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Regional Office for Latin America and the Caribbean**

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Information Summary on the Priority Themes of the Regional Action Plan

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I. Presentation

1. To support the deliberations and adoption of decisions by the Fourteenth Meeting of the Forum of Ministers of the Environment of Latin America and the Caribbean (Panama City, November 2003) with regard to modalities of ILAC implementation and, in particular, the selection of priority areas of action that would comprise the Regional Action Plan (RAP), the agencies that form the Inter-Agency Technical Committee (ITC) prepared an information document in which it provided background information for the international discussions and decisions on eight themes, the specific problems in each of them and the options for action in each case. Countries of the region, as well as various regional and international organizations and institutions contributed to the preparation of the above-mentioned document.

2. This document summarizes the main elements that were provided to the Forum of Ministers for it to determine the activities to be carried out in the eight priority themes that comprise the RAP, information which appears in detail in document **UNEP/LAC.IGWG.XIV/Inf.6.**

A. Access to Genetic Resources and Fair and Equitable Distribution of the Benefits arising from their Utilization

3. Biological diversity is important, not only because of its variety, but also because it is the result of thousands of years of evolution and now presents a dilemma regarding how it can be adapted to changing conditions and continue serving as a buffer factor in relation to the threats posed by changes in life-sustaining ecosystems.

4. Access to genetic resources and fair and equitable distribution of the benefits arising from their utilization is related to a variety of complex problems linked to governmental policies and also to local and global market conditions.

5. Latin America and the Caribbean account for 40% of the world's total biodiversity and have 8 of the 25 ecosystems of greatest biological wealth.

6. Various international conventions and agreements have been adopted since 1990, including the Convention on Biological Diversity and the decisions of the World Summit on Sustainable Development, through which an international system has been formed to achieve the conservation and sustainable use of this natural wealth. At the regional level, the Latin American and Caribbean Initiative for Sustainable Development (ILAC) includes indicative goals and purposes in the field of access to genetic resources and fair and equitable distribution of the benefits arising from their utilization.

7. Numerous legal and political factors related to the access to genetic resources and fair and equitable distribution of benefits give rise to complex discussions and pose enormous problems for the regulatory process in which many countries are involved. Problems in this sphere include the lack of a system for the distribution of benefits, the lack of protection for the knowledge and traditional practices of

indigenous peoples and, in particular, the overexploitation of biodiversity by different industries.

8. There are various international instruments that establish regulations in the field of biodiversity, but their scope and efficacy, although they represent progress, still face various limitations. One is the lack of coordination among the diverse regulations, a target problem that warrants attention and joint efforts from the countries that possess biodiversity.

9. Options for action in the field of access to genetic resources and the fair and equitable distribution of benefits arising from their utilization include coordination at the national, subregional and regional level in Latin America and the Caribbean. Having appropriate legal tools, structures and institutional arrangements is essential. Common systems in the field of access and benefit distribution, in particular, could be developed, since that would strengthen the countries of the region in the negotiations being carried out in various forums.

10. An initial step could consist of compiling existing national and subregional laws to evaluate the need for making changes in them. Similarly, it is important that the countries of the region, when they accede to international instruments, explicitly express their willingness to assume specific commitments.

11. Backing should be given to the initiatives proposed by the Group of Like-Minded Megadiverse Countries in the field of access to genetic resources and fair and equitable distribution of benefits arising from their utilization. The region could explore ways of participating in the capacity building projects that these countries have agreed on with international agencies in the field of access and benefit distribution.

12. Some of the options presented in the document are already part of the UNEP Initiative in the sphere of access to genetic resources and fair and equitable distribution of the benefits arising from their utilization.

B. Water Resources Management in Latin America and the Caribbean

13. In Latin America and the Caribbean, water is of vital importance to development. In spite of having 30% of the world's total water resources, population distribution in relation to water is irregular and access to water is inequitable.

14. Water supply has warranted the attention of the international community. Among the Millennium Development Goals, reducing by half the proportion of people without sustainable access to safe drinking water and sanitation by the year 2015 has been proposed. Latin American and Caribbean leaders have recognized the seriousness of this challenge and water management has therefore become a focal point of national policies and, in the case of Mexico, it is considered a matter of national security. Consequently, sound water protection and management has been considered one of the areas of greatest priority in the Latin American Initiative for Sustainable Development (ILAC).

