

inCOPatible?

The 6th Conference of the Parties of the UN Convention on Climate Change ended without agreement. Will the Kyoto Protocol ever become a reality? Richard Sherman reports from inside the negotiations.

Less than two weeks ago the Sixth Conference of the Parties (COP-6) to the United Nations Framework Convention on Climate Change (UNFCCC) - the World Climate Summit- was hailed as a turning point, a milestone where the global community would finally agree on the nuts and bolts to make the 1997 Kyoto Protocol a reality. From the 13-24 November 2000, over 7,000 participants from 182 governments, 323 inter-governmental and non-governmental organisations, and 443 media institutions were drawn to the Hague to iron out a deal. COP6's aim was to conclude the 1998



More hot air?

Buenos Aires Plan of Action, which included reaching global consensus on one of the Kyoto Protocols most controversial features, the incorporation of various market based Flexibility Mechanisms, as well as agreements on technology transfer, capacity building, domestic action and universal equity.

COP6 was meant to become recognised in history as the watershed moment, where the global community laid the foundation for reversing the global threat of climate change. Staring into a global impasse, the president of the Conference, Environment Minister Jan Pronk of Holland, tried to figure out what the interests of different blocks and key countries on the various issues were. He then tried to broker a deal. Facing "a take it or leave it threat", the meeting ended with parties deciding to suspend COP-6 and requested its President to seek advice on the desirability of resuming that session in May/June 2001 with the aim of completing work on negotiating texts and adopting a comprehensive and balanced package of decisions on all issues under the Buenos Aires Plan of Action.

The COP6 post mortem, must stress one key failure: The US and its Umbrella Group colleagues (Canada, Japan) failed to present an

enlightened and informed approach to assist in averting failure of the climate change negotiations. The Developing countries (DCs) asked the COP for substantial new sources of financing to be put on the table for capacity building (figures of \$500 million), technology transfer and a fund for adaptation to the impacts of climate change. The US consistently refused to put any money on the table and continued to use the threat of its ratification of the Protocol as a means to put pressure on the EU and Group of 77 to get what they want in terms of rules and guidelines for the Protocol Flexibility Mechanisms in particular the Clean Development Mechanism and the use of forests as CO2 sinks to offset greenhouse gas emissions. It was this issue that possibly led to the evaporation of any conclusion on the Hague package deal.

The EU supported by the majority of environmental NGO's had insisted that sequestering carbon should not be treated as equivalent to curbing fossil energy emissions, when there is nearly universal agreement that a long-term solution to climate change will require

fundamental changes in the energy sector, with a shift away from primary reliance on fossil fuels and toward renewable technologies and energy sources.

According to the South African Deputy Minister of Environmental Affairs and Tourism,

Contents	
Climate Change	1
Editorial	2
News	3
UNEP Financial Services Initiative	4
Desertification	5
Financing for Development	5
Global Agreement on Trade & Services	6
Global Environment Facility	7
Prior Informed Consent - INC 7	8
Meet the International Advisory Board	9
Diary Dates, Events & Conferences	10

Ms Rejoice Mabudafasi, many of the Annex 1 proposals that were tabled as a compromise deal were regarded by most parties as problematic and not going far enough in safeguarding the credibility of the Kyoto Protocol. The Group of



Sink?

77 and in particular the Association of Small Island States found that the financial proposal in the compromised deal proposed by the President of the conference was liquid and not concrete "it is crucial to have some domestic action, which will secure the implementation of developed countries of their commitments."

While COP6 did not end with an agreement on the architecture of the Kyoto Protocol. Yet, to dwell on the final result does severe injustice to the multitude of positive advancements made toward reaching a REAL agreement. Climate Action Network (CAN), the largest global coalition of environmental NGOs involved in the issue of Climate Change, has called for a renewal of talks between the United States and the European delegations within the upcoming weeks to memorialise the many advancements made toward reaching agreement on the Kyoto Protocol. In renewing the talks between the US and EU, both negotiating blocks would have a chance to highlight the points of contention that held back an agreement as well as allowing for the many positive advancements to be solidified and grounded to become the foundation for a successful future agreement. Once the US and EU meet, the documented advancements and points of contention should then be disseminated to the G77/China for review. The opportunity to capitalise on years of hard work by memorialising the advancements made toward an agreement should not be passed up. The Climate Action Network would not like to see those who have worked years toward an agreement on the Kyoto Protocol disenfranchised because the conference was one day too short.

On her return to South Africa, Minister Mabudafasi expressed her deep disappointment at the outcome of the climate change. The Minister said, "it is South Africa's view that governments must show more willingness to shift from their original positions if progress is to be made. The agreement we seek must be a creative balance of science, economics and politics. We need a plan that must reduce emissions, combat climate change and preserve the fate of the planet." As Parties look to conclude COP6 sometime in May/June 2001 they need to reconfirm their commitment to reach agreements at COP6 in order to make the Kyoto Protocol ratifiable and ensure the early entry into force of the Protocol by the latest Rio+10 Summit in 2002. They must resolve to take the political leadership necessary for the success of conclusion of a resumed COP6 and decide upon sound rules to maintain the environmental integrity of the Kyoto Protocol.

