

GCSS-10/GMEF HIGHLIGHTS: WEDNESDAY, 20 FEBRUARY 2008

Delegates attending the tenth Special Session of the United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum (GCSS-10/GMEF) convened in the morning for the opening ceremony, followed by consideration of organizational matters and a panel discussion by Nobel Peace Prize Laureates on "Leadership by inspiration – Environment, Peace and Security." They also heard the policy statement by UNEP Executive Director Achim Steiner. In the afternoon, delegates convened in ministerial consultations to address the theme of mobilizing finance to meet the climate challenge. The Committee of the Whole (COW) also met to consider draft decisions.

OPENING CEREMONY: Bakary Kante, Director of UNEP Division of Environmental Law and Conventions, opened the session, welcoming in particular His Serene Highness Prince Albert II of Monaco.

GC/GMEF President Roberto Dobles Mora (Costa Rica) thanked the Principality of Monaco for hosting the GCSS-10/GMEF, noting the responsibility of all participants to show leadership in responding to environmental challenges. He underlined the importance of the GEO-4 report and the UNEP Medium-term Strategy 2010-2013 (MTS) to this session.

In a video address, UN Secretary-General Ban Ki-moon highlighted the importance of addressing climate change and said UNEP can contribute by developing better financing, mitigation and adaptation methodologies and strengthening environmental institutions.

Inga Björk-Klevby, UN-HABITAT Deputy Executive Director, on behalf of UN-HABITAT Executive Director Anna Tibaijuka, called for empowering cities to develop low-carbon economies and mobilize financial resources including through the Clean Development Mechanism (CDM).

UNEP Executive Director Steiner announced that Prince Albert II has been nominated for UNEP's 2008 Champions of the Earth Award in recognition of his personal interest in and political commitment to environment issues. Noting the record number of high-level participants of GCSS-10/GMEF, he emphasized the Forum's role as a source of inspiration to drive the transformation to a greener economy.

Prince Albert II said that the fate of nations is inextricably linked to ecological resources. He highlighted scientific evidence of climate change, referring to his own observations of the effects of severe warming in the Arctic, and described Monaco's record in addressing the challenge of climate change. He called for innovation and creativity in developing effective technologies for energy conservation, controlling consumption, combating poverty, and engaging with the business sector to address global warming.

ORGANIZATIONAL MATTERS: Delegates then adopted the draft agenda without amendment (UNEP/GCSS.X/1 and Add.1) and agreed on the GCSS-10/GMEF's organization of work.

NOBEL PRIZE LAUREATES PANEL DISCUSSION: UNEP Executive Director Steiner noted that, over the past three years, the Nobel Committee awarded the Peace Prize twice for commitment on environmental issues. Margaret Koli, TUNZA Youth Advisory Council, delivered a speech on behalf of 2004 Nobel Peace Prize Laureate Wangari Maathai. Drawing attention to the current political instability in Kenya, she underscored the links between environment and peace, pinpointing trees as symbols of both.

Mohan Munasinghe, Vice-Chair, Intergovernmental Panel on Climate Change (IPCC), summarized IPCC findings, highlighting climate change as a threat to development. He described practical solutions and policy options to integrate climate change responses into sustainable development strategies, from the global to the local level.

POLICY STATEMENT OF THE UNEP EXECUTIVE DIRECTOR: UNEP Executive Director Steiner focused on the process of transforming UNEP into a results-based organization and on moving from a "brown" to a "green" economy. He highlighted progress made on programmatic coherence, quality and performance of business processes, fund management and fiduciary responsibility, gender representation and senior management recruitment. Steiner noted the recently strengthened financial situation of UNEP as a sign of donor support, and recognized some developing countries that for the first time made voluntary contributions to the Environment Fund according to the indicative scale. Noting the need to complement, not duplicate, work on climate change, he outlined UNEP partnerships, including the Green Jobs Initiative and work with the WTO on links between climate change and trade policy.

MTS presentation: UNEP Executive Director Steiner noted that the six thematic cross-cutting priorities of the MTS – climate change, disasters and conflicts, ecosystem management, environmental governance, harmful substances and hazardous waste, and resource efficiency – are areas where UNEP can make a "transformative difference." He highlighted the MTS as a significant step in making UNEP more effective, efficient, results-focused and science-based, as requested by GC-24. He stressed that delivering the MTS to the GC a year earlier than requested is aimed at incorporating strategic guidance from the GCSS-10/GMEF. Emphasizing that the MTS has no budget attached to it, he said that its approval is important to give strategic instructions for pursuing UNEP reform.

In the ensuing discussion, the US noted the need to find innovative mechanisms for financing climate change and welcomed the development of the MTS. Supported by SWITZERLAND, but opposed by WOMEN, the US proposed to

minimize the number of decisions negotiated at the GC/GMEF special sessions. He suggested that all decisions apart from the MTS be deferred to the GC-25/GMEF.

Slovenia, on behalf of the EU, supported MTS approval and full implementation. NORWAY pledged additional funding for its implementation. While supporting the MTS, ARGENTINA said it would introduce several changes to the document. Supporting the MTS priority areas, PAKISTAN prioritized: the phase-out of old technology and increased investment into clean and safe production methods; capacity building for ecosystem management, hazardous substances and waste; and interlinkages among MEAs.

GEO-4 report: UNEP Executive Director Steiner noted the stark picture GEO-4 paints regarding unprecedented environmental changes.

The EU stressed the importance of the GEO-4 report and called for turning its recommendations into action. NORWAY supported development of a GEO-5, and called on UNEP to take the lead on developing a legally binding agreement on mercury.

