

North American Regional Statement to the Ninth Global Civil Society Forum and the Tenth Special Session of UNEP's Governing Council and Global Ministerial Environment Forum.

Washington DC, USA, 1-2 November 2007,

1. Executive Summary

The United Nations Environment Programme (UNEP) Regional Office for North America (RONA) held its annual Civil Society Consultation at the World Wildlife Fund (WWF) on November 1-2 2007, in Washington DC. Attended by some 50 participants representing 43 organizations, the consultation was held in preparation for the ninth UNEP Global Civil Society Forum (GCSF) and the 25th UNEP Governing Council and Global Ministerial Environment Forum (GMEF) meetings to be held in February 2008 in Monaco. The consultation was one of six regional meetings held worldwide.

The aim of the meeting was to provide input into the key items on the agenda for the Governing Council, focusing particularly on the substantive issue: *Globalization and the Environment: Mobilizing Finance to Meet the Climate Challenge*. The meeting also aimed to provide input into UNEP's 2010-2013 Medium-Term Strategy, and to guidelines for improving civil society participation in the UNEP consultation process. The meeting also discussed the Global Environmental Outlook (GEO-4) Report.

Several key issues and recommendations emerged from the consultation, including the following points:

- Speakers highlighted the role adaptation could and should play in the international response to climate change, but also recognized the financial challenges of such a strategy.
- Speakers and roundtable discussants identified a need for an effective regulatory framework for addressing climate change in the post-2012 period.
- The importance of environmental education was emphasized, particularly for youth.
- A need for partnerships across groups and increased dialogue between groups was suggested, especially if major groups were to write individual statements. Collaboration and cross-over should be encouraged to help provide a more succinct message to policy-makers.
- Equity in the consultation process and in the outcomes was deemed essential. The regional meeting recommended that resources be made available to marginalized groups to help them to organize and mobilize internally and to further engage with the consultation process.
- The provision of background material in advance was encouraged, in order to allow time for processing complex information. An arena for discussion on the issues prior to the event was also encouraged, making use of Information and Communications Technology (ICT) and other tools.
- Participants called for moving beyond process consultation into action and implementation, in order to ensure the ongoing relevance of the consultation process and to take full advantage of the strengths of civil society organizations.

2. Introductory and Welcoming Remarks

Lara Hansen, of WWF-International provided welcoming remarks and spoke on the urgency of addressing the issue of climate change. Her main message was that the implications of climate change are emerging now, not in the future, and thus the choices made today will affect us in the longer term. Hansen encouraged civil society members to incorporate the issue of climate change into all of their activities and every aspect of planning.

Elisabeth Guilbaud-Cox, Officer-in-Charge in UNEP's Regional Office for North America, thanked WWF for offering their premises for the meeting, and thanked the participants for attending the consultation. She expressed the importance of the NGO community as one of UNEP's most important constituencies. Ms. Guilbaud-Cox noted that UNEP readily acknowledges its own limitations, and that civil society makes a considerable difference to UNEP's work, by bringing new skills and resources to the table. Furthermore, she noted that UNEP could benefit from the diversity of perspectives that civil society brings to discussions, and reiterated that the conference was an opportunity for civil society to air their views before the UNEP Governing Council meeting in February. Ms. Guilbaud-Cox highlighted that civil society could help raise public awareness and engage the general public on key environmental issues, and that the research and advocacy functions of NGOs were crucial, alongside the political support they offered.

Hilary French, Special Advisor to UNEP's Major Groups and Stakeholders Branch, welcomed participants to the event on behalf of Olivier Deleuze, the Chief of the Major Groups and Stakeholders Branch. She explained that the consultation was part of the ground-up input into the UNEP policy process, and that the Washington DC event was one of six regional meetings feeding into the global process.