Richard Sherman, South African Climate Action Network

Contact: rsherman@icon.co.za

Contact: www.unfccc.int

Editorial

The main focus of media attention around the world has been squarely on the Climate negotiations in the Hague, and indeed this fine journal is no exception. However, whilst this whirlwind of activity in Northern Europe has gone on, other processes around the world have proceeded a little more sedately.

New York saw continued discussion on Earth Summit 2002, where a final resolution is nearing completion (see next page), Frankfurt welcomed the world's sustainable banks and insurers, Washington saw meetings around the Global Environment Facility whilst Geneva hosted discussions on the development of a convention for hazardous chemicals.

This hectic agenda is set to continue for the remainder of the year, with continuing preparatory discussion on the eagerly awaited Financing for Development process, further negotiations on Desertification and Pollutants not to mention debate around Trade and Services.

Returning briefly to matters of Climate, we are forced to wait well into the new year for any further developments. With the failure of the Hague under such close media scrutiny, pressure to deliver in the new year is heightened. Although with the added issue of the new US administration still to be determined, it will be interesting to see whose interests really count in 2001.

Network 2002 will be taking a break for a month. The next issue is due out and January 28th. There will be full analysis of all the processes listed above, as well as previews of upcoming events.

Looking back, much was made of 'The Millennium' and maybe one of the greatest achievements of the past year has been the stocktaking process that has occurred. This has been useful in itself in setting a framework for forward looking agendas. The remaining question is, can we start to deliver?

T. Middleton, The Editor

News, News, News **Blair Commits to Summit**

British Prime Minister Tony Blair has taken an international lead in announcing commitment to the Earth Summit 2002 project.

In his recent speech to the CBI/Green Alliance Conference on the Environment, Prime Minister Tony Blair became the first world leader to commit to attending Earth Summit 2002. He also sent a clear message of encouragement to other world leaders, to join him at the Summit.

The speech, entitled *Richer and Greener*, called for a reawakening of the environmental challenge as part of the core of British and international politics.

"I want to push green issues back up the political agenda. Reawaken the challenge. And I want to do it in constructive partnership – government, business, the green movement and the public...let's move the debate on"

Mr. Blair outlined some of the key environmental challenges facing the world today, and the commitments the British government has made to address the problems. However, he was realistic in his aims for the future. "Of two things I am certain. We are not going to turn this round unless we re-engage the

political system on the importance of the environmental challenge...offer them a positive agenda. A new approach to the environment."

Such a new approach, Mr. Blair stressed, would require the building of a new coalition for the environment, a coalition that stretches across national frontiers and encompasses stakeholders across the board: "Government, business, the NGOs and the public need to move forward together".

The Prime Minister emphasised the importance of environmental diplomacy in international negotiations, and called for a common campaign to produce practical action.

"We need a partnership between government, business and the environmental movement, to extend the frontiers of progress, to show the way through. We need more understanding, more dialogue, a healthy recognition of areas of disagreement...to put across the urgency of the problems and the viability of the solutions."

Töpfer Urges Agreement on Organic Pollutants

Delegates from more than 120 countries are to meet from 4-9th December in Johannesburg, South Africa, for the last of the five scheduled UNEP Intergovernmental Negotiating Sessions for a legally binding instrument on Persistent Organic Pollutants (POPs).

"Toxic and very long-lasting, persistent organic pollutants endanger the well-being of our planet and all living beings," said Klaus Töpfer, Executive Director of the United Nations Environment Programme (UNEP). "The global treaty approaching completion in December is the necessary global defence against these poisons".

The 12 POPs, a combination of pesticides, industrial chemicals and unwanted by-products, pose a risk to human health and the environment - especially for children. These pollutants are long-lived, travel great distances and can accumulate in the food chain especially in fatty tissue. In the Arctic, the indigenous diet of the Inuit people relies on such fatty foods. Inuit mothers typically have high levels in breast milk, five times the levels in mothers in industrialised countries.

An estimated 1.5 million tonnes of Polychlorinated Biphenyls (PCBs), just one of the 12 POPs although no longer produced, was manufactured globally. An estimated 100,000 tonnes are awaiting final disposal with hundreds of thousands of tonnes more still in use and may need to be identified and disposed of. Obsolete pesticides stocks stored in Africa, and throughout the developing world, are often kept in inadequate or dangerous conditions. Preliminary estimates indicate that as many as 30% of these tens of thousands of stocks are POPs.

Delegates at the negotiations will focus on limitations on manufacture and use, national action plans, funding, technical assistance, exemptions for DDT in cases of Malaria prevention and dealing with stockpiles of pesticides. Their deliberations respond to the mandate for a POPs treaty issued by the UNEP Governing Council in 1997. The mandated deadline is the year 2000.

With the agreement in December, the Diplomatic Conference to sign the treaty will take place in Stockholm in May 2001, followed by ratification and entry into force.

The stage is set for final agreement on a legally binding global treaty to reduce and/or eliminate the 12 priority POPs and to establish criteria and a procedure for identifying others as candidates for international action.

"Only a decade ago, most of the 12 POPs targeted for action under the treaty did not exist, and now they are in the air, water and soil around the planet, as well as in us all and they last for generations." Töpfer said. "Countries are coming to the negotiating table in South Africa to reach agreement for the sake of people living today and generations to come. I believe they will meet this challenge," he concluded.

