
**POLICY STATEMENT AND SPEECH BY ACHIM STEINER
UNITED NATIONS UNDER-SECRETARY-GENERAL
AND EXECUTIVE DIRECTOR OF THE
UNITED NATIONS ENVIRONMENT PROGRAMME**

**AT THE OPENING OF THE 10TH SPECIAL SESSION
OF THE UNEP GOVERNING COUNCIL AND
GLOBAL MINISTERIAL ENVIRONMENT FORUM**

PRINCIPALITY OF MONACO

20 FEBRUARY 2008



UNITED NATIONS ENVIRONMENT PROGRAMME

The Billion Tree Campaign was designed to empower people. It achieved its objective and continues to do so

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

Honourable Ministers; delegates from civil society, business and the scientific community; members of the United Nations family including the Executive Secretary of the United Framework Convention on Climate Change, Director General of the International Labour Organization, Deputy Executive Director of UN-HABITAT representing the Executive Director, colleagues from the World Meteorological Organization and the World Trade Organization, and Executive Heads of Multilateral Environmental Agreements, the Chief Executive and Chairperson of the Global Environment Facility, colleagues, friends, ladies and gentlemen,

UNEP is delighted to be holding its 10th Special Session of the Governing Council/Global Ministerial Environment Forum (GC/GMEF) here in Monaco. The Principality has many claims to fame. But increasingly it is becoming known as an international champion for the environment, pinning its colours to a decidedly green mast, not least on marine issues.

This is in no small part due to the creativity and commitment of Monaco's Head of State, His Serene Highness Prince Albert II, whom I am delighted and honoured to welcome here today.

GRASSROOTS MOBILIZATION, GREEN SHOOTS AND THE BILLION TREE CAMPAIGN

Our Governing Council/GMEF takes place two months after the world's attention was focused on the climate negotiations taking place in Bali. Mr. Ban Ki-Moon, the United Nations Secretary-General, has called for grassroots mobilization on the climate change challenge in 2008 in order to maintain the breathtaking momentum of 2007.

UNEP is delighted to contribute to this by extending 'by popular demand' the Billion Tree Campaign into a two Billion Tree Campaign this year.

Under the inspirational and active patronage of HRH Prince Albert and Nobel Peace Prize laureate Wangari Maathai, this germ of an idea was planted at the climate convention meeting in 2006.

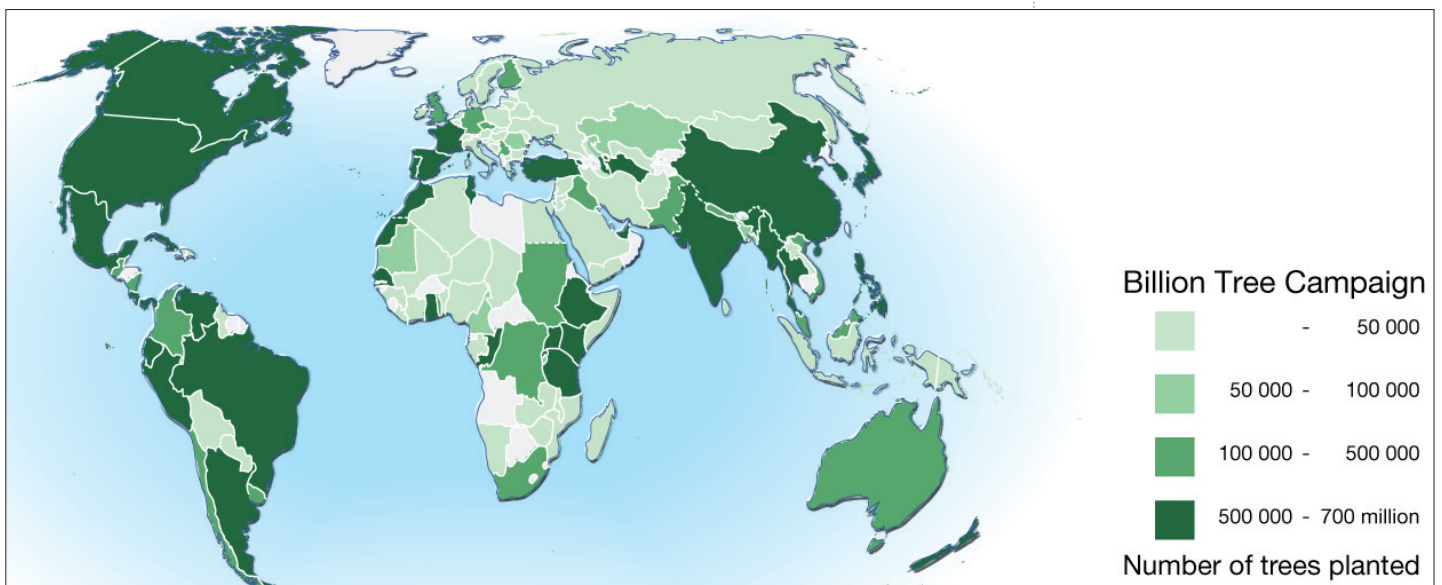
The result has been quite extraordinary. In just one year, around 1.5 billion trees have been planted in about 150 countries .

