



**United Nations Environment Programme
Regional Office for Latin America and the Caribbean**

PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT

**Sixteenth Meeting of the Forum of Ministers of the
Environment of Latin America and the Caribbean**

**Santo Domingo, Dominican Republic
27th January to 1st February 2008**

A. PREPARATORY MEETING OF EXPERTS
27th to 29th January 2008

Distribution:

Limited

UNEP/LAC-IG.XVI/Ref.5

Friday 30th November 2007

Original: English

UNEP and Climate Change - Question and Answer -

Message from the Executive Director

At the 100th meeting of the Committee of Permanent Representatives (CPR) held in September 2007, while expressing general support for the theme of the Ministerial Consultations for the tenth special session of the Governing Council/Global Ministerial Environment Forum (GC/GMEF), 'Mobilizing finance to meet the climate challenge', CPR members raised a number of questions related to UNEP's approach to addressing climate change.

I provided a verbal response at the Meeting and also undertook to provide answers in writing to be distributed to the CPR.

The United Nations family is galvanizing behind the successful negotiation of a post-2012 regime under the auspices of the United Nations Framework Convention on Climate Change (UNFCCC). This message was most recently conveyed by the Secretary-General through his High-Level event on climate change. UNEP is a part of this collective effort.

The magnitude of the threat posed by climate change will require all United Nations bodies to respond to the challenge in a coordinated manner and within the context of their respective mandates. UNEP will play its part as the principal United Nations body in the field of the environment.

Mobilizing sufficient finance to meet the climate challenge extends well beyond global mechanisms negotiated under the UNFCCC. It will require efforts at local and national levels to engage with the private sector to achieve the necessary additional investment and financial flows, which will provide the focus for the Ministerial Consultations at the 10th Special Session of the GC/GMEF with leaders from government, the United Nations system, the private sector and civil society.

UNEP will continue to support the successful implementation of the UNFCCC and the complementary practical measures that can be taken by Governments at all levels, by civil society and the private sector to respond to the challenge. This work must go on alongside the negotiations for a post-2012 regime.

I trust that this short 'question and answer' paper addresses the questions posed during the 100th meeting of the CPR and invite you to contact my office should you require any further clarification.

**Achim Steiner
Executive Director
UNEP**

Questions

1	Is UNEP seeking to become a financial institution?
2	Is UNEP duplicating the role of the UNFCCC?
3	What is UNEP already doing to address climate change?
4	What is UNEP's mandate to work on climate change?
5	How does UNEP organize itself to deal with climate change?

1

Is UNEP seeking to become a financial institution?

1. UNEP is not seeking to become a financial institution.
2. UNEP recognizes the enormous challenge of financing both climate change mitigation and adaptation measures and the role that sound science, policy and regulatory frameworks, capacity building and technology transfer will play in meeting the 'financing challenge'. The United Nations Framework Convention on Climate Change (UNFCCC) estimates that USD200-210 billion of additional investment and financial flows will be required by 2030 to meet the mitigation challenge, with tens of billions of dollars required each year for decades to come to meet the adaptation challenge. Moreover, UNFCCC findings indicate that 86% of financial and investment flows are expected to come from the private sector.

UNEP working with finance institutions

Like many other sectors of the globalized economy, the finance sector is searching for ways to understand and respond to the climate challenge as an increasingly important element of their operating environments. In line with its mandate, UNEP works with the finance sector, explaining the issues in terms that resonate, to help them understand why active engagement makes good business sense, and assist committed institutions in changing the way they operate (i.e. through the UNEP Finance Initiative).

3. UNEP seeks to use its convening power to bring together Ministers, United Nations agencies and conventions, the private sector and civil society to connect the measures required to meet the climate challenge with the means of financing such measures, both public and private. In doing so, Ministers of Environment who have a responsibility to advise cabinet colleagues on addressing mitigation and adaptation measures, will also be in a position to discuss the means of financing such measures and to propose policy and regulatory measures that will serve to encourage and support public and private investment.