UN GA discussion on Earth Summit 2002 continues

As the 2nd Committee of the 55th Session of the UNGA continues its deliberations, the resolution to define Earth Summit 2002 is taking further shape.



Progress by the 2nd Committee over the last month has focussed on fine-tuning the Nigerian draft resolution, based on identifying and substantiating common ground between parties.

Text on the participation of NGO's and other major groups was strengthened. Drawing from the UN CSD Major Groups Guidelines, this worked in the Multi-Stakeholder Dialogue processes developed at recent sessions of the CSD - especially in

terms of the Preparatory Committees, to take place in early 2002.

Slight amendments were made to the general tasks of the Preparatory Committees. To be included into their agenda is an assessment of accomplishments and progress in the implementation of Agenda 21. Complimenting this is an parallel assessment of constraints encountered. This in turn will lead to an address of new opportunities and challenges identified (since Rio).

An important distinction between Earth Summit 2002 and the 5 year review of Rio, in 1997, was the expressed call for reaffirming the need for an integrated and strategically focussed approach to the further implementation to Agenda 21. Reading between the lines, this points to a more considered, action-orientated approach to further Sustainable Development with undertones of adequate preparations and joined-up-thinking.

There has been further support expressed for the role of CSD 10, next April, as the first open-ended Prep. Com. and organisational session. CSD 10 will take steps such as the election of the bureau for the Summit, identifying the specific modalities for the process before going on to form the agenda and main themes for the Summit.

The big questions remaining are obviously the location of the Summit - remaining a tight-lipped secret - and the title for the 'event'. Both these issues are subject to further discussion. A decision is anticipated later next week.

In the meantime, signs continue to be encouraging. There is an air of reflective thought about the 5 year review in 1997, matched to an enthusiasm to move things forward in 2002. Experiences of Multi-stakeholder participation developed at the UN CSD have been taken on-board, highlighting their value in widening policy options. The next couple of weeks will provide interesting viewing...watch this space.

UNEPs Financial Initiatives

Financial Institutions move from dialogue to partnership and action for sustainable development

UNEPs Finance Initiative held its Annual Roundtable on Globalisation and Sustainable Development in Frankfurt from 16-17 November, 2000. The Initiatives new Co-ordinator, Paul Clements-Hunt, reports on proceedings.

The complexities of globalisation and the drive for sustainability are creating a myriad of new challenges and opportunities for the world of finance.

Some three hundred bankers, insurers and asset managers, joined by representatives of civil society and intergovernmental organisations, met in Frankfurt in mid-November 2000 for the two-day United Nations Environment Programme Finance Initiatives (UNEP FI) Roundtable.

Coming just two years before the planned Rio+10 Summit, the year 2000 UNEP FI annual roundtable – which for the first time brought together representatives of the two UNEP initiatives covering financial institutions and the insurance sector – provided the opportunity for the financial world to start shaping its input for the 2002 meeting.

The gathering, hosted by Deutsche Bank AG, explored how the financial sector is adapting to the demands posed by the emergence of a globalising market place and the marked rise in stakeholder demands for greater corporate governance and action related to sustainable development.

Opening the meeting on 16 November, Dr Klaus Töpfer, United Nations Under Secretary-General and Executive Director of UNEP, told the financiers that the period up to Christmas 2000 – which will see UN negotiations on climate change, chemical pollutants and bio-safety – was a critical period for the future of the world's environment. It was important that the world's leading financial institutions sent strong messages of support to these meetings, he added.

Issues discussed during the course of the UNEP Roundtable included:

- Globalization and sustainable development – challenges and opportunities for banking, insurance and asset management industries.
- Environmental management and reporting in the finance sector.
- Environmental performance indicators.
- Innovative financing of technologies for renewable energy and cleaner production.
- Micro-financing schemes to promote poverty alleviation.
- The social aspects of corporate responsibility in a global context.



Meet the new Co-ordinator

A number of clear messages emerged during the two days of discussions:

- The finance sector can play a pivotal role in creating, nurturing, and driving new markets which respect the environmental, social and economic dimensions of sustainability.
- The finance sector must become more active in serving the needs of the millions of poor people who, to a great extent, are deprived from benefits offered by changes in the global marketplace. Micro-credit featured prominently as a mechanism which the mainstream finance sector should explore more rigorously as one way of creating new products and services for economically marginalised communities.
- The emerging global, regional, and national environmental challenges, notably related to climate change, are creating new, potentially massive liabilities for the world of finance. At the same time, the creation of market-based solutions for these environmental challenges will offer the promise of future, multi-billion dollar markets which will demand new financial products and services engineered to meet the demands of sustainability.
- With tangible commitment to sustainable development and sound direction from leaders in financial institutions, the finance sector will play a pivotal role in developing and funding effective responses to our deepening environmental crises. Banks, insurers and asset managers must take the lead in the process of capital formation around environmentally sound technologies and services.
- The world's asset managers and institutional investors, led by the insurance sector and pension funds, are requiring a greatly increased focus on the way companies manage their liabilities related to sustainable development. Companies seeking investment will also need to demonstrate how they are exploring and benefiting commercially from a raft of new opportunities emerging as economies and communities shift to a sustainable development path.