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

Billion Tree Campaign

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

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



Ladies and gentlemen,

I would like to focus my policy statement on two broad and related themes.

- The transformation of the 'Brown' global economy into a modern 21st century Green Economy; and
- The evolution and transformation of UNEP into a more focused, responsive and results-based organization, one that is better able to embrace the opportunities while rising to the sustainability challenges.

Let me first start with UNEP

TRANSFORMING UNEP

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

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

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

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

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

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

- Climate change
- Disasters and conflicts
- Ecosystem management
- Environmental governance
- Harmful substances and hazardous waste
- Resource efficiency—sustainable consumption and production.

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

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

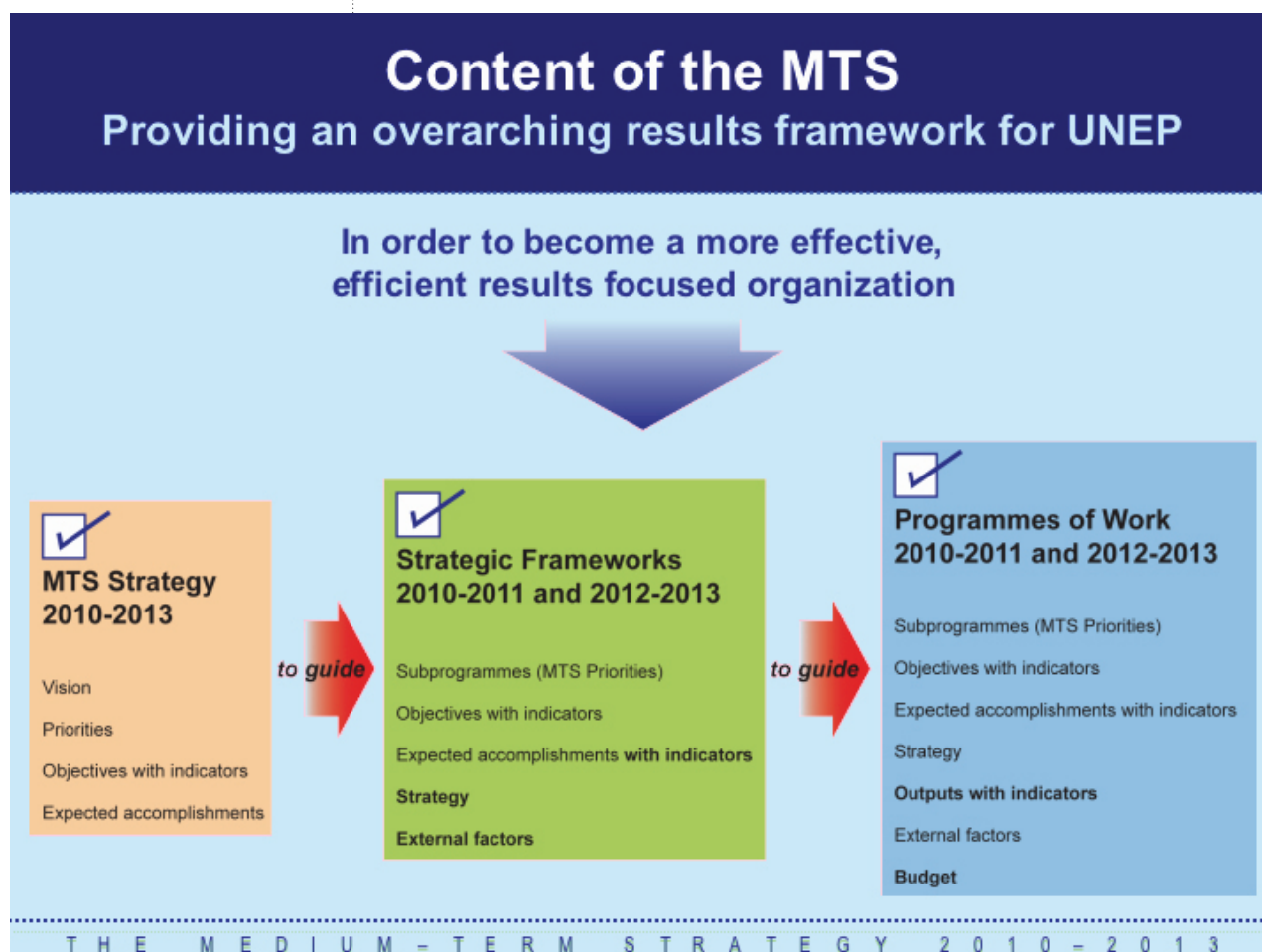
These thematic priorities are underpinned by four core cross-cutting objectives:

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

The MTS has been developed a full year ahead of schedule so that it can be used to guide the formulation of the Strategic Framework and Programme of Work for 2010–2011.

Its approval will provide me, as your Executive Director, with the direction I need to meet your expectations for a more efficient, effective, focused and results-based UNEP.

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OTHER TRANSFORMATIONS AT UNEP—THE SECRETARIAT

We are working towards a transition to being a fully results-based organization through the 2008–09 Programme of Work, including through new, more focused costed work plans.

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

UNEP FEMALE APPOINTMENTS: PROFESSIONAL POSITIONS AND ABOVE

	2006	2007
Percent of female appointments to P+	33%	50%
Female appointments to Managerial positions+	18%	47%

Over the past 12 months innovations have been achieved in respect to Information and Communications Technology, including the establishment of the first ever UNEP-wide Intranet for in-house information sharing, a UNEP Experts Database, and increased bandwidth to enhance our Headquarters connectivity.

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

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

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

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

THE GREEN ECONOMY—GLIMPSED THROUGH THE LENS OF CLIMATE CHANGE

In 2007, climate change was propelled from one among many concerns to the centre of global scientific and political discourse. This was in no small part due to the Fourth assessment reports of the Intergovernmental Panel on Climate Change (IPCC)—the 2,000 plus body of scientists and experts established 20 years ago by UNEP and the World Meteorological Organization (WMO).

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

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A transition to a low-carbon society is one central plank upon which we should build UNEP reforms

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

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

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

In order to realize the IPCC's conclusions—alongside other compelling findings, including those of Sir Nicholas Stern on behalf of the UK Treasury, and those of the UNFCCC—mobilizing finance will be central. This is why it is a key theme of this GC/GMEF. Having, as environment ministers, brought the challenge of global warming to the centre stage, the world is now looking to you for guidance and leadership on how we can respond.

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

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

Let me cite a few further examples

- The Principles for Responsible Investment, facilitated by UNEP's Finance Initiative and the Global Compact in 2006, now has 275 financial institutions on board, with assets of \$13 trillion.

- UNEP's Sustainable Energy Finance Initiative (SEFI) is emerging as a thriving network of financiers. SEFI's report last year underlined how capital is mobilizing towards these low-carbon sectors, with total transactions surpassing the \$100 billion milestone in 2006 and reaching nearly \$160 billion in 2007.
- UNEP will, in 2008, launch a new Sustainable Energy Finance Alliance that groups together leading public finance agencies investing in clean energy sector development.

Some questioned why UNEP and the Global Ministerial Environment Forum should address the issue of financing. One of our key objectives for the next two years must be to address the economics of responding to global warming. Much of the analytical and public policy debate has highlighted costs—rather than the returns on investment in a more energy and resource efficient economy.