The two co-facilitators, Melanie Nakagawa and Tom Hammond then made introductory remarks. Nakagawa summarized her experience at the Civil Society Forum of February 2007, and noted that UNEP's Executive Director, Mr. Achim Steiner, had expressed a strong interest in involving civil society in UNEP's work. She stated that at the last forum, there was an open exchange between Mr. Steiner and civil society representatives, as well as with the authors of UNEP background policy documents on the four thematic issues under consideration by the GC/GMEF. This year, only one theme was selected (Globalization and the Environment: Mobilizing Finance to Meet the Climate Challenge) to allow for a more cohesive discussion.

Tom Hammond then reviewed the meeting agenda and its objectives, and noted a full record of the meeting would be taken and made available following the consultation. He expressed UNEP's desire for an open and frank discussion on the items on the agenda, and said that everyone who wanted to speak on any substantive item on the agenda would be given the opportunity to do so. He added that any additional comments could be made to UNEP staff, Nakagawa or himself, or could be emailed to civil.society@unep.org.

3. Briefing and Question and Answer Session on GEO-4 Report, and on Google Earth Partnership

Ashbindu Singh, the Regional Coordinator of UNEP's Division of Early Warning and Assessment (DEWA) provided a briefing on the recently-released UNEP Global Environment Outlook (GEO-4) report and on UNEP's partnership with Google Earth.

GEO-4 Briefing

Singh highlighted that the GEO-4 report was a synthesis of previous work rather than new research, and introduced the report with a short video. The film conveyed some progress and success stories such as the Montreal Protocol on ozone depletion, but also highlighted a number of persistent environmental problems that nations had failed to adequately address. On climate change, it noted that only 60-80% cuts in Greenhouse Gases could prevent irreversible damage, and argued that the benefits of action outweigh the costs. It also highlighted the importance of an engaged and educated public demanding action from governments. Singh noted that the report was launched globally in 40 cities on October 25, 2007, with a seminar in Washington DC, and the North American launch in Ottawa. The report itself went through an extensive peer review process, with approximately 13,000 comments received on the draft.

Google Earth Partnership Briefing

Singh offered a review of the process that led to a partnership between UNEP and Google Earth. Following the success of the UNEP Atlas *One Planet Many People*, UNEP approached Google to consider a partnership. UNEP provided the content for the website, while Google assisted with the outreach. Singh noted that images are particularly compelling to the human mind and helped to connect evidence of environmental change with the public. Singh provided a virtual demonstration of Google Earth and the UNEP input into the content, and noted its success, as 300 million people have already downloaded Google Earth. The “featured content” was especially popular, and contained UNEP input, but making the information available so users could personalize it for their own requirements remained a key future challenge.

Discussion

A question and answer session followed, focused on the impact of the work, and how the partnership between Google Earth and UNEP might stimulate action. Singh commented that it was much easier to convince people to take action once the factual evidence of environmental change was presented, as in the Iraq 2001 wetlands study. Questions were also raised regarding availability of outreach and educational materials, to which Singh commented that Google had run a campaign for involving school-teachers, and packages were developed to distribute to school deans.

4. Globalization and Environment: Mobilizing Finance to Meet the Climate Challenge

Two keynote presentations were made on the main substantive item on the agenda of the Ministerial Forum: *Globalization and Environment: Mobilizing Finance to Meet the Climate Challenge*.

4.1 Keynote Presentation: Lisa Petrovic, UNEPFI

Lisa Petrovic, of the UNEP Finance Initiative (UNEP-FI) introduced participants to this public-private partnership between UNEP and more than 160 financial institutions worldwide, including commercial and development banks and insurance and re-insurance companies. She discussed the UN Principles for Responsible Investment (PRI), and explained that the UNEP mission was to promote sustainable finance. She added that the working group on climate change has 20 members who review the risks and opportunities for the finance sector in relation to climate change. UNEP FI has written a number of technical papers, including a landmark study in 2002, on the financial implications of climate change.

Petrovic noted that climate change will create both investment opportunities and risks, and that there is now a wealth of information available on the topic, with numerous studies on the economics of climate change such as the Stern Review, and the latest report of the Intergovernmental Panel on Climate Change (IPCC), as well as a recent report of the U.N. Framework Convention on Climate Change (UNFCCC), providing an in-depth analysis of the investment flows required to stabilize emissions at a reasonable level.