Interviewed after the roundtable Dr Töpfer highlighted the fact that the meeting clearly demonstrated the finance sector's growing interest in the emerging worldwide business opportunities linked to renewable energy, emission reduction technologies, clean development mechanism, and new financial mechanisms such as emissions trading. On climate change the Executive Director commented: "Clearly, the markets and financial institutions are moving quickly and want to see action now from all sections of society, particularly industry, to reduce the dramatic societal risks associated with climate change."

The messages from the financial institutions and other stakeholders attending the Frankfurt meeting will be taken firmly on board as the UNEP Finance Initiatives prepares to play its role in the Rio+10 process

Paul Clements-Hunt joined UNEP as Co-ordinator for the Finance Initiatives in November 2000. From January 1998 to November 2000, he worked as the Policy Manager for Environment, Energy and Sustainable Development, at the International Chamber of Commerce (ICC).

Contact: pch@unep.ch

Desertification COP 4

Halting the degradation

During the 4th Conference of Parties (COP4) for the United Nations Convention to Combat Desertification (CCD that will be held in Bonn from 10-22 December, Germany, governmental delegates from all over the world will gather to overview the implementation process on national and international levels and discuss strategies for improvement of the convention.

Background to the CCD:

The United Nations Convention to Combat Desertification stems from the United Nations Earth Summit held in Rio de Janeiro in 1992. The convention represents the recognition by the international community that desertification is an extremely serious problem that threatens the live and livelihoods of millions of people who live in the drylands and that it requires international action.

Though efforts to find solutions to desertification problems have been going on for a long time, the convention breaks new ground in international environmental law, in that it is legally binding for the countries which have signed the convention - at least in theory. It serves as a blueprint for countries and their citizens to follow in making a concerted effort to fight dryland degradation.

At the heart of the convention is the commitment of affected countries to prepare and implement National Action Programmes. The programmes are expected to "provide for effective participation of NGOs and local populations in all stages of the planning and decision making process". The convention also assigns NGOs a major role in designing and implementing national programmes and in overseeing National Desertification Funds.

The convention is probably the first legally-binding international instrument to clearly stress partnership rather than aid. It underlines that if governments are to succeed in halting and reversing desertification, they will have to join up with other agencies including NGOs, the private sector and the communities, in a fruitful relationship.

Even with these obviously good intentions, the implementation of the convention is not advancing fast and in many African countries land degradation and desertification has grown worse.

There are many reasons to mention for this. Some are related to insufficient and unwisely used financial support. Some linked to corruption and lack of political will. Some due to a lack of NGO and community involvement in the National Action Programmes and lack of information.

NGOs input during the COP4:

To bridge this information gap between NGOs and government representatives and to increase their participation in the decision making process, NGOs will attend the COP4.

Their ideas and view points will be presented by side-events, poster sessions and distribution of publications.

One major mean of expressing their ideas will be the production of daily NGO newsletters (ECOs). This newsletter will not only reflect what happens at the conference - from an NGO perspective - but will also inform the delegations and participants on experiences from NGOs and civil society; experiences gained in processes linked to the implementation (or non-implementation) of the UNCCD. Pointing out and analysing pitfalls or structural deficits with options for solutions will be of great value to the participating delegations as they are committed to realise the bottom-up approach and integrated development of the drylands.

For more information or to contribute to the ECOs, please contact: Anne Daehling, Environment Liaison Centre International (ELCI), e-mail: am_kenya@clubinternetk.com. The articles should not exceed 300 words.

Financing for Development A Partnership to Mobilize Resources for Development

The UN General Assembly agreed to an unprecedented collaboration between the UN, the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO), to explore policies and actions and find innovative ways to address the many issues affecting the financing of development. This process, known as "Financing for Development" (FFD), is a UN initiative but also represents a partnership at an intergovernmental level between the major international institutions. Moreover, other intergovernmental organizations, civil society and the private sector are also participating in achieving the overall goal of facilitating financial flows and enhancing the capacity to effectively channel them to the cause of development.

As part of the preparatory activities leading to the UN High-Level International intergovernmental Event on FFD, to be held in the first quarter of 2002, the PrepCom decided to hold two sets of hearings with civil society and the private sector, to provide an opportunity for Member States to solicit the views of civil society representatives (both NGOs and business) on a range of key economic, financial and development issues.

The hearings with civil society took place in New York on 6-7 November, and offered delegations and other participants with the opportunity to hear and discuss challenging action oriented proposals in the following principal areas of discussion:

- Mobilizing domestic financial resources for development;
- Mobilizing international resources for development: foreign direct investment and other private flows and trade;
- Increasing international financial cooperation for development through, amongst other things ODA and debt;
- Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

More than 150 NGOs representatives attended the hearings session and the related meetings and events throughout the

"Financing for Development Week" (5-9 November), planned by NGOs to complement the official hearings.

23 panelists presented innovative ideas and policy recommendations on issues including: financial speculation and domestic tax systems; international standards and cooperation in taxation policy and administration; alternative sources of financing; currency transaction taxes; gender and foreign direct investment; capital controls to reduce volatility; tax havens; financial liberalisation; strengthening the international financial architecture.