UNEP is not a bank. UNEP does not aspire to become a bank. Rather, UNEP's work is targeted at lowering market development barriers, developing new financial incentive concepts, where needed, and building the capacity and awareness banks need to mobilize investment into the new climate sectors.

UNEP's role is to push the frontiers of environmental finance beyond the conventional orthodoxy of financial institutions and markets.

In collaboration with the United Nations Foundation and Shell Foundation, UNEP has helped two of India's largest banking groups—Canara Bank and Syndicate Bank—create a credit market for helping rural villages finance the purchase of solar lighting systems. 100,000 people in southern India have benefited and the initiative is now self-financing, with some 20 banks involved. The Programme was awarded the prestigious Energy Globe Award in 2007.

In Tunisia a similar initiative has created a credit market for bank financing of solar hot water systems. Over 20,000 systems have been financed, increasing annual market volume more than 700 per cent since 2004. The positive results have led the Tunisian government to enact legislation aimed at decreasing the country's reliance on using Liquid Petroleum Gas for water heating by instead helping homeowners make the shift to solar.

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UNEP and partners such as UNDP and the World Bank are also building the capacity of some 30 developing countries to access the carbon markets for financing climate-friendly infrastructure. These multi-million dollar initiatives, including ones under the Nairobi Framework, fall under the umbrella of the CD4CDM programme (capacity building for the Clean Development Mechanism)—the largest initiative of its kind.

There are other ways to address the constraints and risks of a renewables revolution. The geothermal electricity potential in Africa is estimated at 7,000 megawatts. With funding from GEF, UNEP and the World Bank are just about to launch the African Rift Geothermal Facility (ARGeo). The \$17 million project will underwrite the risks of drilling for steam and in doing so build the confidence of the private sector to build geothermal power stations from countries such as Kenya up to Djibouti.

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With \$20 million in GEF and UN Foundation support, UNEP is also working with the Asian and African Development Banks to leverage private sector financial flows towards clean energy entrepreneurs. Over 50 entrepreneurial businesses specializing in clean energy technologies and services have been financed to date in Africa, Brazil and China.

We are working to boost energy efficiency in a sector using 40 per cent of the world's energy and generating a third of the global greenhouse gas emissions—I refer to UNEP's Sustainable Buildings and Construction Initiative.

We are also developing, in partnership with the insurance sector, new weather derivatives and other instruments that help renewable energy developers to manage project risks such as low wind speeds and uncertain biomass fuel supply.

In 2007, UNEP was also invited to join the board of the Corporate Sustainability Index of BOVESPA—the Brazilian stock exchange which, along with South Africa, is championing environment, social and governance issues in developing world markets. These examples, among hundreds of others—some of which you will address first-hand here in Monaco—are vital proof that investing in the transformation of our economy is both viable and scaleable.

GREEN GROWTH – THE MARRAKECH PROCESS

Central to UNEP's mandate and central to transforming the world into a greener, leaner and more resource-efficient one is the 10-year framework of programmes on sustainable consumption and production under the Marrakech Process.

Following the outcomes of the World Summit on Sustainable Development held in Johannesburg in 2002, UNEP is promoting more sustainable product life-cycles and supply chains and is evolving its response.

With funding from governments and the European Commission, we have just established the International Panel for Sustainable Resource Management. Metals recycling and biofuels are two key areas of focus for its first phase. This is one service UNEP can provide in terms of scientific analysis to inform public policy and investment choices in these sectors.

Resource Efficiency

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

GREEN ECONOMY – NEW AND RAPIDLY EVOLVING PARTNERSHIPS

The links between climate change and trade are now the focus of joint work between UNEP and the World Trade Organization—not least the way import tariffs can discriminate against the widespread take-up of climate-friendly technologies and goods.

Green Growth is also about jobs and, more especially, decent work. I am delighted that Juan Somavia, Director General of the International Labour Organization (ILO) is with us today, alongside key representatives from the International Congress of Trades Unions (ICTU).

This is a rapidly evolving partnership underlined at the last Governing Council in Nairobi, cemented in Bali and confirmed here in Monaco. This week we are presenting a report on green jobs, a snapshot of a wider joint research initiative including UNEP, ILO and ICTU.

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One fact perhaps tells it all and speaks volumes on the transformations that are underway in the world's factory floors and offices. There are today 2.3 million people employed in the renewable energy industry, which is now greater than there are in oil and gas.

