

Policy Statement by Achim Steiner

United Nations Under-Secretary General and Executive Director of the United Nations Environment Programme

At the opening of the Governing Council/Global Ministerial Environment Forum at its Eleventh Special Session

Bali, Indonesia

24 February 2010

Bali, 24 February 2010 — It was your ambition as ministers responsible for the environment — working through your Governing Council/Global Ministerial Environment Forum — that has set the reform direction for UNEP over the past 12 months and indeed the past four years.

It has been the ambition of the secretariat to translate that into developing UNEP as a key entity within the UN system better able to meet your requirements for the challenges of the 21st century.

Today in this policy statement I would like to outline what the UNEP Secretariat has achieved on your behalf in terms of realizing what I have termed the UNEP+ agenda.

This has involved evolving UNEP onto a higher level of performance by better utilizing and focusing the existing mandate and programme of work.

Your ambition of making the environment more relevant and central to policy-making is indeed emerging at the national, as well as at the global and regional level.

I would also like to reflect on the shared ambition for this GC/GMEF here in Bali.

Finally I would like to outline some thoughts on the future as we collectively look to this year's review of the Millennium Development Goals and the first Rio plus 20 preparatory meeting in May 2010 in advance of the conference in 2012 in Brazil.

The next two years may well represent a defining moment for the GC/GMEF and the way it wishes to inform the discourse within the UN's General Assembly.

A defining moment too in terms of the ambition you and the world have for the influence and performance of the environmental pillar of sustainable development.

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UNEP+

It was in 2007 that you requested a Medium-Term Strategy (MTS) and in 2008 swiftly authorized its use. As of I January 2010 the implementation of the MTS is underway.

This, allied to a review procedure, has formally brought into existence the vision and direction covering this institution's current work programme and cycle.

Let me underline my personal commitment to this direction you have given and the adjustments that are now in train.

The MTS, which runs to 2013, has six cross cutting themes.

- Climate Change
- Disasters and Conflict
- Ecosystem Management
- Environmental Governance
- · Harmful substances and hazardous waste
- Resource efficiency sustainable consumption and production.

It is supported by four evolving pillars upon which the reform of UNEP towards a UNEP+ organization has stood.

- Results Based Management backed by a quality assurance management system
- · UNEP within the UN
- The Bali Strategic plan on Technology Support and Capacity Building
- Sound science

Let me touch on all these facets, all of which are interlinked and interwoven, to see where we have collectively reached.

Let me also flesh out some of the key areas where the MTS and the four pillars are finding expression within UNEP and on the ground.

Member states expressed a desire for UNEP to deliver more at the national level and to also work more closely with UN partners and others.

Much of what I have to report underlines how this request is also being taken forward.

The Bali Strategic Plan

- UNEP and the UN Development Programme's (UNDP) Poverty and Environment Initiative is now operating in some 22 countries, up from seven initially.
- UNEP and UNDP's new joint Memorandum of Understanding has identified and agreed on areas for joint programming in climate change.
- UNEP has supported the review and/or preparation of Common Country Assessments/UN Development Assistance Frameworks (CCA/UNDAFs) in 34 countries.
- We are now also part of 15 country-specific Millennium Development Goal Achievement Fund joint programmes.
- UNEP and the UN Industrial Development Organization have established Cleaner Production Centres in 40 plus countries.
- UNEP has also played a lead role in the UN Development Group's (UNDG) "Guidance Note on mainstreaming environmental sustainability in the UNDAFS which was endorsed by UN Development Group in October 2009 — a milestone in UNEP's support towards mainstreaming environment in the work of the UN System.
- UNEP is currently engaged in a similar effort to develop a Guidance Note on integrating climate change considerations in CCA/UNDAFs.
- A Policy and Inter-Agency Affairs Unit has been established to improve coherence of our activities in the UN system and our alignment at the country level.
- With UN partners including the Office for the Coordination of Humanitarian Affairs, we have carried out, are undertaking or are planning to undertake, Post-Conflict Needs Assessments, Post-Disaster Needs Assessments in 8 countries including Haiti, which commenced within 24 hours following the tragic earthquake in January.

UNEP historically has offered support to all developing countries as an Implementing Agency of the Global Environment Facility (GEF).