Petrovic then provided a brief overview of the key scientific findings on climate change from three major reports, including the IPCC report which highlights that greenhouse gas emissions are the highest in the past 650,000 years. And according to the Stern Review, average global temperatures would rise by 2-3 degrees in the next 50 years if we continue to follow current trends. The Stern review also showed that a 5-6 degree warming would result in an annual loss of 5-10% of GDP, and would be worse for developing countries. The UNFCCC 2007 report on finance was summarized, which noted in particular the key role of the private sector, and a need to engage other stakeholders given the limits of government resources. She emphasized the urgent need for mitigation and action now rather than in 20-30 years, while also noting the importance of addressing adaptation issues in policy discussions.

Petrovic summarized the finance sector's current response to the climate challenge, and noted a rapidly expanding carbon market, with US \$30 billion in carbon equivalent traded in 2006, three times more than 2005. She also noted that cleantech investment and energy efficiency were rapidly growing sectors. Petrovic discussed various financial products addressing climate change, such as the Barclaycard "Breathe" programme, where 50% of their Environment Credit Card's net profits go towards climate change projects. Petrovic noted that many companies believe it important to reduce their own carbon footprints before dealing with their clients, as illustrated by HSBC, the first bank to go carbon neutral.

She concluded with a call for regulatory certainty post-Kyoto for the business community and long-term investors, and policies that would create incentives to change behaviour.

4.2 Keynote Presentation: Lily Donge, Calvert

The second keynote speaker was Lily Donge from Calvert Asset Management Company. Donge emphasized that shareholders, brokers, and financial markets are currently debating climate finance, and that this is an opportune moment for civil society to voice their opinions on these issues. Donge explained that there was a high rate of growth in sustainable investment funds, noting that Calvert Alternative Energy Fund had grown from 2 million to 50 million over the past five years, with a 20% rate of return, and that there was a lot of money to be made given the increasing "green" wave of investment. Donge noted that climate finance is a key issue, and that a climate fund is launched every week in Europe. She highlighted, however, that businesses invest when policy signals are supportive, reiterating Petrovic's comments on the need for a post-2012 policy and regulatory framework. She emphasized that the sector is performance driven, and if funds in such areas were not successful, investors would be likely to return to traditional energy investment funds. In conclusion, she emphasized that private capital ultimately follows the best return, and that an enabling policy environment can significantly influence this process.

4.3 Discussion on Globalization and Environment: Mobilizing Finance to Meet the Climate Challenge

Participants raised questions about the role of voluntary carbon markets. The panel responded by saying that investment would be unlikely to be channeled into a voluntary market on a sufficient scale. Two specific questions were raised concerning the degree to which civil society has a voice in determining the direction of investments in mobilizing finance to address climate change, and the degree to which these investments are equitable and meeting the needs of the poor or disadvantaged. Several participants raised concerns that business and industry were getting too much of a voice, and queried the definition of civil society, debating the merits of combining private and public interest organizations in such forums. Issues of corporate responsibility also arose, in the context of encouraging investors to make investments that were not only profitable but also responsible in the long-term. Lisa Petrovic noted that the PRI aimed to tackle this, and that companies were thinking a lot more about the sustainability of their investments. Speakers highlighted that financial decision-making was based on profitability, therefore civil society needed to show that sustainable options could be profitable over the long term.

5. Major Groups Roundtable Discussion

The keynote presentations were followed by a Major Groups roundtable discussion, preceded by opening comments from five panelists.

5.1 Mike Eckhart, American Council on Renewable Energy (ACORE)

Mike Eckhart provided a summary of ACORE and its approximately 500 members and 11 full-time staff members. Eckhart noted that around 20% of all capital being invested in the energy sphere is in renewable energy, but this capital is not flowing to developing countries. Similarly, whilst \$100 billion was invested in clean energy in 2004 (increasing by 15-20% per year), almost all of this investment was directed to developed countries. Eckhart highlighted a key challenge of diverting these investment flows to developing countries, alongside the need to set big goals, as significant financing will only be mobilized through a compelling vision and business plan.

