Clustering MEAs acting in similar fields was also indicated for further consideration.

9. There was general support for the effective participation of stakeholders (other than governments) in the process and the need to facilitate adequate representation of developing countries’ civil society.

10. It is important to ensure that developing countries are present and effectively participating in the process of international environmental governance. An all-inclusive, transparent process should be ensured.

Following agreement on the summary presented by the Moderator, the Chairman resumed chairing the meeting. He proposed, based on statements made by delegations, that the UNEP Executive Director would incorporate the views and comments expressed at the meeting in his report.

It was agreed that the report would become a living document, to be updated prior to each meeting in order to reflect other views expressed by governments. It was further agreed that the Chairman would compile a report, reflecting a summary of the outcome of each meeting prior to the next session of the Group.

After conclusion of agenda item 3, the Chairman returned to the organisational aspects to be discussed under agenda item 2. It was agreed that the President of the UNEP Governing Council would continue to convene meetings of the open-ended Intergovernmental Group and that rules of procedure of the UNEP Governing Council would apply to such meetings.

Klaus Töpfer mentioned that UNEP would be convening a series of meetings to obtain views and opinions of all stakeholders outside the governmental process. The Environment Management Group would also be focusing on international environmental governance and, in doing so, would elicit responses from other United Nations organisations. He stated that UNEP was convinced the process would only be of value if it remained open-ended, transparent and allowed for continuous in-depth dialogue.

An additional draft document should be available for consideration by the Intergovernmental Group by the third meeting, at which time the Group could begin working toward a consensus for adoption at the fourth meeting. He mentioned that these future meetings could be held in conjunction with previously scheduled international environmental events.

The Group of 77/China expressed a preference for future intergovernmental meetings to be held in New York, as it was felt that all developing countries had resident representation at the United Nations headquarters. The European Union, however, preferred to have future meetings on the margins of already scheduled international events, as foreseen in Governing Council decision 21/21, as Ministerial presence at such meetings would be ensured.

A number of countries expressed preference for follow-up meetings of the Group to be held at UNEP Headquarters in Nairobi. The offer from Algeria to host one of the follow-up meetings was acknowledged. It was agreed that further consultation would be undertaken by the President and Bureau of the Governing Council, with a view to establishing a schedule of meetings and venues.

UNEP’s Executive Director suggested, as an option, that a joint Bureaux meeting between the UNEP Governing Council, UNEP Committee of Permanent Representatives and the 10th session of the Commission on Sustainable Development could assist in taking the process further. In particular, in terms of facilitating the UNEP Governing Council input on international environmental governance to the preparatory process for the WSSD. The President of the UNEP Governing Council, in consultation with the Governing Council Bureau members and the Executive Director, was requested to consider these matters further. (MJ)

(See also report on page 179)

**Environment, Sustainable Development and Trade**

A High-level Ministerial Meeting on Environment, Sustainable Development and Trade was held from 19-22 March 2001, in Berlin, Germany. The Meeting, which was co-organised by the United Nations Environment Programme (UNEP) and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), sought to enhance awareness on trade and environment linkages, including the relationship between multilateral environmental agreements (MEAs) and the World Trade Organisation (WTO) and to develop suggested actions to promote synergies in these fields.

A new round of trade liberalisation talks will most likely be launched at the World Trade Organisation ministerial meeting in Qatar in November this year.

**Background**

The United Nations Conference on Environment and Development (UNCED), held in Rio in 1992, reiterated the importance of integrating environmental and economic policies, and expanding the use of economic instruments in order to help correct market failures, remove economic distortions which inhibit the sustainable management of scarce resources, and encourage greater consumer awareness and appropriate behaviour towards environmental protection priorities.

The UN Commission on Sustainable Development (CSD) invited UNEP and the UN Conference on Trade and Development (UNCTAD) to continue joint efforts to ensure that international trade and environment policies
are mutually supportive, to strengthen efforts to improve market access, to help finance access to and transfer of technology, and to help build capacity to internalise costs, particularly in developing countries and countries with economies in transition.

At its 21st session in February, the Governing Council of UNEP agreed that the Executive Director should pursue further actions, as appropriate, related to trade and environment, in close co-operation with the WTO and UNCTAD, including the following:

- to develop national capacities to assess the environmental effects of trade;
- to study the effectiveness of market-based incentives in achieving the objectives of MEAs including those agreements for which UNEP provides the secretariat;
- to continue to promote understanding, dialogue and the dissemination of information about MEAs, including any trade measures, inter alia, to develop capacity to ensure that trade and environmental policies are mutually supportive.

Discussions

During the Meeting, participants – environment ministers, senior government officials and other stakeholders from over 70 developed and developing countries – stressed that environmental considerations need to be taken into account in negotiating new trade agreements. Participants were informed that since 1950, the global economy has more than quintupled in size, with world exports increasing over the past 50 years from about US$ 350 billion in 1950 to US$ 5.46 trillion in 1999 (WTO, 2000). In view of today’s rapid expansion of world trade, a greater understanding of the linkages between trade, environment and development is needed.