And via the Multilateral Fund for the implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer.

This continues:-

- The OzonAction initiative is now assisting well over 100 countries with a total of 1,000 projects.
- Our current portfolio of GEF-funded activities is just over 480. These are supporting partners in more than 160 countries.
- In terms of overall quality of supervision of UNEP-GEF projects, latest figures show this has risen from 36 per cent to over 70 per cent from 2006 to 2008.

There are similar positive developments across all UNEP's activities. The 2008/2009 Evaluation Report of UNEP noted that:-

• 95 per cent of UNEP projects are rated as "satisfactory" or above, up from 78 per cent for 2007, for the last biennium.

UNEP is also stepping up its responsiveness to country needs by enhancing the staffing, mandate and resources of its Regional Offices.

During the biennium Regional Offices were allocated additional staf and resources for supporting UNEP's engagement in UNDAFs and UN Delivery as One as well as Multilateral Environmental Agreement (MEA) technical advisors to support MEA activities at regional and country level.

For the current biennium an additional allocation of \$4 million has been made to Regional Offices to invest in specific country and regional services to member states.

The EMG — A specific example of UN-wide cooperation

As mentioned, there are flourishing partnerships between UNEP and a widening range of stakeholders.

This is also highlighted through a more reinvigorated, focused and effective vehicle for UN-wide collective action: the Environmental Management Group (EMG) which UNEP hosts and funds.

The EMG is chaired by the UNEP Executive Director and a special focus over the past few years has been on climate change and a lower carbon footprint.

 In 2007, the Secretary-General and the Chief Executives Board decided to move the UN system towards climate neutrality.

The EMG facilitated the first ever inventory of emissions for 49 agencies, funds and programmes.

From 2010 onwards it will coordinate the move towards a common approach on emission reductions backed by strategies and targets for each UN institution.

 In September 2009, the EMG also adopted in addition to sustainable procurement three key agendas for its forthcoming work — Green Economy, biodiversity and land degradation.

Further Key Partnerships — UN and Beyond

UNEP has also being forging partnerships on many other parts of our Programme of Work.

- In December 2009, the total membership of the Climate Neutral Network stood at over 200, ranging from nation states to corporations and mega cities to large-scale music and sport events.
- A partnership on Green Jobs with the International Labour Organization.
- A partnership with the World Trade Organization that in 2009 led to a landmark joint report on climate change and trade.
- The UN-REDD programme (Reduced Emissions from Deforest-ation and forest Degradation) was established in 2008 with a joint secretariat hosted by UNEP; the Food and Agricultural Organization and UNDP.
- Within a few months, UN-REDD fast tracked assistance to nine countries to prepare for REDD projects with more countries requesting support and in the pipeline.

UN-REDD also involves working closely with the World Bank and its Forest Carbon Facility.

Approval for financing REDD was one positive outcome of the UN climate convention summit in Copenhagen.

- 100 countries have set time-lines for cutting sulphur levels in fuels to 50 parts per million under the UNEP Partnership for Clean Fuels and Vehicles — building on its successful phase-out of lead in petrol.
- The "50 by 50" Global Fuel Economy Initiative a UNEP; International Energy Agency; FIA Foundation and International Transport Forum partnership to reduce fuel consumption per kilometre of 50% by 2050.
- New partnerships on sports and the environment including with the Indian Premier League for cricket; the Commonwealth Games and the FIFA 2010 World Cup in South Africa.

There are many more examples including ones with the UN World Tourism Organization on ecotourism and the Global Mercury Partnership.

For a more comprehensive list please see the UNEP annual report available here at the GC/GMEF.

Sound Science — Sound Climate Policy

Science underpins much of UNEP's activities and has been further cemented by the appointment of the Chief Scientist.

A central role is in early warning and assessment including in respect to climate change.

Part of science's role is to push the knowledge boundaries, pinpoint new directions and illuminate opportunities for action that hitherto may have been overlooked or for which answers are only just emerging.

• In September 2009, we published the Climate Change Science Compendium in advance of the Copenhagen climate meeting.

• In the same month, UNEP published an assessment of the impacts but also the benefits in terms of climate, health and agriculture of tackling non-CO, gases and pollutants.