4. The GC/GMEF provides the opportunity for an open discussion on how to move ahead with practical measures to meet the climate challenge beyond the context of formal negotiations under the auspices of the UNFCCC, recognizing that mobilizing sufficient finance to meet this challenge extends well beyond global mechanisms negotiated under the UNFCCC.
5. The GC/GMEF is intended to address emerging policy issues that may or may not be reflected in the UNEP Programme of Work and Budget. It has the mandate to look forward and provide broad policy advice and guidance for Member States and programmes within the United Nations system.

The GC/GMEF

The GC/GMEF is the United Nations high-level environment policy forum that brings the world's environment ministers together to "review important and emerging policy issues in the field of the environment"⁽¹⁾, including through instituting "a regular dialogue, to address the apparent disparity between policy and funding with multilateral financial institutions", recognising that "better coordination of decision-making on international environmental policy with decision-making on financing should benefit the funding of environmental aspects of sustainable development"⁽²⁾

The GC/GMEF provides broad policy advice and guidance to, inter alia, "promote international cooperation in the field of environment"⁽³⁾ and in doing so it invites officials of United Nations agencies and heads of multilateral environmental agreement secretariats "to participate and interact with ministers at meetings" and also seeks to "promote the meaningful participation of representatives of major groups and non-governmental organizations including the private sector..."

2

Is UNEP duplicating the role of the UNFCCC?

6. UNEP is complementing rather than duplicating the role of the UNFCCC and its Secretariat.

7. UNEP does not seek to lead the inter-governmental negotiations being conducted under the Convention. UNEP does however seek to support the negotiation process, as appropriate and in continuous consultation with the UNFCCC Secretariat. For example UNEP is helping build the capacity of negotiators in the lead up to the Bali COP from Africa, Asia, Latin America and Small Island Developing States at the request of the UNFCCC Secretariat. Similar support to negotiators has also been provided in the lead up to other COPs.

8. The UNFCCC and its Secretariat work within the bounds of the Convention. The Secretariat relies largely on the science base of others, which it draws from sources such as the Intergovernmental Panel on Climate Change (IPCC), established by UNEP and the WMO in 1988. UNEP, through the IPCC and other assessments and sources of analysis, can inform the negotiation process on environment related issues, their inter-linkages, and their possible relevance to the negotiation agenda. The UNFCCC Secretariat does not have the mandate or the capacity to implement the Convention, which rests with Parties themselves. Parties have numerous obligations under the Convention, and the discharge of such obligations is often carried out with assistance from within the United Nations system, including the UNFCCC Secretariat. UNEP has been active in providing such assistance and will continue to do so.

⁽¹⁾ United Nations General Assembly Resolution A/RES/53/242 1999.

⁽²⁾ UNEP GC Decision *insert* SAS.VII/2 2002.

⁽³⁾ General Assembly Resolution 2997 (XXVII) 1971.

The UNFCCC Secretariat

The UNFCCC Secretariat has been created to carry out the functions set out in Article 8 of the Convention. According to the UNFCCC website the “main functions of the secretariat are to make practical arrangements for sessions of the Convention and Protocol bodies; to monitor implementation of the commitments under the Convention and the Protocol through collection, analysis and review of information and data provided by Parties; to assist Parties in implementing their commitments; to support negotiations, including through the provision of substantive analysis; to maintain registries for the issuance of emission credits and for the assigned amounts of emissions of Parties that are traded under emission trading schemes; to provide support to the compliance regime of the Kyoto Protocol; and to coordinate with the secretariats of other relevant international bodies, notably the Global Environment Facility (GEF) and its implementing agencies (UNDP, UNEP and the World Bank), the Intergovernmental Panel on Climate Change (IPCC), and other relevant conventions”.

The UNFCCC and the Kyoto Protocol are both serviced by the same Secretariat. According to the UNFCCC website it has approximately 200 staff based in Bonn, Germany and a total annual budget of approximately USD28 million, the majority of which is directed towards the Kyoto Protocol.