5.2 Violet Ford, Inuit Circumpolar Council

Violet Ford introduced participants to the Inuit Circumpolar Council, an organization that represents 155,000 Inuit across the world, and the people of the Arctic. She welcomed the attention to climate change but expressed that the Inuit People had been alerted to this over 30 years ago. Ford highlighted inequality in the power of major groups, noting that those with greater financial resources are often more influential. In this context, the Inuit have found it very difficult to obtain financial support, as they are based in developed countries, and therefore do not meet the criteria for capacity building grants. On this note, Ford highlighted that some groups regularly fall through the funding “cracks” and are thus left out of the dialogue on issues such as emerging carbon markets and mobilizing finance to address climate change. Ford emphasized the unique challenges posed for Inuit groups, as the IPCC fourth assessment noted that the Arctic would be disproportionately affected by climate change.

5.3 Rebecca Pearl, Women’s Environment and Development Organization

Rebecca Pearl of the Women’s Environment and Development Organization focused on the gendered impacts of climate change, noting that in all disasters, women are often disproportionately affected. She explained that men and women hold different responsibilities and play different roles in their communities, with women typically in higher poverty, with greater mortality rates and discrimination in resource access. In times of disasters, such inequalities are further exacerbated.

Pearl made several recommendations on how to finance an equitable climate change solution. As a prerequisite to responding to climate change and its impacts, Pearl suggested an urgent need to recognize gender equality, an increase in women’s access to climate friendly technologies, and the financing of women’s green entrepreneurial initiatives. Regarding carbon markets, she argued that the Clean Development Mechanism (CDM) is not benefiting the poorest, particularly women. Pearl also called on participants to encourage recognition of the role of women in adaptation measures, noting that they were disproportionately affected by climate change. Finally, she highlighted the need for capacity building and technology transfer measures that reflect the priorities of women and poor communities.

5.4 David Foster, Blue-Green Alliance

David Foster, the Executive Director of the Blue-Green Alliance (a partnership between the United Steelworkers and the Sierra Club) offered a trade union and labor perspective, noting that markets are imperfect in dealing with global warming. The Stern report noted that climate change is the greatest market failure the world has ever seen, and that it compounds other market imperfections. Foster said that the United Steelworkers and Sierra Club both supported the ratification of the Kyoto agreement, but recognized the need to develop a more effective international framework to move forward.

5.5 Andrew Deutz, Nature Conservancy

Andrew Deutz of the Nature Conservancy addressed the relative costs of mitigation versus adaptation to climate change. He explained that the cost of mitigation to the economy was around 1-3.5% of GDP, whereas the cost of adaptation was in the tens of billions of dollars a year. He emphasized that the key challenge of resourcing funds for adaptation remained, as there was no existing pool of money to use for adaptation, and current ODA flows are an imperfect vehicle.

Deutz proposed possible scenarios for adaptation post-2012, including an increase in the amount of foreign aid aimed at adaptation, and adaptation funds based on the clean development mechanism (CDM), or a 2% tax on global carbon credits which could generate \$1-3.5 billion (assuming a carbon market at 25 times the current ETS levels). He explained that a current legislative proposal in the US senate could create a cap and trade regime in the USA. Deutz argued there was also a need for effective private sector mechanisms to drive funding for adaptation to the poorest of the poor.

5.6 Roundtable Discussion

The five presentations were followed by a lively discussion among consultation participants. The discussion highlighted deficiencies in the international decision making process, including that most private and multilateral funding bodies are male-dominated and conversely that the concerns of women at the community level were all too often ignored. Participants also discussed the role that consumer power could play in influencing decision making and outcomes. Some participants pointed out that civil society could influence long-term profitability, and thus investment decisions, by advocating for public spending on research to develop green technology with marketable applications. Also, the importance of providing green-collar jobs was highlighted.