This in part builds on our work on the Atmospheric Brown Cloud and emerging science on the win wins for the ozone layer but also the climate from phasing-out chemicals such as refrigerants and fire retardants.

UNEP's work on climate adaptation has also built a strong focus on ecosystems which was also reflected in further consolidating the current state of knowledge and science including their mitigation role.

• On World Environment Day 2009, UNEP and partners published The Natural Fix? report on nature's role in carbon sequestration

It illuminated the carbon stocks and carbon capturing potential linked with forests but also other land-based ecosystems such as peatlands and grasslands.

 Last year UNEP; the UN's Food and Agricultural Organization and UNESCO's International Oceanographic Commission also launched the Blue Carbon report. on the sequestration potential of the marine realm.

It estimates that marine ecosystems, including mangroves, seagrasses and salt marshes may be absorbing pollution equal to half the world's transport emissions.

• A new initiative on Blue Carbon will be announced with the Government of Indonesia this week.

Sound science, also allied to smart economics, is also increasingly defining UNEP's work.

TEEB

The Economics of Ecosystems and Biodiversity (TEEB), which UNEP hosts, is bringing to policy-makers a new insight into the field of natural capital.

The data emerging from the TEEB work — an innovative partnership of sponsoring partners and a network of collaborating centres — is groundbreaking.

Two figures that underline its work.

- An additional investment of around \$45 billion a year in around 100,000 conservation areas worldwide could secure the \$5 trillion-worth of nature-based services while generating millions of new jobs and securing livelihoods for rural and indigenous peoples.
- Coral reefs, whose fishery, tourism and flood protection services are estimated at between \$100,000 and \$600,000 per square km, could be conserved for an investment of close to \$780 per square km or 0.2 per cent of the value of the ecosystem protected.

TEEB, whose final report will be published in late 2010, is ambitious.

But the new level of ambition vested in the Secretariat by you honourable ministers, requires and requests that a UNEP+ takes such studies forward to their logical conclusion i.e. demonstrate and implement.

Over the past 12 months we have embarked on four, initial, high profile ecosystem rehabilitation projects.

These, in collaboration with governments and UN partners, seek to demonstrate the costs and the benefits of restoring ecological infrastructure.

- Kenya's Mau Forest complex East Africa's largest closed canopy forest and the country's key "water tower" which has lost around 25 per cent of its cover over the past decade or so.
- Lake Faguibine in Mali a lake upon which an estimated 200,000 people depend that has all but dried up in recent years.
- Haiti where an ecological restoration project of forests and river systems, allied to renewable energies and other alternatives to biomass, is scheduled to get underway in 2010 after modifications in the light of the recent earthquake.
- Sudan in collaboration with the UN's Food and Agricultural Organization, three million trees are being planted across three states in Darfur allied to the distribution of 300,000 fuel-efficient stoves.

This is part of a wider post conflict and ecosystems project to assist the governments of north and south Sudan implement the recommendations of UNEP's 2007 Post Conflict Environmental Assessment.

Green Economy

Ecological infrastructure is also a key strand of the Green Economy Initiative — perhaps the most illustrative new project of UNEP+.

It is a very wide partnership indeed that has evolved to embrace governments, economists, non-governmental organizations, research centres, the private sector and UN entities.

The Global Green New Deal/Green Economy Initiative was launched in October 2008 in response to the financial and economic crisis.

It was built on the premise that environmental investments had a big pay back in terms of job creation, meeting multiple challenges including climate change and re-defining wealth generation.

Some highlights-

- **February 2009** Green Economy report issued to inform debate and stimulate action at the 25th Session of the UNEP GC/GMEF: suggests that one third of the then around \$2.5 trillion-worth of planned stimulus packages should be invested on "greening" the world economy.
- **April 2009** the Chief Executives Board, chaired by UN Secretary-General Ban Ki-moon, issued a communiqué on the global financial and economic crisis outlining nine joint crisis initiatives, one of which is the Green Economy Initiative which UNEP was requested to lead and facilitate.
- **June 2009** "Green Growth" Declaration adopted by ministers at the Organization for Economic Cooperation and Development (OECD) meeting.
- June 2009 Over 20 UN agencies in a statement, issued at the General Assembly Conference on the World Financial and Economic Crisis and its Impact on Development, back a transition to a Green Economy.
- **September 2009** UNEP launches its Global Green New Deal update in the run up to the G20 Pittsburgh Summit: an estimated 15 per cent of global stimulus packages are "green" but below the suggested target.
- **December 2009** The UN General Assembly adopts a decision for the Rio plus 20 Summit to include the Green Economy as one of the overarching themes.