9. All United Nations agencies are responding, in a coordinated manner, to the climate challenge within the scope and context of their own mandates. UNEP will play its part as “*the principal United Nations body in the field of environment*” that “*promotes the coherent implementation of the environmental dimension of sustainable development*” within the United Nations system and “*serves as an authoritative advocate for the global environment*”⁽⁴⁾. The broad suite of measures being taken within the United Nations family has been captured on the dedicated United Nations Climate Change website available at: <http://www.un.org/climatechange/index.shtml>

10. The many different and mutually supporting roles of various United Nations agencies is reflected by the Secretary General establishing a core Climate Change Advisory Team comprising UNDESA, UNFCCC, UNDP and UNEP to advise him on his High Level Event on Climate Change – “The Future in our Hands: Addressing the Leadership Challenge of Climate Change”. The UNEP Executive Director was asked to take the institutional lead for the Thematic Session on Adaptation: “From vulnerability to resilience: the challenge of adaptation”.

⁽⁴⁾ Nairobi Declaration of 1997.

3

What is UNEP already doing to address climate change?

11. UNEP is involved in an extensive range of climate change related activities, dealing with advocacy, science, policy, law, technology, investment and markets as is reflected in its approved Programmes of Work, and UNEP GEF portfolio. Within the context of its mandate, there are three broad inter-related areas of UNEP interventions:

Global environmental advocacy and policy advice

Internal – examples

12. UNEP played a key role in advocating a United Nations system-wide response to climate change in the Chief Executives Board. It contributed to the development of the Secretary-General's High-Level event on climate change as one of the core organizing entities in the Secretary-General's Climate Change Advisory Team and is leading the drive within the United Nations system to become carbon neutral, which has been requested by the Secretary General. UNEP will focus its Ministerial Consultations during the next GC/GMEF (February 2008) on '*Mobilizing finance to meet the climate challenge*' both for mitigation and adaptation measures.

External – examples

13. UNEP has highlighted the positive steps being taken by many States to address climate change to help create a positive atmosphere for negotiations for a post-2012 regime. Most recently, it has also drawn attention to the links between the Montreal Protocol and climate change mitigation. UNEP led a highly successful World Environment Day campaign in 2007 on "Melting Ice – A Hot Topic?" as part of its awareness raising and outreach mandate on climate change. It will continue to reinforce the links between climate change and the environment, including in relation to making energy choices. UNEP is also enhancing its efforts to communicate the conclusions of the IPCC reports at regional and national levels.

UNEP and the IPCC – providing the science on climate change.

UNEP and World Meteorological Organization (WMO) created the Intergovernmental Panel on Climate Change (IPCC) in 1988 to provide the world with the Global science base for understanding climate change. UNEP and the WMO have provided the IPCC secretariat since that time and UNEP is providing ongoing support to the work of the IPCC as well as staff resources (e.g. Deputy Secretary).

Facilitating the development and evolution of norms and standards

14. UNEP helps fill gaps in normative frameworks, both mandatory and voluntary, for example through the policy advice and guidance provided through the GC/GMEF and through its work on environmental/sustainability standards for cleaner and less carbon intensive energy options such as renewable energy and biofuels. Such work does not duplicate the work of the UNFCCC.

UNEP's work assists decision makers in acquiring a better understanding of the possible unintended environmental consequences of energy options and how norms and standards might address them.

Technology support and strengthening capacity The Bali Strategic Plan

15. UNEP is engaged in many activities to address the climate challenge, which it proposes to further expand. These activities involve building the capacity of Member States at national and regional levels to, for example:

- a) actively participate in negotiations (see above);
- b) build a sound knowledge base for decision making;
- c) make informed choices on meeting energy needs in an environmentally sound manner;
- d) access all available funding sources e.g., the Clean Development Mechanism and the GEF;
- e) access the best available science, including through assessments, to understand national and regional impacts;
- f) reduce vulnerability to climate change and take concrete steps to adapt to climate change based upon best available science; and
- g) create the necessary governance and legal frameworks.

16. UNEP also seeks to facilitate and promote technology support and access to finance for example through:

- a) South-South cooperation;
- b) cleaner production centers;
- c) sharing of best practices;
- d) demonstration of new approaches to financing cleaner energy investments; and
- e) access to environmentally sound technologies.

17. This includes facilitating the establishment of markets for climate friendly technologies, and (in the future) facilitating access to the finance required for climate change adaptation.

A brief selection of current UNEP climate change projects and activities.