MINISTERIAL CONSULTATIONS

PANEL DISCUSSION: Mobilizing finance to meet the climate challenge: The panel discussion was moderated by James Cameron, Vice Chairman, Climate Change Capital.

Noting that finance and technology are two key areas for reducing greenhouse gas (GHG) emissions, Rachmat Witoelar, Minister of Environment, Indonesia, advocated supportive policies and regulations to shift private sector investments to low GHG emitting technologies, and develop fair, cost-effective and transparent funding mechanisms.

UNFCCC Executive Secretary Yvo de Boer stressed that a key challenge for the upcoming climate regime negotiations is to find the appropriate mix of financial tools to support "green growth" worldwide, especially in the developing world. He outlined tools such as the CDM, emission-trading schemes, voluntary offset schemes, export credits and loan guarantees.

Guangsheng Gao, Director General, National Development and Reform Commission, China introduced his country's national programme on climate change, which aims at a 15% renewable energy level by 2020, and emphasized the importance of public-private cooperation.

Sigmar Gabriel, Minister for the Environment, Nature Conservation and Nuclear Safety, Germany, announced a new initiative on auctioning CO₂ emission allowances that is expected to raise €400 million annually, €120 million of which will be made available for climate funding in developing countries.

Erik Solheim, Minister of Environment and International Development, Norway, stressed the need for a global price on tradable carbon, technology transfer and financial assistance to developing countries.

Batilda Burian, Minister of State for Environment, Tanzania, prioritized, *inter alia*: providing incentives for innovation and the deployment of new technology; shifting funding towards climate-friendly investments; and promoting carbon markets.

Juan Somavia, Director-General, International Labour Organization (ILO), underscored the role of enterprise in mobilizing finance to address the climate challenge; the potential of "green jobs"; and the role of ILO in promoting social dialogue.

Discussions continued in four ministerial roundtables.

COMMITTEE OF THE WHOLE

COW Chair Jan Dusík (Czech Republic) welcomed participants to the COW and nominated Boonam Shin (Republic of Korea) as Rapporteur. He introduced, and delegates approved, the draft schedule of work of the COW (UNEP/GCSS.X/CW/CRP.1).

POLICY ISSUES AND MEETINGS FOLLOW-UP: Chair Dusík introduced the policy issues under discussion: state of the environment (UNEP/GCSS.X/3; INF/2; INF/8), and environment and development (UNEP/GCSS.X/4; 5; 6; 7; INF/6; INF/7); as well as the follow-up to and implementation of the outcomes

of the UN summits and major intergovernmental meetings, including the decisions of the GC (UNEP/GCSS.X/2; 8; INF/3; INF/4).

Bakary Kante presented on the context and challenges pertaining to international environmental governance. Drawing on the MTS, he underscored steps outlined for UNEP's development and called for GCSS-10/GMEF participants' guidance.

DRAFT DECISIONS: Agnes Kalibbala (Uganda), Chair of the UNEP Committee of Permanent Representatives (CPR), introduced the draft decisions prepared by the CPR, followed by the US introducing a draft decision on adopting decisions at special sessions of the GC/GMEF (UNEP/GCSS.X/CRP.1), and ALGERIA introducing a draft decision on the International Decade of Combating Climate Change (UNEP/GCSS.X/CRP.2). INDIA supported the US on decision-making at special sessions of the GC/GMEF. MEXICO said ministers should decide on any limitations to the decision-making capacity of the GC/GMEF.

MTS: The US argued against "approving" the MTS, as it had not been negotiated by governments, and suggested "welcoming" it as a guide for UNEP. Similar views were expressed by JAPAN, AUSTRALIA, NEW ZEALAND and SWITZERLAND. The US and JAPAN also favored a bottom-up approach in determining UNEP's budget and programme of work.

The EU, supported by NORWAY and the DEMOCRATIC PEOPLES REPUBLIC OF KOREA, called for the "approval" of the MTS. SWITZERLAND cautioned against the MTS changing the mandate of UNEP, while the EU suggested the MTS is complementary to the Cartagena Package.

INDIA called for scientific capacity building in developing countries and for the principle of common but differentiated responsibilities to run through the MTS. ARGENTINA suggested including text on water policy.

Chair Dusík established a contact group, facilitated by France and Mexico, to resolve contentious issues.

Chemicals and waste: On the omnibus draft decision on chemicals management, mercury and waste management, NEW ZEALAND called for the *Ad hoc* Working Group on Mercury to develop packages of practical solutions. ANTIGUA AND BARBUDA suggested including a reference to least developed countries and small island developing states. ARGENTINA noted the need for national standards on products containing mercury, with the US favoring voluntary measures and NGOs calling for legally binding commitments.

IN THE CORRIDORS

As delegates applauded the inspiring opening statements delivered by HSH Prince Albert II of Monaco and UNEP Executive Director Achim Steiner, some felt a growing apprehension about two emerging fissures. One concerned the issue of whether a GC/GMEF special session warrants negotiated decisions, with a delegate referring to the US draft as "the decision to have no decisions." The proposal to keep the outcome of special sessions to non-negotiated summaries was greeted by a number of delegations, who argued that precious time was best spent on ministerial exchanges. Others expressed doubt: seven draft decisions have already been tabled in Monaco, and the line between procedural and substantive language may in reality be thin. As one delegate noted, an admittedly procedural point was growing dangerously out of proportion, taking up more time than the US initiative was designed to save.

The other big question mark is whether the draft UNEP Medium-term Strategy is to be "approved" by the GCSS-10/GMEF, "welcomed", "taken note of", or "acknowledged". To some, the debate gave the impression that several JUSSCANNZ members were putting a damper on an exuberant EU. Whatever the ultimate language chosen, few doubt that the necessary green light will be given to the Secretariat in aligning its future work with the MTS.