The work underlines our committment to bring the environment into the mainstream of policy and economic decision-making and to be more responsive to country needs.

During 2010, UNEP will take its work towards supporting a transition to a low carbon, more resource efficient Green Economy forward. This work will also guide our scaled-up efforts to support countries in their efforts to address climate change.

Three Flagship Advisory Services for Climate Change Action

- **Ecosystem Based Adaptation** this will offer member states services on how best to incorporate ecosystem adaptation into national climate, development and sectoral strategies.
- **REDD+** this will offer member states services on how to incorporate reduced emissions from deforestation and carbon capture and storage from other terrestrial ecosystems in national climate, development and sectoral strategies.
- Clean Tech Readiness building on an extensive body work on smart market mechanisms and other hurdles to barriers, UNEP will offer member states services on how best to incorporate renewable energies and energy efficient technologies in national climate, development and sectoral strategies.

This work dovetails with new initiatives being carried out in partnership with other strategic partners including the UN Industrial Development Organization (UNIDO); UNDP and the World Bank.

- Technology Needs Assessment Over 30 countries to be supported through GEF funding in determining their specific low greenhouse gas technology needs: 15 countries have been identified for the first phase, with others coming on board through 2010.
- Green Economy Advisory Services Over 25 countries or relevant national institutions have requested assistance from UNEP on how to tailor a Green Economy approach to national development strategies.

Together we have achieved a great deal — there are a lot of pluses surrounding UNEP in 2010.

Your confidence in the evolution of this organization is also being matched by funding and financial support.



- In 2006-2007, funding for UNEP was at just under \$300 million of which \$144 million was for the Environment Fund.
- In 2008-2009 UNEP GC approved a budget of \$381 million with \$176 million for the Environment Fund. Actual resources available exceeded half a billion.
- For the biennium 2010-2011, we stand at around \$494 million, of which \$184 million is Environment Fund funding.
- Overall Environment Fund contributions grew by over 22 per cent and extra-budgetary ones by over 50 per cent between the two biennium.

UNEP+: Not Without Challenges

What haven't we achieved and where might we be moving less swiftly than perhaps you and we would like?

Let me emphasize that incrementally evolving this organization into the realm of results-based management remains a challenge — an intergovernmental institution such as the UN does not lend itself to quick fixes and easy change.

In some specific areas, such as improvements in Information and Communications Technology and corresponding sets of data and analysis for strategic management, we are less far down the path than I had hoped.

The management of human resources — UNEP's primary asset — also remains a challenge.

Capacity and skills development is a precondition for delivering our new results based Programme of Work — this too has taken time.

Human Resources recruitment and management processes also remain a key obstacle to timely and effectively delivery — some of which are beyond our control.

With the reform of the UN Secretariat's contracts system, we have lost the ability of fast tracking recruitment for project funded/extra budgetary posts.

But let me assure you that we are striving to match your ambition with defined and definite results in all areas.



Indeed with your support and guidance it may be fair to note that in terms of the UN system, UNEP is setting a high pace for reform and is continuously exploring innovative approaches to meeting the challenge.

I believe that what we have achieved and what we have learnt can inform other organizations, programmes and funds of the UN in terms of progress and also setbacks.

So this is the past and the present — this is UNEP or UNEP+ in 2010.

It is, as requested, transforming into a results-based organization that is better realizing the Bali Strategic Plan and building its regional capacity to deliver more services to more countries and partners.

It also continues to strengthen its science and normative capacity as evidenced by the number of highly acclaimed scientific reports in 2009, the chemicals and wastes convention synergies process, the launch of a negotiation for a new convention on mercury and the successful work of the International Panel for Sustainable Resource Management to mention but a few.