The civil society presentations is on the Internet at: http://www.un.org/esa/ffd/NGO/1100hear/panel_list1.htm

The hearings session with the Private Sector will be held in New York on 11-12 December. 18 business representatives will present their views and innovative ideas and dialogue with delegations on the following issues: corporate governance in India; strengthening and reforming the banking sector in Thailand, micro-credit in South Africa; pension reform in Chile; venture capital in developing and transition economies; investment criteria of Unilever and experiences in different developing regions; requirements for successfully attracting foreign direct investment into developing countries; technology related investments in developing countries; financing of projects and infrastructure development in emerging economies; portfolio investors in emerging markets; how firms and banks in Africa can better tap foreign financial markets for long-term investment; Deutsche Bank's activities in emerging markets; a Japanese banker's perspective of lending to emerging markets; systemic risks in the global economy; regional financial cooperation: a bankers viewpoint; financial regulation in Africa; managing risks in emerging markets; trade issues relevant to African exporters.

The private sector presentations will available at: http://www.un.org/esa/ffd/NGO/1200hear/panel_list2.htm

Both the hearing sessions will be recorded in and submitted to the PrepComm at its next meeting (12-23 February 2001), for consideration. The summaries will reflect the nature of the debate as accurately as possible and will provide a useful reference for delegations in their deliberations.

Contact ffdpietracci@un.org

To trade or not to trade? GATS is the Question

Upcoming negotiations under the Global Agreement on Trade and Services are soon to be underway. Are the links between Trade and Environment sufficiently on the agenda? Linda Kaucher thinks not.

While the preparations for the next Earth Summit proceed slowly, global trade negotiations that are often on a diametri-

cally opposed path to sustainability continue with much more forceful determination.

Spokespersons for trans-national corporations (TNC's) and Governments appear to be able to speak out of one side of their mouths on sustainability issues, while speaking out of the other side, on trade. The crunch only comes when real commitment is required, such as at the Climate Change talks. Then it becomes obvious what is rhetoric and what is real action.

While these two areas of activity, trade and profit, and sustainable development remain on parallel pathways, no real progress can be made towards having a more sustainable world. It is clear that there has been an overall drastic downward spiralling of sustainability since the Rio meeting, as trade that favours rich countries, and the development of trade rules that favour trans-national corporations (TNC's) have grown exponentially.

The question is whether, when the world looks at its own sorry state at Earth Summit 2002, the unsustainability of the trade agenda will be up for review and change at the same time?

Will those with most to lose in the current mode of trade negotiations have joined forces sufficiently with those with the ability to recognise the universal losses involved in unsustainability, to force a simultaneous consideration of these issues?

It is crucial that Earth Summit 2002 has this crossover agenda. By the end of that year, trade negotiations on issues that many people haven't even recognised as trade, but with the potential to drastically affect the life of every person on earth, are due to be completed.

The General Agreement on Trade in Services (GATS) includes 150 types of 'services' such as government procurement - that is, public spending at all levels of government.

The GATS is concerned with opening government services, globally, as markets, to TNC's. As with all the other trade areas covered by the World Trade Organisation, the move, and it goes in one direction only, is towards 'liberalisation', or removing any barriers to TNC's.

Agenda 21, the product of the Rio conference, has, to varying degrees, influenced Local Governments to use their spending power to promote sustainability. However, they will be unable to make such preferences if the GATS goes through as planned. Attempts by Local Governments to maintain any values other than being open to the rights of corporations, will be considered unfair 'technical barriers to trade', carrying penalties that force compliance.

They will no more have the right to make sustainable choices than national governments that have attempted to ban imports of lethal asbestos, or genetically modified foodstuffs. While some Governments have had the economic power to contest WTO judgements, the finances of Local Governments are unlikely to be able to withstand the economic penalties of transgressing global trade rules.

Local Government procurement can be seen as a microcosm of the sustainability implications for national government procurement.

Looking at the sustainability implications for education, GATS mean that TNC's will have to be able to bid to operate public education systems. With advantages such as economies of scale, they will be able to do this more cheaply than other

providers. While governments will still provide the public money they will be unable, under GATS, to prefer, to provide the service themselves.

Because the GATS was set up in 1994, it is not a 'new' trade agenda item, so negotiations on GATS can continue without a new round of trade talks, and in fact are, even now. December 2000 is the deadline for Governments to offer selected service sectors for full liberalisation under GATS, as well as to make requests for the opening up of services in other countries. Between December 2000 and March 2001, trade negotiators will consolidate their positions, and from March start to put together the WTO package for completion by the end of 2002. Because of the nature of the WTO, many of the negotiations take place behind closed doors.

There is little point, then, in any Sustainable Development conference agenda that fails to take account of the huge impact of this and other trade threats to sustainable outcomes. Hopefully, the 2002 Earth Summit will take on the unsustainability of the overriding trade agenda and consider real global priorities, towards meaningful progress.

Linda Kaucher Contact: linda.k@start.com.au

Global Environment Facility NGO Consultation

The Global Environment Facility (GEF) is one of the only international financial institutions which allows NGOs to participate in their decision making process. Prior to the biannual meetings of its Council (the GEF's governing body), the GEF hosts a Consultation with NGOs.

At the Consultation, that took place on October 31st in Washington DC, NGO representatives from all over the world met with representatives from the GEF Secretariat, its three Implementing Agencies (UNDP, UNEP and the World Bank) and some Council members to discuss issues of common interest. Also, the GEF-NGO Network formally welcomed representatives from indigenous peoples to the meetings, widening its constituency.