Green Jobs

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

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

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

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

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

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

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

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

The United Nations headquarters is also part of this transformation. Indeed, among the important drivers of the new momentum on climate change has been the personal involvement of the United Nations Secretary-General to lead a cohesive, UN System-wide, response. UNEP is fully supporting the

Secretary-General and his staff in these efforts and played a key role in making his High Level Event on climate change in New York last year a success.

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

**GREEN ECONOMY—GLIMPSED THROUGH THE LENS
OF THE GLOBAL ENVIRONMENT OUTLOOK (GEO-4)**

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

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

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

- In 1987, around 15 per cent of global fish stocks were classed as collapsed—GEO-4 says this has roughly doubled to 30 per cent.
- Twenty years ago around a fifth of fish stocks were deemed over-exploited—this has now risen to about 40 per cent.
- Globally, more than two million people may be dying prematurely as a result of outdoor and indoor air pollution.
- Land use intensity, with links to land degradation, soil erosion, water scarcity, nutrient depletion and pollution, has increased. In 1987, a hectare of cropland yielded 1.8 tonnes. Now the figure is 2.5 tonnes.
- In Latin America and the Caribbean, desertification—caused by deforestation, overgrazing and inadequate irrigation—affects a quarter of the region.
- Available freshwater resources are declining—by 2025, close to 2 billion people are likely to live with ‘absolute’ water scarcity.

Despite some successes, the international response to so many sustainability challenges is simply failing to match the pace and magnitude of change

- Populations of freshwater vertebrates have declined on average by nearly 50 per cent since 1987 as compared with an around 30 per cent decline for terrestrial and marine species.
- About 40 per cent of big estuaries in the United States, including those that link to the Gulf of Mexico and Chesapeake Bay, suffer severe eutrophication—which can lead to deoxygenated ‘dead zones’—because of nitrogen enrichment.
- In the Caribbean, over 60 per cent of coral reefs are threatened by sediments, pollution and over-fishing.

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

GEO-4 in the News

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

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

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

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

THE GREEN ECONOMY—IMPLEMENTING THE CARTAGENA PACKAGE AND THE BALI STRATEGIC PLAN (BSP)

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

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

I would like to present some developments here.

Improved coherence in international environmental policy-making

At the last Governing Council/GMEF in Nairobi we invited five heads of United Nations agencies to the Ministerial Consultations and established a number of round table sessions to facilitate a better and deeper level of engagement. I, in turn, joined UNIDO, UNWTO, UN-HABITAT and ILO for their governance meetings in 2007.

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

Strengthening the role and financial situation of UNEP

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

In 2007, several countries provided core funding for the first time or renewed their payments as invited through the Voluntary Indicative Scale of Contributions, including Ecuador and Haiti and the new United Nations Member State Montenegro.

The Netherlands increased its core funding from \$6.2 million in 2006 to over \$10.2 million in 2007. Italy increased its core funding from \$4.1 million in 2007 to \$11.6 million in 2008. The UK concluded a Memorandum of Understanding with UNEP for additional core funding from the Department

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CONTRIBUTIONS TO UNEP'S ENVIRONMENT FUND 2000 - 2007

	2000	2001	2002	2003	2004 *	2005 *	2006 *	2007**
Contributions and pledges USD	41 mil	44.1 mil	48.3 mil	52.6 mil	59.5 mil	59.6 mil	59.0 mil	69.2mil

* includes pledges ** includes pledges and estimates

In 2007, several major donor countries redirected all or part of their earmarked support towards the Environment Fund, making additional contributions well above the level invited by the voluntary indicative scale of contributions

for International Development (DFID). In the years 2008–2011, a total of around \$11.8 million in United Kingdom Pounds will be made available on top of the regular contributions of \$8.5 million in 2007.

In addition to increasing its core funding in 2008, Norway is considering a new innovative and flexible Programme Cooperation Agreement that may result in additional support of close to \$40 million for 2008–2009 in Norwegian Kroner channeled to UNEP's cross-cutting thematic priorities.