UNEP+ is today, thanks to the support of your Governments, a far better resourced institution that is pushing new frontiers in sound science; is become more relevant to the climate change challenge and is bringing environmental sustainability to the centre of development and economic policy-making.

IEG: Evolution or Metamorphosis?

However the UNEP+ agenda is by definition an incremental, and ultimately limited response. UNEP in its current configuration, mandate and role will continue to deliver. But disappoint those who look to it as the UN's principal entity to articulate, catalyze and support a multilateral response commensurate with the ever growing challenge, complexity and imperative to act in the face of current and future environmental change scenarios.

A central issue for this GC/GMEF is whether the incremental reform underway continues along this evolutionary path or whether it must be complimented by a more fundamental reform horizon.

This week we have seen further evidence of this incremental progress in respect to the Multilateral Environmental Agreements covering the chemicals and wastes conventions.

The holding of a Simultaneous Extraordinary Meeting of the Conference of the Parties to the Basel, Rotterdam and Stockholm conventions just before the GC/GMEF signals our joint determination to streamline and harmonize administrative functions and to strengthen the implementation and capacity building efforts of these conventions.

The issue of how best to finance the chemicals agenda is also a key element of our efforts to address the inherent constraints that arise from under resourced mandates and committments.

This and the many UNEP+ examples cited in my policy statement reflect the call for reform and greater effectiveness.

But in 2009 several world leaders have also called for more fundamental reform of the UN's environmental processes and architecture.

What might that mean? Minister Borloo recently described the future of France's environmental policy as not being a choice between evolution or revolution but a metamorphosis.

This is perhaps an intriguing concept in the UN's International Year on Biodiversity given the dictionary definition.

"Metamorphosis is a biological process by which an animal physically develops involving a conspicuous and relatively abrupt change in the animal's body structure".

I mention this transformational analogy in the light of the debate we will have here this week — a debate shaped in part by your discussions in Belgrade and Rome last year.

The discussion circling around IEG dates back many years — there has been a persistent concern that the international environment architecture is becoming ever more fragmented and unable to respond to the challenges unfolding.

The Belgrade and Rome meetings, allied to the discussions and debates at previous GC/GMEF's, have put real, concrete and fresh ideas into the reflection about the UN's system of governance.

There has been a long standing and often stalled debate on form following function.

The Rome meeting marked a significant step forward by articulating a clear set of objectives and functions for environmental governance in the UN.



This may well be a unique achievement as ministers resolved to define what is wanted from the UN system as a first step to evolving or re-designing the architecture to deliver it.

This week is the opportunity for furthering that strategic and reformorientated discourse that you have initiated.

It comes in advance of several central opportunities mentioned earlier in my statement.

- The review of the Millennium Development Goals and how environmental goal 7 relates to the other MDG Goals.
- The General Assembly's decision to convene a Rio plus 20 Summit in 2012.
- The launch of the GEO-5 intergovernmental and multistakeholder process in the preparation of this report by 2012 — making it a key reference document also for Rio plus 20 as well as UNEP's future work.

The GC/GMEF's outcome presents you with the opportunity to articulate the agenda of the environmental pillar of sustainable development and express your views in the UN General Assembly's preparatory process for Rio plus 20 in terms of how you envisage UNEP's participation and contribution.

2010 — A Challenging Year: IPBES and Access and Benefit Sharing

We face a challenging year in 2010.

It is the UN's International Year of Biodiversity and the year in which the world had set itself the target to have reversed the rate of that loss — we know this has not happened.

Before you here in Bali is the question of advancing the process of considering the establishment of an Intergovernmental Panel or Platform on Biodiversity and Ecosystem Services (IPBES).

Much effort has been invested in maturing this proposal: I hope you will provide clear guidance as to how this process can be concluded in 2010.

Later this year Japan will host the Convention on Biodiversity's conference of the parties in Nagoya.

Refocusing the international response to biodiversity loss and ecosystem degradation is as urgent as it has ever been and will require action on a range of issues.

Let me draw particular attention to the question of an International Regime on Access and Benefit Sharing of Genetic Resources — the missing pillar of the CBD as many have called it.