Participants emphasized the importance of assigning monetary value to ecological services provided by nature, such as climate regulation, noting that the costs and benefits of environmental services continue to be hidden and that incisive research would make it easier for civil society as well as policymakers to make better informed choices.

Youth representatives suggested that the issue of education for youth was extremely important but often overlooked. They also added that the youth constituency urgently needs to be brought into discussions given their future role in society. It was also suggested that sustainability issues in formal education in North America needs to be given greater attention, but also that educational materials should be available also to other age groups to bridge education gaps.

Some participants expressed a frustration with the current weaknesses in the civil society engagement process, particularly the lack of translation of the outcomes of discussion in these meetings into policy or action. They also emphasized the need to address the fundamental issue of improving equity and justice for all stakeholders in climate change debates and in the dialogue over the most effective mechanisms to raise financing to address this challenge.

A number of participants expressed doubt that a consensus on issues could be found across the 9 major groups due to significant inequalities and access to resources across them, raising the fear of major group “ghettoization”. Participants suggested that emphasis should be placed on finding common ground, not dividing efforts. Some felt that the institutions involved already had their own biases, while others felt they had very limited ability to take part in the climate change negotiations due to a lack of funding. It was recognized that greater integration across major groups was required. Although they often do not hold the same values, it was important to find common ground across these groups wherever possible, given the importance of the environmental issue at hand.

6. Introduction to UNEP’s Medium Term Strategy (MTS) and Discussion

The second day of the consultation focused on a review of two UNEP processes—the Medium Term Strategy (MTS) and the proposed guidelines for improving civil society input into UNEP processes.

The session commenced with a teleconference briefing from John Scanlon, Special Advisor to the Executive Director. He explained why the MTS was being prepared and the process undertaken. Scanlon explained that the MTS was being prepared following a resolution passed by the Governing Council in February 2007, which obliged the Executive Director of UNEP to prepare a MTS for 2010-2013, in consultation with the Committee of Permanent Representatives (CPR) to UNEP’s Governing Council.

A CPR working group was created to lead this process, which authorized a consultative process beyond the CPR, including civil society and the private sector. A first draft outline of the strategy has been produced for internal review. Preparation of a first full draft will come shortly, with a view to having a final draft ready for endorsement in Monaco in February 2008.

Participants were briefed on the MTS' purpose as a high level strategic document of approximately 15 pages, offering a background on the current state of the global environment and major trends, and setting out a vision of what UNEP will be like by 2013. The MTS will also outline key priorities and objectives for each of six identified issue priorities: 1) climate change, 2) ecosystem management, 3) environmental governance, 4) hazardous substances, 5) natural disasters and post-conflict, and 6) resource efficiency (encompassing sustainable consumption and production). In addition, the MTS emphasizes the role of UNEP as the hub on a wheel, engaging with many partners in UNEP's decision making process and in the implementation of the strategy.

Discussion

One participant asked whether education and the Marrakesh process on consumption and production were incorporated in the MTS. Scanlon responded that provisions on awareness raising and resource efficiency addressed these issues respectively, and that the document specifically endorsed and supported the Marrakesh process.

Questions were also raised regarding the breakdown of the budget. Scanlon commented that the emphasis was placed on mobilizing contributions to the "environment fund," with a view towards minimizing earmarked contributions.

Representatives from the business community commented that they supported the results-based management approach of the MTS, as it reflected norms in the business community and should enhance UNEP's ability to improve the effectiveness of implementation. Scanlon emphasized that the MTS represented a move towards ensuring UNEP's program of work was entirely results-based, supporting global processes towards improving aid effectiveness. He also noted that UNEP was moving away from sub-programmes linked to particular UNEP divisions, but was instead emphasizing sub-programmes tied directly to stated results.

Responding to a question about authorship, Scanlon informed the participants that the input and comments on the draft MTS were drawn from throughout UNEP and Multilateral Environmental Agreement (MEA) secretariats, but that UNEP's strategic implementation team (headed by Scanlon) was the lead author of the strategy.

