UNEP/GCSS.X/7), 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 (UNEP/GCSS.X/7);

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.

### 2. Sustainable development of the Arctic Region

*The Governing Council,*

*Recalling* UNEP Governing Council decision 22/11 (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 some progress having been achieved, continuing efforts by Governments to protect the environment are needed as shown in the United Nations Environment Programme's fourth Global Environment Outlook report, with specific concerns in relation to melting Arctic sea ice,<sup>1</sup>

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<sup>1</sup> GEO4, Summary for Decision Makers, Polar, p. 19);

*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 can 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 the 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

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 to individually and collectively 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.

### 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, 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;<sup>2</sup> 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,<sup>3</sup>

*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 for 2010–2011 it is essential that the Governing Council should first consider the Medium-term Strategy at its Tenth Special Session,

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<sup>2</sup> Adopted by the UNEP Governing Council in decision 23/1 I.

<sup>3</sup> 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>.

*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 Programme of Work and Budget for 2010–11 and for 2012–2013, and fully integrate any existing policies approved by the Governing Council into the Programmes of Work,

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 Programme of Work and Budget 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 Programme of Work and Budget for 2010–2011 and for 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 2008–2009, to use the period 2008–2009 to commence the implementation of the transition to becoming 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.

#### 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 their 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, to inform the United Nations General Assembly prior to its sixty-third session.

## 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 summary for decision makers of the report,

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 to address 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 the efforts of national bodies to conduct national assessments of environmental change and its implications for development, within the framework of the Bali Strategic Plan;

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 of the international environmental assessment landscape, identifying possible gaps and duplications, in close cooperation with multilateral environmental agreements and other United Nations entities;

(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.

# **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.

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## **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, El Salvador, Finland, France, Gambia, 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 are 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 mobilising 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,<sup>1</sup> 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 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

<sup>1</sup> General Assembly resolution 60/1 of 16 September 2005.

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.<sup>2</sup> 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 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.

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<sup>2</sup> 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.

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.

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