UNEP is providing methodological guidance, knowledge management tools and **capacity building support to CDM project proponents in over 25 developing countries**, with the aim of enabling them to fully participate in the global carbon market, an effort that is closely coordinated with UNDP and the World Bank. Through its Sustainable Buildings and Construction Initiative, UNEP is **promoting energy efficiency in buildings** in an effort that involves architects, engineers, property developers, insurance companies, material producers, local authorities, and maintenance companies. Together they are developing global metrics for **defining energy efficiency in different building sectors** and ways of allowing market mechanisms to support energy efficiency investments.

UNEP is **coordinating solar and wind energy resource assessments in developing countries** that provide accurate information on the extent to which these renewable energy resources can contribute to national energy needs and maintaining the data in a globally accessible archive.

UNEP is **helping banks and other financial institutions in developing countries** establish consumer and small business **lending programmes for renewable energy technologies** such as solar hot water and PV home systems. At the request of the UNFCCC Secretariat, UNEP is **helping build the capacity of negotiators from Africa, Asia, Latin America and Small Island Developing States** in the lead up to the Bali COP.

UNEP is contributing to several multi-stakeholder efforts that are **developing sustainability criteria for the production of biofuels**, including determining which production systems contribute most to GHG emissions reduction while safeguarding other environmental and social values

UNEP's GEO 4 and regional GEO reports **document the effects of climate change and the ongoing efforts to mitigate and adapt to the threat.**

A joint UNEP GEF/DELCO project in East Africa has been underway since 2005 to **use climate information to effect changes to national policies in Rwanda, Kenya and Mozambique.**

Twenty-four sub-regional assessments were implemented in Africa, Asia, Latin America and small island states through UNEP GEF under the international project 'Assessments of Impacts and Adaptations to Climate Change' (AIACC).

UNEP GEF is **preparing national adaptation plans in 15 countries under the National Adaptation Programme of Action (NAPA)** portfolio and UNEP has just received approval for their follow-up in Mauritania and Djibouti.

UNEP **chaired the Technical sub-Committee on Environment and Climate Change** of the Spanish MDG Fund, and is involved with 12 out of 18 concept notes approved for funding.

UNEP was **a member of the Secretary-General's core climate change advisory team** – comprising UNDESA, UNFCCC, UNDP and UNEP – to advise on his High Level Event on Climate Change – “The Future in our Hands: Addressing the Leadership Challenge of Climate Change”. The UNEP **Executive Director was asked to take the institutional lead for the Thematic Session on Adaptation:** “From vulnerability to resilience: the challenge of adaptation”.

4

What is UNEP's mandate to work on climate change?

18. UNEP has an extensive mandate to work on climate change spanning many decades. UNEP and the WMO created the IPCC in 1988, which has provided the world with a strong and credible scientific basis for both understanding and responding to the climate challenge.

19. Climate change is an environmental change phenomenon that has profound economic and social implications. UNEP is "the principal United Nations body in the field of environment" that "promotes the coherent implementation of the environmental dimension of sustainable development" within the United Nations system and "serves as an authoritative advocate for the global environment".⁵

20. Climate change is generally recognized as the major environmental problem facing the globe. The level of importance States collectively attach to tackling climate change is apparent from it being addressed in key high-level fora in 2007, including the United Nations Security Council, the G8 Summit, the APEC Summit and the Secretary-General's High Level Event.

21. UNEP's approach to climate change is grounded in the expectations of Member States expressed through UNEP mandates, GC/GMEF decisions, approved programmes of work for 2006-2007 and 2008-2009, and the global framework agreed through the UNFCCC. For example:

- a) the Malmo Ministerial Declaration of 2000 recognized the "tremendous risk of climate change" as an environmental issue that needs to be addressed;
- b) the Bali Strategic Plan includes "climate change" as a main thematic area; and
- c) the approved Programmes of Work for 2006-2007 and 2008-2009 incorporate a range of activities across Divisions to address the climate challenge.

22. The decisions from the 24th Session of the GC/GMEF, including the approved Programme of Work 2008-2009, request the Executive Director to:

- a) "Continue the shift in emphasis from delivery of outputs to achievement of results";
- b) give high priority to the "immediate implementation of the Bali Strategic Plan..."; and
- c) give "particular attention to high priority areas."