15. At the world level, since 1997 various meetings of the World Water Forum have been held and have analysed the most important items on the water agenda. Other

initiatives and forums include the Millennium Development Goals, the Monterrey Consensus, the Johannesburg Summit and the Latin American and Caribbean Initiative for Sustainable Development.

16. In the region, 86% of the population now has access to a safe drinking water source, but only 49% has access to sanitation services. Calculations indicate that 150 million of the 510 million inhabitants in the region do not have access to a safe drinking water source. In the island States of the Caribbean, the problem is more acute in the most crowded urban areas. In Central America, the main water-related problem is linked to this subregion's vulnerability to natural disasters; more than a third of the Central American population lacks access to safe drinking water and sanitation.

17. Various ecosystems, from tropical forests to estuaries and coral reefs, are associated with water problems in Latin America and the Caribbean.

18. Water problems in the region are linked to other social, economic and environmental challenges. Most of the inhabitants who do not have access to safe drinking water are poor. Most of the poor population (70%) lives in urban areas. In the cities of the region, 13% of the population does not have access to safe drinking water, while shortage is the problem for 25% of the rural population.

19. Agriculture and industry are the principal water consumers in the region. The technological inefficiency of these sectors causes considerable losses in water use, which also leads to problems of erosion and loss of fertile land.

20. In relation to water problems, the authorities of the countries in the region should focus their attention on the following spheres:

- a) Water resources assessment
- b) Capacity building for water management
- c) Water and poverty
- d) Water and sanitation
- e) Changes in water-related production and consumption patterns
- f) Water and human settlements

C. Human Settlements in Latin America and the Caribbean

21. Urban development, in its different facets, has been assigned major importance by the Forum of Ministers of the Environment of Latin America and the Caribbean, which is evident in the Barbados Declaration and in the ILAC.

22. In the region, 75% of the inhabitants are located in urban areas, which is one of the highest rates in the world. Although it is true that greater employment and well-being opportunities are found in the cities, they have experienced chaotic growth in recent years, which has led to environmental problems linked to water pollution and trash management.

23. The theme of human settlements has been the axis of attention in various international forums and initiatives, particularly on the HABITAT Agenda, the Millennium Development Goals, the Barbados Declaration and the ILAC.

24. A considerable percentage of the urban population of the developing world is located in the region of Latin America and the Caribbean, with a high rate living in poverty conditions (40%). A broad portion of the urban population has no access to opportunities in terms of income, which is associated with higher rates of crime, violence and social fragmentation.

25. In the region, the lack of integrated water and sanitation systems and unsound garbage collection and disposal, as well as pollution, lead to non-sustainable urban settlements that increase vulnerability to natural phenomena. Social disintegration, added to poverty and poor institutional law enforcement capacity, particularly at the local level, cause high rates of insecurity in various cities of the region.

26. Accelerated growth in the urban population poses one of the most important challenges for the countries of the region. Growing urbanization rates continue being high, which means that major items on the agenda will be air pollution, water availability, sanitation, water management, etc.

27. Recommendations for activities include:

- a) promote the use of clean energy and renewable energy sources;
- b) promote the development of an efficient public transport system;
- c) increase efforts to reduce pollution rates;
- d) reduce the generation of solid wastes;
- e) assess the links between urban environmental pollution and rates of disease;
- f) continue expanding the coverage of access to drinking water and sanitation;
- g) implement the activities related to the local Agenda 21;
- h) reduce the vulnerability of urban settlements.

D. Renewable Energy

28. The question regarding the generation of sustainable energy and expansion of the proportion of renewable energy sources has been a topic of technical and political discussions held in forums of Latin America and the Caribbean and, since the Thirteenth Meeting of the Forum of Ministers of the Environment of Latin America and the Caribbean, from the Johannesburg Summit to the recent meetings of the CSD.

29. Although the renewable energy initiative was not approved at the Johannesburg Summit, that does not mean that the international community has remained indifferent; in fact, the Johannesburg Plan of Implementation includes various provisions and lines for expanding the proportion of renewable energy in the global energy supply.

30. In the countries of Latin America and the Caribbean, several renewable energy initiatives have been implemented and, in the region as a whole, the importance of

adopting regional action approaches and alternatives has been recognized. This is particularly notable in the case of the island developing States of the Caribbean.

31. A comparison of the experiences and activities under way in Latin America and the Caribbean shows an obvious deficit in implementation that can be seen in the low priority given to the theme at the country level. Available information also indicates that renewable energy activities are, for the most part, specific and only of a subregional scope as an exception.