The meeting started with an intervention by the NGO Co-Chair, who expressed the concerns of all NGOs present at the meeting, pointing out that: "The intention behind the GEF is still something NGOs strongly subscribe to. What we see in the GEF is that the Facility makes it more and more difficult to respond to civil society concerns. The danger is that this divergence could follow the path of the WTO and the views of the World Bank. This would be very sad especially in the lead up



Core elements of the GEF: Biodiversity, International Waters, Land, Climate & Ozone

to Earth Summit 2002".

Although the space that NGOs have gained at the policy level with the GEF is a very strong one, there are still some key concerns that need to be addressed, specially concerning civil society participation in GEF funded projects. NGOs still feel that "standards of public participation are still low despite consistent demands from the NGOs for real participation in project execution".

These concerns were heard by Mr. Mohamed El-Ashry, Chair and CEO of the GEF, who welcomed the dialogue with NGOs. Mr. El-Ashry also stressed that NGO recommendations and input were welcomed, as NGOs are always ahead of the events, even before the Rio '92 summit.

Also, NGOs stressed their interest in working more strongly with the Council and the Secretariat in some specific strategic areas. These main strategic areas in which the work of the GEF-NGO Network will focus, and were welcomed by the GEF, are:

1. **The Second Overall Performance Study:** As the GEF is funded by governments, prior to its replenishment the Secretariat conducts a Study on GEF's Overall Performance (OPS). This study will analyse the impact and results of GEF funded projects, and look at those areas in which the achievements could be improved. The study will be conducted by a team of independent reviewers during 2001. NGOs felt that a public participation study, carried out by NGOs, will be an important input to the OPS. The idea was welcomed by the GEF's CEO, and the GEF-NGO Network will follow-up with the Secretariat on how to better conduct this study.
2. **The Second GEF Assembly:** Every three years, the GEF hosts a General Assembly (GA). The Second GA will take place in Beijing, China, in October 2002, to (a) review the general policies of the Facility; (b) review and evaluate the operation of the Facility on basis of reports submitted by the Council; (c) keep under the review the membership of the Facility; and (d) consider amendments of the Instrument (the legal basis of the GEF) on the basis of recommendations by the Council. As the Earth Summit in 2002 will

take place only a few months before, there is certainly a close link between these two environmental meetings. Links between the NGOs working on these issues are already established between the UN CSD NGO Steering Committee and the GEF-NGO Network. For example, reviewing Agenda 21 which specifically includes the GEF, is one of the areas of the work to be developed jointly.

NGO concerns and concrete recommendations were listed by the GEF community. Some were immediately addressed, with actions such as formally establishing an NGO Working Group on GEF issues. The mandate of this Group is to advise the Facility in specific areas of concern. One of the issues in which some work has already been started is on Medium-Sized Projects (MSPs) - projects receiving up to \$1m of GEF funding, with

direct access to NGOs and other stakeholders. This Working Group will also work closely with the GEF Monitoring and Evaluation Unit to include a MSP review into the OPS.

Dialogue between the GEF and NGOs does not start or end with Consultations. It is now in the hands of NGOs to follow-up on all these recommendations and to work closely with the GEF to see that they become a reality. On the lead up to Earth Summit 2002, there is certainly a lot of work to be done and alliances to be built, in order to reinforce cooperation based on mutual benefits for all stakeholders working for the global environment.

Liliana Hisas, Contact: info@feu999.org Contact: www.gefweb.org

PIC Procedure

Spirit Of Cooperation

The seventh session of the International Negotiating Committee (INC) took place in Geneva from 30th October – 3rd November to further the Prior Informed Consent (PIC) procedure for Certain Hazardous Chemicals in International Trade.

Delegates from over 100 states convened in Geneva for the seventh session of the INC, to address both problems related to the operation of the interim PIC procedure and preparation for the first Conference of the Parties (COP).

The session was dominated by functional and operational issues. In this intermediate period of implementation of the voluntary PIC procedure until the Convention is fully ratified, delegates worked to establish necessary procedures and rules to carry the process forward. Delegates faced a heavy agenda, but working in a cooperative spirit, were often ahead of schedule.

Issues associated with the discontinuation of the interim procedure were addressed, and the INC supported a transitional phase: in order to retain the accomplishments and experience gained thus far, while providing incentives for countries and regional economic integration organisations to adhere to the Convention. This would allow Parties that had been involved in the interim procedure, but that were not Parties at COP, to continue to participate in operational processes of the procedure whilst preparing for ratification. The INC decided to establish a legal working group to address the rules of procedure for the Conference of the Parties, and recommended the working group look at existing rules of procedure from other multilateral environment agreements.

INC also agreed on a procedure for location of the Secretariat, and a deadline of April 2001 was set for the submission of offers. Current host candidates are Germany, Switzerland and Italy. Other COP preparation issues related to financial rules and procedures for conflict resolution and non-compliance.

The work of the Interim Chemical Review Committee (ICRC) was commended, in particular for its work developing an Incident Reporting Form for pesticide poisoning incidents. It is intended that, once available, this form be used by States, IGOs, regional economic integration organizations, aid agencies and NGOs to report on pesticide poisoning incidents. The INC confirmed 29 government-nominated experts as members of the ICRC.