23. UNEP's mandate can be sourced both generally and specifically. Particular reference is made to GC.2997 (XXVII) (1972), the Nairobi Declaration (1997), the Malmo Ministerial Declaration (2000), the Bali Strategic Plan (2005) and to GC.22/3 Climate and atmosphere (2003) and the approved programmes of work for 2006-2007 and 2008-2009.

⁽⁵⁾ Nairobi Declaration of 1997.

5

How does UNEP organize itself to deal with climate change?

24. Governments have recognized climate change as the top global environmental priority. Within UNEP it is the first activity area within the approved Programme of Work to be organized in a more coherent, cross divisional manner with a stronger focus on results, and a new forward looking results based framework is also being developed. Thus far UNEP has:

- a) commissioned a scoping paper from a group of internal and external experts in climate change to help inform a discussion by the Senior Management Team on potential opportunities for strengthened UNEP interventions;
- b) appointed a lead Division to coordinate UNEP's climate change work⁶ and
- c) proposed that the Ministerial Consultations for the GC/GMEF 10th Special Session in 2008 focus on the need to mobilize finance to meet the climate challenge.

25. In addition UNEP will:

- a) by November 2007, develop a draft strategy for 2007-2009 on climate change based upon its comparative advantage existing mandates and decisions to guide UNEP interventions. The Strategy will be reviewed at the end of the 2008-2009 Programme of Work.
- b) by the end of 2007, develop a coherent UNEP-wide results based strategic programme on climate change for 2008-2009 based upon the approved Programme of Work 2008-2009. This work is being led by the Division of Technology, Industry and Economics (DTIE) and involves all Divisions.
- c) better integrate the work of the UNEP Global Environment Facility Division into UNEP's work on climate change by other Divisions, and in particular the experience gained through its adaptation projects.
- d) develop a Medium Term Strategy for 2010-2013 (MTS) in consultation with the Committee of Permanent Representatives (CPR) for approval by the GC/GMEF in 2009 that incorporates climate change as a priority to be addressed by UNEP over that period. A draft of the MTS will be presented to the GC/GMEF 10th Special Session in 2008.
- e) develop a results based strategic framework and Programme of Work 2010-2011 that incorporates climate change in consultation with the CPR for approval by the GC/GMEF in 2009.
- f) Work with UNON to effectively 'green' the Gigiri compound and support other UN agencies to do the same.

⁽⁶⁾ Division of Technology Industry and Economics.

26. In order to fulfill its mandate of exercising leadership on environmental issues within the United Nations, and to deliver on the decisions adopted by the GC/GMEF on International Environmental Governance at its 7th Special Session, UNEP will in addition:

- a) continue to support the Secretary-General in his efforts to address the climate challenge;
- b) through the focus of the Ministerial Consultations at the next GC/GMEF 10th Special Session on '*Mobilizing finance to meet the climate challenge*' provide broad policy advice and guidance for programmes within the United Nations system on the range of policy and regulatory responses that are available to respond to the climate challenge in a manner that facilitates the creation of a favourable investment climate;
- c) continue to lead the drive within the United Nations system to become carbon neutral and adopt 'green' procurement practices, which has been fully supported by the Secretary-General;
- d) make full and proper use of the Environmental Management Group (EMG) to coordinate efforts within the United Nations system to become carbon neutral and adopt 'green' procurement practices and to promote UN-wide climate change initiatives;
- e) support the role and function of the UNFCCC Secretariat in facilitating intergovernmental negotiations on the post 2012 regime, including through building the capacity of negotiators from developing countries and helping to generate positive momentum in the lead up to and after the Bali COP;
- f) expand the partnership activities with UNDP on carbon finance and adaptation to help implement the Nairobi Framework and contribute to the Nairobi Work Programme on Impacts, Vulnerability and Adaptation – and develop joint programmes under the Spanish MDG Fund 'Environment and Climate Change' window;
- g) actively participate in all One UN pilot countries, with a view to, inter alia, mainstreaming responses to climate change into national development processes and the UNDAF.