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

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

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

Improving coordination among and effectiveness of MEAs

We have established an MEA Management Team and an MEA focal point for UNEP-administered MEAs to be more responsive to a range of MEA needs and concerns. There is now a more regular dialogue between the Executive Director and the MEA Executive Secretaries on policy and programme matters.

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

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

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

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

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

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

In Canada in 2007, developed and developing countries agreed to accelerate the freeze and the phase-out of Hydrochlorofluorocarbons. These are chemicals now known to damage both the ozone layer and contribute to climate change. The necessary funds to assist developing countries to achieve this will be made available under the UNEP-administered Montreal Protocol.

UNEP and UNDP in 2007 cemented their Poverty and Environment Initiative with the establishment of a joint Poverty and Environment Facility to enhance country level delivery. We have, so far around \$16 million or half of the target funding requested from donors for scaling-up the initiative, and are in the process of initiating work in 12 countries .

UNEP and the Peoples Republic of China are in the process of expanding South-South capacity building, particularly for Africa.

Staff members have been trained on how the UN Development Assistance Framework operates to boost the capacity of UNEP to Deliver as One

On capacity building for climate negotiators, in the run up to the December Bali meeting, up to 200 civil servants from around 90 countries attended the UNEP-UNFCCC preparatory meetings in Bangkok, Abuja, Panama City and in St. Kitts and Nevis.

And in our host country Kenya, we conducted a comprehensive state of the environment report on Nairobi with recommendations for an environmental management plan, assessed environmental and health impacts of one of Africa's biggest refuse sites at Dandora, and supported the piloting of rubbish-into-energy cookers in the Kibera slum as part of the ongoing Nairobi River Basin Project.

Furthermore, staff members have been trained on how the UN Development Assistance Framework operates to boost the capacity of UNEP to deliver on the BSP at the country level. I believe these measures and examples illustrate the concrete and measurable impact of our commitment to mainstreaming the BSP.

Poverty and Environment

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

Enhanced coordination across the United Nations system

The Chief Executives Board in October, agreed to work towards transforming the entire United Nations system and its operations to climate neutrality, supported by another transformation—a revitalized Environmental Management Group, which UNEP hosts and I chair.

UNEP has also established a Sustainable UN (SUN) Team to further catalyze this transformation, with advisory services to governments and the UN family responding to both the BSP objectives and our role within the UN.

As UNEP Executive Director I will continue to make the most of the existing structures, enhancing and strengthening them within the art of

the possible. But where do we go from here? How will UNEP meet the full range of opportunities and challenges over the coming years and decades? How will UNEP strengthen the capacity of governments to achieve their environmental goals, targets and objectives?

The opportunities and challenges are outlined in reports such as those of the IPCC and GEO-4, and also in other assessments, including the Millennium Ecosystem Assessment and the UNEP post-conflict assessments of Iraq, Liberia, Lebanon and, more recently, the Sudan including Darfur.

The question is, can UNEP—even if it sensibly and efficiently exploits its existing structures—fully respond to the Bali Road Map and a post-2012 climate regime and deliver on the BSP.

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

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

MANAGING THE GREEN ECONOMY—FUTURE INTERNATIONAL ENVIRONMENTAL GOVERNANCE (IEG)

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

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

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

There are many IEG reform processes underway within the United Nations. An informal consultative process on IEG has been taking place within the

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United Nations system led by the Ambassadors of Mexico and Switzerland. The results of this informal consultative process were discussed during a Plenary Session of the General Assembly in November 2007.

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

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

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

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

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

LOOKING AHEAD—OVERCOMING THE BARRIERS TO MOBILIZING A GREEN ECONOMY

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

Over recent years, advances and investments in energy savings in transport and power generation, industry and households, have been reducing the intensity of energy used by 1 to 1.5 per cent a year. Experts say, if the annual rate of improvement in energy efficiency could be doubled to 2.5 per cent worldwide, it might be possible to keep carbon dioxide concentrations in the atmosphere below 550 parts per million (ppm) through the end of the century.

So why can't we do this now? What are the barriers to these seemingly huge and probably cost effective gains?

Another report before this meeting covers the way innovative laws and policies have mobilized low-carbon finance, unleashing innovation and spawning new technology markets— a case in point is Germany, where a feed in tariff turned the country from nowhere into the number one wind power manufacturer and exporter.