Some tangible progress was made. Delegates added two further chemicals identified under the voluntary PIC procedure, bringing the total number of chemicals in the interim PIC procedure to 31.

The Convention provides for technical assistance between Parties to address the needs of developing countries and countries with economies in transition. A procedure was established for countries requiring assistance in the identification of severely hazardous pesticide formulations. Addressing the need to assist developing countries and economies in transition in implementing specific projects, PAN (Pesticide Action Network) reported on its work to develop and run training programmes to collect and analyse data on PIC chemicals.

Mr. Shafqat Kakakhel, Deputy Executive Director of the United Nations Environment Programme (UNEP) strongly urged Governments to ratify the Convention, in order for it to enter into force as soon as possible, and in time for the tenth anniversary of the Rio Earth Summit, in 2002. This was reiterated by Ms. Louise Fresco, Assistant Director-General, FAO, who emphasized that it was essential for countries to begin using the processes developed for the PIC procedure to remain effective. At the same time she stressed the important contribution to be made by the public sector, industry and non-governmental organizations, reflecting the multidimensional approach that has been taken in addressing the PIC procedure. Here's hoping that the strong cooperation between UNEP and FAO in providing the interim secretariat continues to characterize this process.

For more information, visit <http://www.pic.int>

Background to the PIC procedure

Concern about the risks of hazardous chemicals usage has prompted action for policies and measures to address the growth in world chemicals trade. Since 1989, provisions for Prior Informed Consent (PIC) procedure have been in place, based on the London Guidelines for the Exchange of Information on Chemicals in International Trade (UNEP) and the International Code of Conduct on the Distribution and Use of Pesticides (FAO). At the 1992 Earth Summit, an international strategy on chemicals was incorporated into Agenda 21, Chapter 19: *Environmentally Sound Management of Toxic Chemicals, including prevention of Illegal International Traffic In Toxic Dangerous Products.*

In 1998, 95 governments finalised the text of the Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. This was adopted and opened for signature in Rotterdam in September 1998.

The Intergovernmental Negotiating Committee (INC), established in 1995, has a mandate to prepare an international legally binding instrument for the application of the PIC procedure. Until the Convention's first Conference of the Parties, the Intergovernmental Negotiating Committee (INC) provides guidance on the Interim PIC procedure.

The PIC procedure is implemented jointly through the FAO/UNEP Joint Programme for the Operation of PIC. The procedure aims to promote a shared responsibility between exporting and importing countries to protect human health and the environment from the harmful effects resulting from trade in toxic pesticides and other chemicals. Under the Rotterdam Convention, export of a chemical can only take place with the prior informed consent of the importing Party.

The PIC procedure aims to enable monitoring, exchange of information and control of trade in certain hazardous substances. The Convention covers pesticides and industrial chemicals that have been banned or severely restricted by participating parties and subject to notification by Parties for inclusion in the PIC procedure.

The Convention will enter into force once fifty countries have ratified. To date, 12 states have ratified, and the Convention has been signed by 73 states/ regional economic integration organizations. It will enter into force once 50 instruments of ratification are deposited.

Meet the International Advisory Board

UNED Forum's project, Towards Earth Summit 2002, of which **Network 2002** is the monthly newsletter, is overseen by our International Advisory Board (IAB). IAB members offer policy and process steer, and act as focal points around the world for the Earth Summit 2002 process. Member organisations represent major stakeholder groups involved in the Sustainable Development agenda.

This new section will profile each IAB member in the coming months to highlight the global links and networks between stakeholders and across regions. More detailed information can be found at the Partners section of our website at:

www.earthsummit2002.org

Centro de Estudios Ambientales

IAB Member: Maria Onestini

Email: cpalos@mail.retina.ar

Organisation: CEDEA, is based in Argentina and is an independent non-governmental organisation dealing with sustainable development issues. Since its creation in 1989 it has carried out research, policy analysis, technical assistance and training in diverse areas of environment and development

Key Projects: Its recent work has concentrated upon subjects such as trade and sustainable development, urban development, gender, human rights and the environment, water at the municipal level and Local Agenda 21 in Latin America.

Key Partners: CEDEA works closely with different sectors of civil society, academics, trade unions, local authorities, and the media.

World Business Council for Sustainable Development

IAB Member: Claude Fussler

Web: www.wbcscd.org

Organization: The WBCSD is a coalition of 150 member companies from over 30 countries, representing 20 major industrial sectors, united by a shared commitment to sustainable

development in the form of environmental protection, social equity and economic growth.

Key Projects (Claude Fussler): Eco-Efficiency and Cleaner Production, Sustainability Through the Market, Global Compact, Earth Summit 2002.

Organization's coverage: Regional and national through our local BCSD affiliates, and International through our member companies and partner organizations.

Key Partners/Links: Global Compact

Earth Summit 2002 Explained

Where do you begin? Since the Rio Summit in '92, the boundaries of the International Sustainable Development agenda have expanded exponentially. Getting a grip on the Earth Summit process often eludes even the most travelled of delegates.

In response we have drafted a special briefing paper about Earth Summit 2002. Designed to give some perspective to the process, the paper looks at the development of the Sustainable Development process and looks forward toward the Summit in 2002. In addition this briefing ties in other related UN processes which complement the sustainable development agenda.

