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INTERGOVERNMENTAL REVIEW MEETING ON THE
IMPLEMENTATION OF THE GLOBAL PROGRAMME OF ACTION
FOR THE PROTECTION OF THE MARINE ENVIRONMENT
FROM LAND-BASED ACTIVITIES

First meeting

Montreal, Canada 26-30 November 2001

Items 8 and 10 of the provisional agenda*

BUILDING PARTNERSHIPS AND FINANCING THE IMPLEMENTATION OF THE
GLOBAL PROGRAMME OF ACTION FOR THE PROTECTION OF THE
MARINE ENVIRONMENT FROM LAND-BASED ACTIVITIES

MINISTERIAL HIGH-LEVEL SEGMENT AND MONTREAL DECLARATION ON
THE GLOBAL PROGRAMME OF ACTION

1. Ministers and other high-level officials attending the first Intergovernmental Review Meeting on the Implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (Ministerial/High-level segment to be held on 29-30 November 2001), are invited to provide strategic policy guidance to further the implementation of the Global Programme of Action, as it relates to financing the implementation of the Global Programme of Action, building on the discussions of the multi-stakeholder segment of the Intergovernmental Review Meeting to be held from 26 to 28 November 2001, prior to the ministerial segment.
2. In this context, ministers and other high-level officials are invited to consider the attached agenda paper on financing the implementation of the Global Programme of Action, giving particular regard to:
 - (a) The specific actions required at the international, regional, national and local levels;
 - (b) The role of Governments, regional and international governmental and non-governmental organizations, financial institutions, private sector and civil society;
 - (c) The institutional, legislative and financial issues.

* UNEP/GPA/IGR.1/1.

Note: All documents referred to in this document are or will be available on the Global Programme of Action clearing house Web site, www.gpa.unep.org.

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BUILDING PARTNERSHIPS AND FINANCING THE IMPLEMENTATION OF THE
GLOBAL PROGRAMME OF ACTION FOR THE PROTECTION OF THE
MARINE ENVIRONMENT FROM LAND-BASED ACTIVITIES

A. Primary issue for consideration

3. What needs to be considered primarily are the specific measures required to ensure sustainable financing of the implementation of the Global Programme of Action at the local, national, regional and global levels.

B. Setting the scene

4. Marine pollution has severe negative economic effects on industries such as fisheries, aquaculture, tourism and coastal development. Similarly, it affects the regulation of the earth's climate, biodiversity (both marine and terrestrial) and public health. The problems associated with marine pollution from land-based activities are amplified by the fact that failure to address them directly affects the social and economic well-being of humans, and thus the capacity to adequately address the problems. This is much more acute in developing countries.

5. The Global Programme of Action highlights the mobilization of financial resources as one of the crucial prerequisites for the implementation of national, regional and global programmes of action. However, traditional sources of funding alone, including donations and international financing, are, in many cases, insufficient to cover the major investment, operation and maintenance costs of action needed to address land-based sources of marine pollution. The Global Programme of Action stresses that substantive new and additional funding is required for implementing it.

6. The limited availability of, or access to, adequate financial resources is one of the major impediments to the implementation of the Global Programme of Action at local, national, regional and global levels. An important and challenging step in overcoming this impediment is to calculate a realistic economic valuation of the oceans which reflects their intrinsic value, and the goods and services they provide (including those not yet discovered or utilized). This, together with an assessment of the cost of non-action and the benefits of action, can lead to the mobilization of the necessary domestic and other financial resources for effectively and appropriately addressing land-based sources of marine pollution.

7. The conditions required for the successful funding of Global Programme of Action related projects are varied depending on the nature, scale and location of the project. These may include:

- (a) Availability of options (institutional, technological, administrative, financial) to address priority problems in the most cost effective and sustainable manner;
- (b) Confidence among all stakeholders in the economic and ecological viability of the project;
- (c) Mitigation of the risks and provision of financial guarantees;
- (d) Provision of stable investment climates in the long term.

8. Within this context, it is important to bring policy makers closer to potential investors, embracing not only the donor community and United Nations organizations, but also the private sector and civil society in general.

C. Global context

9. Sources of international finance for projects related to the Global Programme of Action include donor funds and international financing, e.g., the Global Environment Facility (GEF), the World Bank, development banks and other international financial institutions. Some international initiatives, such as the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change, benefit from a direct international statutory link with international financial institutions. This direct link, however, does not exist in the case of the Global Programme of Action. Hence the importance of bringing the Global Programme of Action into the mainstream of activities and work programmes of these financial institutions.

10. The work programme of the Global Programme of Action Coordination Office, in support of the implementation of the Global Programme of Action, is funded from the UNEP Environment Fund and mainly by direct voluntary contributions from some Governments.

11. As part of the preparations for the first Intergovernmental Review Meeting on Implementation of the Global Programme of Action and in response to United Nations General Assembly resolution 55/7 of 30 October 2000, the World Bank and UNEP, recently convened a workshop at The Hague, from 9 to 11 July 2001, on Promoting Sustainable Financing for the Protection of the Marine Environment from Land-based Activities (for details, see document UNEP/GPA/IGR. 1/INF/7). The workshop was attended by representatives of Governments, United Nations organizations, non-governmental organizations, international financial institutions and the private sector.