In some cases we need to think small-scale. UNEP GEF has just launched a project to replace diesel generation in the energy-intensive tea industry in East Africa with small-scale hydro. But we must think big too. Only a few weeks ago three leading experts published in a detailed assessment in *Scientific American*, including costings of what they call A Solar Grand Plan for the United States.

They estimate that by 2050, the plan could supply almost 70 per cent of America's electricity and 35 per cent of its energy needs. Surplus electricity from solar would be used to compress air and be stored in aquifers, caverns, and so on, and used to turn turbines at night.

Some experts calculate that there is enough solar energy hitting desert regions such that an 800 by 800 kilometre area of the Sahara could capture enough solar energy to generate all the world's electricity needs and more.

If we can put a man on the Moon, send submarines under the polar ice caps and perfect heart and liver transplants, why can we not harness sunlight for electricity, or for hydrogen production, on a scale that is transformational forever?

Here in Monaco we have the opportunity to shape the future through the way globalized and national markets either reject or respond to the wider interests and aspirations of global society.

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POST-ELECTION KENYA

Before I end, I think it is important to brief you on the situation at UNEP headquarters in the wake of Kenya's December elections.

We have, in common with the international community, been alarmed by the humanitarian tragedy that unfolded. But we are also hopeful that the initiative by the former UN Secretary-General, Kofi Annan, and his team of Eminent African Personalities, is bringing reconciliation and a path to peace between Kenya's leaders and the Kenyan public.

I would also like to recognize the visit of the Secretary-General, Ban Ki-Moon, to Nairobi on 1 February, 12 months to the day after his first visit to our headquarters. It meant a lot to the staff of the United Nations in Nairobi, who saw his deep personal concern for the situation affection Kenya, its people, and the United Nations staff.

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I would also like to express my sincere thanks to all members of the Committee of Permanent Representatives. Despite the additional pressures on Embassies and High Commissions over the past month, Committee members have continued to travel to Gigiri to work with the Secretariat in preparing for this meeting.

While the situation in Kenya remains volatile we have, in collaboration with our United Nations colleagues in Nairobi and New York, implemented a number of measures addressing two objectives: business continuity and preparedness. UNEP remains operational and we await a successful outcome to negotiations and a final and full end to violence and suffering.

GOINGS AND COMINGS

Lastly, the organization of the UNEP GC and the GMEF for over the past 10 years could not have been possible without the patience, skill and tact of many, but, above all, of one person in particular.

Beverly Miller is the Secretary of the Governing Bodies and is familiar to us all. Well, ladies and gentlemen, this is Beverly's last GC/GMEF before she retires later in the year. Beverly first joined UNEP back in March 1988, as Senior Programme Officer. She served UNEP in a variety of capacities before

she assumed her current position. Prior to her appointment, Beverly was well known to UNEP, having served as the Acting Head of the Jamaican Natural Resources Conservation Department, of which she was one of the main driving forces behind its establishment in 1975. On behalf of UNEP I would like to thank you Beverly for all that you have done and achieved on behalf of the organization, member states and the environment.

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

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

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

CONCLUSION

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

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

This year New Zealand will be the main host under the forward-looking theme 'Kick the CO₂ Habit.' New Zealand was not chosen at random—it is one of a handful of countries who have pledged to 'go' climate neutral, including Costa Rica and Norway. In doing so they are living examples

New Zealand will be the main host of World Environment Day under the forward-looking theme 'Kick the CO₂ Habit' It is one of a handful of countries who have pledged to 'go' climate neutral, including Costa Rica and Norway. In doing so they are living examples that the Green Economy is no pipe-dream but a sign of the times

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

that the Green Economy is no pipe-dream but a sign of the times. We have started to move beyond the pilot phase. Today we are beginning to witness shifts of a transformative scale.

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

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

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

UNEP's role is to support you as member states and the broader community of civil society, the private sector and organizations within and outside the United Nations to make informed and transformational choices.

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

The environment agenda of the 21st century is becoming an integral part of the economic and social development agenda of this century. For in addressing hazardous wastes, ecosystem decline, climate change and the other wide-ranging sustainability issues that are in front of us, we are fundamentally addressing the inequities of poverty, insecurity and instability that we need to conquer to achieve the Millennium Development Goals.

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

Thank You