As the main policy guidance document of the Rio Summit, Agenda 21 will play a key part in the sustainable development review process in 2002. The paper identifies the key components of Agenda 21, listing the issues likely to form the major themes at the Summit.

Tying this plethora of processes and issues together in the run up to the Summit will be the main challenge for the preparatory process. On this issue the paper looks at the likely preparations to take place at the National, Regional and Global level over the next 18 months.

Finally the paper looks beyond 2002 to consider the follow up process to the Summit, what the agenda will be and who has a part to play.

We appreciate that Earth Summit 2002 is a moving target, whose agenda and scope are continually evolving. As such we will be updating our briefing papers to keep you at the cutting edge of developments in the run up to 2002.

The paper is available online at:

www.earthsummit2002.org (About Earth Summit 2002)

UNED Forum's Towards Earth Summit 2002 Project International Advisory Board

ANPED Peiter van der Gaag, Arab Network for Environment & Development Emad Adly Baha'i International Community Peter Adriance CSD NGO Education Caucus Trevor Harvey formerly Centre for Our Common Future Chip Lindner Centre for Science & Environment Sunita Narain Centro de Estudios Ambientales Maria Onestini Commonwealth Women's Network Hazel Brown Consumer Unity & Trust Society Rajat Chaudhuri Development Alternatives Ashok Khosla Formerly Dutch Government Herman Verheij Eco Accord Victoria Elias Environment and Development Action (Maghreb) Magdi Ibrahim Environment Liaison Centre International Barbara Gemmill Huairou Commission Jan Peterson European Rio+10 Coalition Raymond van Ermen Friends of the Earth Scotland Kevin Dunion International Chamber of Commerce Paul Clement Hunt International Confederation of Free Trade Unions Lucien Royer International Council for Local Environmental Initiatives Jeb Brugman International Council for Social Welfare Stephen King International Institute for Environment and Development Nigel Cross International Institute for Sustainable Development Kimo Langston James Goree VI International Partners for Sustainable Agriculture Linda Elswick IUCN - World Conservation Network Scott Hajost Liaison Committee of Development NGOs to the EU James Mackie NEXT Communications Yusuf Asmal Norwegian Forum for Environment and Development Jan Gustav Strandenaes Ex Director of Panos US & former Co-Chair NGO IFC Habitat II Don Edwards Participatory Research in Asia Rajesh Tandon Peace Child International David Woollcombe Poptel Worldwide Malcolm Corbett Stockholm Environment Institute Johannah Bernstein Sustainable Development International Peter Ritchie UN Department for Economic and Social Affairs, UNED Forum Derek Osborn UNED Forum Margaret Brusasco Mackenzie UNED Forum/UNA Malcolm Harper UN Environment Programme Klaus Töpfer Women's Environment and Development Organisation June Zeitlin World Business Council for Sustainable Development Claude Fussler WWF International Gordon Shepherd.

Diary Dates, Events & Conferences

4-9 December	Persistent Organic Pollutants 5th Session of the Intergovernmental Negotiating Committee. Johannesburg, South Africa. Contact: http://irptc.unep.ch/pops
7-8 December & 18-19 December	WTO's General Council. Geneva, Switzerland. Contact: www.wto.org/english/thewto_e/gcounc_e/gcounc_e.htm
11-12 December	UN Financing for Development Private Sector Consultation. New York, USA. Email: pietracci@un.org
11-15th December	Montreal Protocol MOP 12. Ouagadougou, Burkina Faso. Contact: http://www.unep.org/ozone/meet2000.htm
11-15th December	First Meeting of the Intergovernmental Committee for the Cartagena Protocol. Montpellier, France. Contact: www.biodiv.org/conv/meetings.html#new
11-22 December	UN Convention to Combat Desertification COP 4. Bonn, Germany. Contact: www.unccd.de
25th January	International Workshop of Experts on Financing Sustainable Forest Management. Oslo, Norway. Email: vahanen@un.org
5-9th February	21st Session of the UNEP Governing Council. Nairobi, Kenya. Email: millerb@unep.org
13-23rd February	39th Session of the UN Commission for Social Development. New York, USA. Contact: www.un.org/esa/socdev/csd/2001.htm
12-16 February	UN Forum on Forests - Organisational Session: This meeting will be held from 2001 in New York e-mail: vahanen@un.org
12-16 February	18th Session of the Commission on Human Settlements. Nairobi, Kenya. Contact: www.unchs.org/chs171.html
19-23 February	The 2nd Session of the PrepCom for Istanbul+5. Nairobi, Kenya. Contact: www.istanbul5.org/

What's in next months *Network* ~ 2002...

- UN General Assembly decision on Earth Summit 2002
- Persistent Organic Pollutants - 5th Session of the Intergovernmental Negotiating Committee
- Desertification COP 4
- UNEP Global Environment Outlook 3
- 21st Session of UNEPs Governing Council
- 39th Session of the Commission on Social Development

Your Input is our Output.

Network 2002 is produced by the United Nations Environment & Development Forum, a multistakeholder NGO working in preparation for Earth Summit 2002. We welcome your contribution to the process.

Contact the editor at: tmiddleton@earthsummit2002.org.

Network 2002 is also available online at: www.earthsummit2002.org