32. Options for activities in the field of renewable energy could be those that appear below:

- a) develop alternatives in regional consultation forums preparatory to global forums;
- b) carry out the activities provided for in the ILAC;
- c) evaluate the perspectives of the countries being able to achieve the goal of 10% renewable energy called for in the ILAC;
- d) promote and disseminate methodologies and instruments on sustainable production and consumption;
- e) learn from successful experiences carried out through the projects promoted by the ITC member agencies.

E. Trade and Environment

33. Trade and environment are a priority of growing importance to the region, both because economic growth has an impact on environmental conservation and because of trade's capacity to encourage the creation of new markets for environmental products. It is recognized that trade serves as a vehicle for sustainable development only in cases where the institutional structure appropriately safeguards compliance with environmental regulations.

34. The theme has gained special importance in the region as a result of the numerous bilateral and regional trade agreements. Recognition of the political importance of the interaction between trade and environment is evident in the Free Trade Agreement of the Americas. These links have been recognized in other statements and declarations, particularly in those of the Johannesburg Summit.

35. In the case of the region, although various trade negotiations are under way, recognition of the links between trade and environment are not reflected on the agenda of these negotiations or they are considered a matter of marginal importance. Trade agreements offer an opportunity for the environmental institutions to strengthen their own capacities, including those related to the enforcement of national regulatory systems. Some initiatives of forums and meetings held throughout 2003 were aimed at that objective.

36. Several lessons have been drawn from the experiences of Costa Rica, Chile and Mexico in their signing free trade agreements. From these experiences, it has been possible to identify some emerging issues in this sector: understanding of the links among sustainable development, trade and environment should be improved;

interinstitutional coordination is of vital importance; compliance with the legislation in force should be strengthened; and new institutions and administrative capacities should be developed.

37. Options for activities in the sphere of trade and environment could include the following considerations:

- a) all the parties involved would benefit from growing collaboration and from recognition that each of them has comparative advantages and limitations;
- b) to expand and improve cooperation among the countries of the region, requirements in the field of trade and environment must be specific and explicit;
- c) in view of the need to expand training, it would be advisable to begin with efforts that have already been made in this sphere.

F. Economic Instruments and Fiscal Policy

38. At the Eleventh Meeting of the Forum of Ministers of the Environment of Latin America and the Caribbean there was a statement in favour of "Support for Environmental Management". What is now proposed is to modernize environmental management on the basis of the design and application of economic instruments resulting from experiences in the region and exchanges among the countries.

39. The economic instruments have characteristics that can be used to improve environmental performance, internalize environmental damage or achieve environmental objectives at a low cost. In spite of their important potential, the use of economic instruments to achieve environmental objectives has been very limited in the region. Consequently, the ITC agencies have aimed their activities at assessing the lessons learned in cases where economic instruments have been used and to developing practical recommendations for governments to use when they design and apply economic instruments.

40. The ILAC is clearly in favour of creating or strengthening the necessary economic, fiscal and tax instruments to promote sustainable development. In particular, it proposes establishing a system of economic incentives for industrial production and processing projects that generate savings in the use of natural resources and energy and reduce the generation of air, land and water polluting agents.

41. While most of the countries in the region are facing fiscal restrictions, environmental authorities are facing problems in strengthening their capacities through larger budget allocations. The effectiveness of economic instruments for environmental management depends on efficiency in the way markets function and the presence of solid national institutions with sufficient management capacity to undertake activities at all levels.

42. Latin America and the Caribbean have limited experience in the use of economic instruments. In general they are still considered an imposition from the exterior and a cost-increasing factor that discourages development. Meanwhile, the

use of subsidies that can be counterproductive in environmental terms and can lead to unsustainable practices continues.

43. Some options for activities are listed below:

- a) link new areas for political and institutional action by working with fiscal authorities;
- b) adapt the current legal/institutional structure to facilitating the operation of environmental management instruments at the different government levels and ensuring their harmony with other political sectors;
- c) consolidate the generation of local and national environmental statistics and information.

G. Climate Change in Latin America and the Caribbean: current state and opportunities

44. Climate change is considered one of the most complex world problems and one of the most serious challenges for the scientific community and decision-makers.

45. The potential threats that climate change poses for the natural base that sustains economic growth in the Latin American and Caribbean countries has prompted them to incorporate environmental considerations in their development policies. Although poverty eradication, education, health and housing continue to be priority problems in the countries of the region, climate change is being assigned increasingly greater importance on national agendas.