7. Review of Discussion Paper on "Guidelines for Improving the Global Civil Society Forum Cycle".

A review of the paper entitled "Guidelines for Improving the Global Civil Society Forum Cycle" was facilitated by Tom Hammond and Melanie Nakagawa, in their capacity as UNEP Civil Society Global Steering Committee Members. Hilary French first provided background on civil society interaction with UNEP over the last six to 10 years. She explained the first Global Civil Society Forum was held in Malmö, Sweden in February 2000, and that the process has become increasingly formalized since then, with regional meetings providing input into the global process. In recent years, each of the regional meetings produced statements that contributed to the development of a global civil society statement for presentation to the UNEP Governing Council/Global Ministerial Environment Forum.

Hammond and Nakagawa summarized the "Guidelines" paper and its key recommendations. Hammond explained that the current strategy recognized geographical balance but neglected major group representation. A proposed scenario of a "9+12 model" for the committee was suggested, with 12 regional representatives (two from each region) alongside one representative from each of the nine major groups. Each of the major groups would conduct their own process to select a facilitating body and representative. It is expected that this strategy will help to improve the balance between regional and major group representation, and allow the identification of individuals best able to represent the views of each major group.

The guidelines also recognized that a global statement diluted the diversity of views aired at the regional meetings. Instead, it was proposed that each of the nine major groups would be free to produce their own statement, with cross-collaboration encouraged wherever appropriate. In addition, the guidelines suggested that steering committee representatives should hold a two-year position instead of the current one-year post to promote greater continuity.

Discussion

In the ensuing discussion, one participant suggested referring to the example of the UN Forum on Forests (UNFF), which was reported to be a successful model for major group engagement, although it was also noted that the business sector as one of the major stakeholders withdrew from the process.

Several participants stressed the fundamental need to improve equity in the consultation process, and ensure equitable outcomes given that some major groups have fewer resources. It was suggested that the private sector often dominates due to influence and access to resources. Attendees stressed that participation must be equitable and fair, not just in terms of participation, but also in terms of the resulting outcomes. The group agreed there was an urgent need for funding and resources to be made available for the more disadvantaged or underrepresented major groups (such as indigenous people and youth), so that they could mobilize and have a voice at the table beyond the UNEP policy and decision-making processes. In response, the co-facilitators said they would recommend that additional funding be made available to proactively assist more disadvantaged groups.

With reference to developing statements, participants highlighted the potential risk associated with presenting too many statements to the GC/GMEF. Several commentators felt that partnerships between groups and joint statements would be useful and should be encouraged. Participants noted that it was crucial for groups to think strategically in terms of partnerships to convey common goals and ideals rather than focusing on their individual group's interests.

They also expressed concern that the topics were technically complex and difficult to process in the short time frame, and thus noted that advance provision and discussion of material would be beneficial. Hammond suggested maximizing use of existing innovations in ICT, such as an online web forum or discussion area where participants could access resources in advance and exchange ideas prior to the conference, but suggested that such a system would need to be effectively moderated.

Participants emphasized that civil society did not have proactive input into the agenda setting process, and noted a disconnect between their input and resulting policy formation and action. They stressed an absolute need to move into collaborative implementation and action, rather than just process consultation, to ensure that civil society remained engaged.

8. Closing Session and Adjournment

Hilary French thanked participants on behalf of UNEP, and expressed her appreciation to the co-facilitators for their work over the past year. She added that any further suggestions for improvements or feedback on the meeting and the process could be sent to her at hf@rona.unep.org. Melanie Nakagawa and Tom Hammond reiterated French's thanks and commented that they greatly appreciated all the input provided by the participants. They summarized key issues and recommendations that had emerged from the discussions. (See Executive Summary above.) Hammond then informed participants that a summary would be circulated for comment, but in the meantime any comments or questions could be submitted to civil.society@unep.org and handled by the major groups and stakeholders branch in Nairobi. Evaluation forms were distributed to all participants and the meeting was closed.