Since the CBD Conference of the Parties in Bonn two years ago, the negotiations which UNEP has been actively supporting are proceeding with some measure of confidence.

Agreeing an international regime would send a strong and unequivocal signal of ambition for reforming and supporting this convention and its role in sustainable management of natural resources and poverty reduction.

2010 — A Challenging Year: Climate Change

Copenhagen was neither the big breakthrough so many had hoped for nor was it the big breakdown that seemed possible in the final days and hours of the meeting.

Despite a sense of underachievement, Copenhagen did deliver elements that if fully realized point to a new era of global engagement and cooperation on climate change.

The UN Framework Convention on Climate Change (UNFCCC) has now received submissions of national pledges from some 58 countries representing close to 80 per cent of global greenhouse gas emissions from energy use.

While it is clear that these pledges may not yet deliver the emission reductions needed for the 2 degree C goal, the pathways outlined by pledging nations do mark a significant step forward if implemented.

An equal "if" applies to the "fast start funding" pledges: If the \$30 billion commitment of Copenhagen does materialize over the next 36 months, then the Accord would indeed have catalyzed a significant step change.

UNEP will continue to support the Secretary-General, the UNFCCC process and the host country Mexico in the preparations for this Conference of the Parties in December 2010. But we will also fast track UNEP's three climate flagship support programmes listed above to deliver climate action on the ground.

2010 — A Challenging Year: GEF

A key piece in this jigsaw puzzle and another key challenge for 2010 is the replenishment of the Global Environment Facility (GEF).

A challenge in terms of the GEF's future role and the reform agenda — twin issues that also speak to the governance agenda before us this week.

UNEP, as one of the implementing agencies is working with the GEF Council and Secretariat on reform and in support of delivering effective services for member states.

UNEP also hosts the GEF's Scientific and Technical Advisory Panel which has been restructured and strengthened in its engagement with the GEF Council.

But in some respects UNEP is not just one of the implementing agencies. UNEP's GC/GMEF serves as the principal forum through which countries guide the global environmental agenda and review its effectiveness in terms of impacts and results.

The GEF — if focused and committed to the principles of complimentarity and subsidiarity in its role and operations — remains an important funding mechanism and an important resource to support the implementation of your agenda and priorities.

I would thus urge you to consider the replenishment as a win-win opportunity: catalyzing significantly expanded cooperation on global environmental issues while enhancing GEF's capacity to provide innovation and partnerships.

With such an agenda, this year's replenishment of the GEF should be on a scale that is far more ambitious than perhaps it has been in the past.



2010 — A Challenging Year: The Agenda for the Future

The discourse surrounding the environment has never been as animated as it is today: the persistent and emerging challenges are well known and growing.

But over the past few years the GC GMEF has also framed a new dialogue within the UN and among nations.

That dialogue revolves around a fresh approach that broadens the environmental agenda from one focused on challenges to encompassing opportunities — an approach that in part is the Green Economy and at its centre the reality that the world is not powerless in the face of tidal events.

That the environmental programme of the UN is now providing answers of a transformative scale, commensurate with the nature of the challenges and opportunities, is the result of your guidance and support.

That the environmental programme of the UN is not only speaking on reform but acting upon it is also a reflection of your ambition for change at the global and normative but also at the national level.

UNEP or UNEP+ in 2010 has more resources, more competence, capacity and credibility to deliver on the growing expectations and demands of a rapidly evolving environmental agenda.

The next two years will define how far this influence will stretch and how far this process can go in terms of optimizing the way we collectively manage the planet with six billion, soon nine billion people depending upon its natural resource base.

Rio plus 20 could be a defining moment in the way in which we address sustainable development over the coming decades.

The knowledge and perspective of the Ministers responsible for the environmental pillar of sustainable development must therefore be at the centre and not at the margins of the process leading up to 2012.

Here in Bali is perhaps the time to add further momentum to the process begun in Nairobi last year by articulating a more political agenda for addressing the choices to be made.

Choices which ultimately are the responsibility of States, and thus must be negotiated in the broader geopolitical and multilateral context while reflecting the imperative and responsibility to act and pass the test of effective governance.

Thank you to all UNEP staff, governments and other partners for another productive and fruitful year.



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