46. In relation to climate change, Latin America and the Caribbean present the following characteristics:

- a) it is the region that emits the smallest amount of greenhouse gases;
- b) even though they form part of the group of countries not listed in Annex 1 of the UNFCCC, all the Latin American and Caribbean countries have ratified the Convention;
- c) the region has actively participated in UNFCCC negotiations, particularly in terms of the operation of the Clean Development Mechanism (CDM);
- d) although emphasis was previously placed on mitigation, the region's current focus of attention is on vulnerability;
- e) most of the countries of the region form part of G77, and the Caribbean countries belong to the Alliance of Small Island States.

47. The theme has been addressed by the Forum of Ministers as part of efforts to agree on shared positions. There are also other initiatives related to the vulnerability of Central America and the Caribbean. Agencies and institutions that operate in the region are carrying out projects linked to climate change.

48. In the sphere of climate change mitigation activities, there are multidimensional options:

- a) they are associated with reducing emissions or increasing emission sequestration;
- b) they can be implemented through energy supply and consumption;
- c) they can be applied both to fuel burning and emission leaks;
- d) they are viable in a wide range of sectors.

49. Mitigation measures in the region have been aimed at energy efficiency, renewable energy and transport.

50. Vulnerability and adaptation pose a growing challenge and consequently form one of the priority objectives for the region. The Caribbean island countries, together with Chile, Ecuador and Uruguay, consider coastal areas as priority systems in their analysis of vulnerability to climate risk. In turn, adaptation poses challenges that the region should face in the short term.

51. The identification and prioritization of projects to achieve synergies between adaptation and mitigation should be a priority in the development policies of the countries in the region and a major requirement in the assessment of mitigation projects. Some adaptation and mitigation projects are already under way and will provide a source of important experience.

52. There are various spheres in which capacity building in the field of climate change is needed in the region:

- a) preparation and application of emission reduction plans;
- b) integration of the theme in economic, social and environmental policies;
- c) promotion of sustainable management of greenhouse gas (GHG) sinks;
- d) promotion of research and information exchange;
- e) development of education, training and public awareness programmes;
- f) preparation of regular UNFCCC reports and communications;
- g) promotion and development of systematic monitoring.

53. In the region, ITC member agencies are carrying out numerous projects linked to climate change problems.

54. Latin America and the Caribbean is one of the regions in which climate change involves a symbiosis of threats, risks, challenges and opportunities. It is facing climate changes to which it should adapt by undertaking immediate measures, particularly in relation to vulnerability. The region can contribute to the mitigation of climate change, but its contribution requires an appropriate balance in its adaptation activities.

H. Environmental Indicators

55. The use of indicators is one of the means most frequently used to follow up on trends and minimize economic risks. Decision-makers need timely, precise and reliable information on environment and sustainable development. Recognizing this reality prompted the Forum of Ministers of the Environment of Latin America and

the Caribbean to adopt various related decisions, beginning at the Tenth Meeting of the Forum (1996) and leading up to the proposal on indicator use in the ILAC, which was incorporated in the Johannesburg Plan of Implementation.

56. Efforts have been undertaken in the region to develop a culture of sustainability and environmental indicator design and use. The requirements for assessing progress in attaining the Millenium Goals gives rise to an additional challenge for the region in this sphere.

57. Various countries in the region lack the technical and financial capacity to develop planning and monitoring systems. Even in cases where the importance of indicators is recognized, the necessary resources and efforts to apply them are not granted. Consequently efforts are generally limited or appropriate institutional coordination does not exist, which gives rise to numerous initiatives.

58. There is an urgent need to achieve institutional coordination and the establishment of activities related to the generation of data and the development of regional indicators, which, first of all, calls for the identification of duplication and conflicts in data compiling.

59. The indicators can help to identify the forces that contribute to the improvement or deterioration of economic, social and environmental conditions, which allows the establishment of precise goals for future activities and enables the governments and society to assess the progress achieved through their activities. To use these tools, the region should confront the obstacles that affect the development and utilization of indicators. Work in this field could focus on the design of indicators to monitor progress in achieving the ILAC goals. The process could consist of the following steps:

- a) reach agreement on a core set of indicators that are already being used in the countries of the region;
- b) reach agreement on a common methodology to measure the core set of indicators;
- c) undertake a capacity building project and promote the collection and standardization of data and indicators at the country level in the framework of the Forum of Ministers;
- d) compile data and indicators, and incorporate them in a regional environmental information system that will enable the Forum of Ministers to assess the progress made in achieving the ILAC goals.