The representatives noted the importance of assessment as a tool to promote policy coherence between trade and environment ministries. They also discussed the role of economic instruments in promoting consistent and coherent trade and environment policies, and considered solutions to the complex trade-environment relationship.

Command and control instruments have traditionally been used as the main policy tool to achieve environmental objectives. However, over the last decade there has been increasing recognition of the need to enhance the use of market-based incentives to complement command and control measures. Economic instruments are effective in correcting market and policy failures, and internalising environmental and social costs. It is recognised that appropriately designed and implemented economic instruments, complemented with appropriate policy frameworks can make an important contribution to achieving sustainable development, and can also be used to strengthen implementation of MEAs. Carefully designed economic instruments can also be used to develop mutually supportive environment and trade policies.

It was noted, however, that to date, the use of economic instruments has been mainly restricted to developed countries, while their use in developing countries and countries in transition has been limited. A number of reasons were given for this:

- Lack of understanding of the effectiveness of economic instruments in achieving environmental objectives and sustainable development.
- Lack of an analytical inventory, which provides governments, the private sector and non-governmental organisations with practical and detailed information on the design and actual performance of individual instruments.
- Lack of capacity, particularly in developing countries and countries with economies in transition, to design and implement economic instruments.
- Concerns about the cost implications of implementing such instruments, which might reduce competitiveness in national and international markets.
- Conflicts between policies promoting cost internalisation and those intended to promote trade, such as the use of subsidies to enhance production and export of goods.

It was agreed that promoting the effective use of economic instruments will require an enhanced understanding of their use and effects, as well as increased institutional and human capacities for their design and implementation. International co-operation is required in order to achieve this enhanced understanding and build those capacities. Such co-operation will include more focused policy dialogues, further research, country projects, training, and technical assistance in the design and application of economic instruments.

Examining UNEP-led country studies that show how environmental assessments can help maximise the net development gains of trade liberalisation by minimising negative environmental effects, the Meeting focused on concrete solutions to the complex trade and environment relationship. Stressing the important role that environmental assessments of trade policy can play, Klaus Töpfer, UNEP Executive Director, said, “Only when you know the likely consequences of a policy decision can you take the necessary remedial action.”

Government representatives at the Meeting generally appreciated the role of UNEP in promoting coherence and understanding on the policy interface between the trade-environment relationship. They requested UNEP to continue its work on enhancing countries’ capacity to undertake assessments of the effects of trade liberalisation, and enhancing awareness and dissemination of best practices and experiences. They recognised that regional and subregional seminars and workshops and enhanced co-
operation with the WTO, UNCTAD and civil society would help strengthen these and other capacity-building activities. The representatives expressed their appreciation of the opportunity that the forum provided for frank and open dialogue, and supported the convening of future meetings including a higher representation of foreign affairs and trade officials.

The main outcomes of the discussions were grouped under the following four headings: Integration of Environment and Trade Policies; Integrated Assessment as a tool to achieve coherence at the national level; Coherence at the international level; and Capacity Building. (Available from robert.bisset@unep.fr) (MJ)

Right to Development

The United Nations Commission on Human Rights (UNCHR) held two sessions of the open-ended Working Group on the Right to Development (18-22 September 2000 and 29 January – 2 February 2001). These focused, among other things, on the need to continue deliberations on the right to development in all its aspects, inter alia, on the basis of the report of the open-ended Working Group and the Chairperson’s conclusions, as well as comments submitted thereon.

The Working Group emphasised that, on the basis of the text of the Declaration on the Right to Development of 1986, several resolutions and declarations adopted by consensus at subsequent international conferences and the Vienna Declaration and Programme of Action of 1993, it should now be possible to reach consensus on the full implementation of the right to development.

The Commission Resolution of 18 April 2001, on The Right to Development (see page 184) underlines, among other things, the need to enhance efforts to consider and evaluate the impact of international economic and financial issues on the enjoyment of human rights, such as international trade issues; access to technology; good governance and equity at the international level; and the debt burden. It requests the independent expert to prepare, in consultation with all relevant UN agencies and the Bretton Woods institutions, a preliminary study on the impact of these issues on the enjoyment of human rights, by analysing the existing efforts and means of assessing and evaluating such an impact, for consideration by the Working Group at its future sessions.

At its 77th meeting on 25 April 2001, the Commission adopted a Decision on Science and the Environment (see page 185). The Decision, inter alia, invites the UN High Commissioner for Human Rights and the Executive Director of the United Nations Environment Programme to review and assess progress achieved since the United Nations Conference on Environment and Development in promoting and protecting human rights in relation to environmental questions and in the framework of Agenda 21.

Development and Sustainability

In an address delivered during his first visit to Bangladesh in March 2001, Secretary-General Kofi Annan called for a break in the political stalemate over environmental challenges.

He noted that one of the main reasons why Bangladesh features so prominently on the world stage is that it is expected to suffer, more than almost any other place on earth, from the devastating impact of climate change. The Secretary-General used the Dhaka statement (see page 181), to point out yet again the unsustainability of development, as we know it. He acknowledged that, unfortunately, even the worst scenarios did not seem to be enough to inspire people and governments to act, and in his statement pleaded for a break with the harmful practices of the past. (MJ)