12. The workshop confirmed that there is no fit-for-all solution to financing the Global Programme of Action and stressed the need for policy mixes. Appropriate financial arrangements should be applied according to regional, national and local circumstances. The workshop selected a number of financial arrangements that have the potential to increase the financial resources needed to address land-based activities, including:

- (a) Microfinance;
- (b) More effective use of domestic funds;
- (c) Subsidy reform, particularly in the agricultural sector;
- (d) GEF replenishment and reform towards achieving the Global Programme of Action objectives.

13. The workshop also concluded that other concepts requiring further consideration within the framework of the Global Programme of Action included:

- (a) Water markets, pollution permits or emissions trading, as well as the generation of a coastal development market;
- (b) A (water) fund(s), including water investments funds, mixed funds (Governments, private sector, financial institutions, GEF) and guarantee funds for innovative projects (technology, partnerships, small-scale action, etc.) and funds to buffer currency fluctuations.

D. Regional Context

14. A number of regional seas programmes have legally binding agreements addressing some components of the Global Programme of Action. Others have developed regional programmes of action specifically focusing on land-based activities. These regional agreements identify regional priorities and recommend regional actions to implement the Global Programme of Action. In most instances, no additional funds have been identified or provided to implement these agreements, leaving the responsibility of financing them solely on member countries or the secretariats of such agreements. In a few instances, additional funding has been provided for regional projects (often incorporating action to address land-based activities) by

institutions such as GEF, e.g., through its Strategic Action Plans or Trans-boundary Diagnostic Analysis. The challenge is to provide sufficient funds to turn words into action, particularly in developing countries.

15. Acquiring adequate funds for regional projects involving two or more countries is often further complicated by the increased financial, legal and political risks associated with such projects. These risks must be addressed from the perspective of both providers and recipients of funds. For regional projects to succeed, cooperative action on the part of Governments and financial institutions is required to manage such risks, creating an enabling environment for multilateral investments.

E. National Context

16. The Global Programme of Action recognizes that, in general, financing of Programme related activities should come from each country's own public and private resources. The capacity of Governments to identify priority projects that are financially affordable, based on a thorough knowledge of available alternatives, generate appropriate solutions, including financial, technological, institutional and managerial solutions and negotiate and implement legally robust contracts or partnerships with relevant stakeholders, is a critical element of successful implementation of the Global Programme of Action

17. Similarly, a necessary step is to ensure that the Global Programme of Action is properly integrated into national policies and programmes so that domestic resources are appropriately channelled to projects to protect coastal and marine environments. This may involve the development of national programmes of action on land-based activities. Integrating the objectives of the Global Programme of Action into national and regional development plans also ensures that the necessary regulatory, legislative and institutional frameworks are in place to provide an enabling environment for investments and action. This is in large part the essence of "mainstreaming" the Global Programme of Action, and to a substantial degree, is dependent on the governance issues discussed in the document dealing with improved implementation of the Global Programme of Action through improved coastal and ocean governance (UNEP/GPA/IGR. 1/7), since a more responsive and effective structure is itself a key part to the sustainable mobilization of financial resources.

18. Domestic legislation and policies, including fiscal measures such as subsidy and taxation regimes, may also have both positive and negative impacts on land-based activities that are potentially harmful to human health and to the marine environment. For example, agricultural subsidies may sustain farming practices that increase sediment and nutrient loads entering rivers and coastal systems, while tax breaks for remedial work on agricultural properties may mitigate sediment and nutrient loads.

19. Successful implementation of the Global Programme of Action at the national level requires widespread community participation and support. Access to funds for small-scale projects is also an important element of building partnerships and financing the implementation of the Global Programme of Action.

F. Options for building partnerships and financing the implementation of the Global Programme of Action

20. The following list of options relating to the primary issue outlined above are provided for consideration by ministers and high-level officials attending the first Intergovernmental Review Meeting of Implementation of the Global Programme of Action. It is a non-exhaustive list and other options may be proposed during the multi-stakeholder segment of the Meeting:

(a) Increase the ratio of existing international capital available for Global Programme of Action related projects, by, for example, calling upon the governing bodies of the Global Environmental Facility, the World Bank, the International Monetary Fund, regional development banks and other international financial institutions, to substantially increase the proportion of funds allocated to projects contributing to the implementation of the Programme of Action and bring the implementation of the objectives of the Programme into the mainstream of their respective work programmes;

(b) Identify and support ways of generating new and additional funding for projects related to implementation of the Global Programme of Action at the local, national, regional and global levels, by, for example, encouraging:

- (i) Public-private partnerships to achieve maximum benefit from combined public and private funds;
- (ii) Strategic alliances between projects to protect the coastal and marine environment;
- (iii) The use of appropriate economic and market based instruments;

(c) Promote innovative ways of generating new and additional funding, by, for example, contributing to studies relating to:

- (i) The development of water markets and pollution reduction incentive mechanisms;
- (ii) The need for, and feasibility of, multi-stakeholder water funds to address land-based activities;
- (iii) The wider application of environmental protection measures by, *inter alia*, the tourism sector;

(d) Strengthen the capacity of the regional seas programmes to coordinate Global Programme of Action projects that result in measurable “on-the-ground” improvements to the marine environment, by, for example:

- (i) Seeking from member countries, donors and international financial institutions adequate funding of the regional programmes of action and associated work programmes developed by the respective regional seas programmes;
- (ii) Promoting partnerships with the private sector, river basin authorities and regional development banks, that are geared towards addressing concrete problems;

(e) Create enabling environments for national and regional investments related to implementation of the Global Programme of Action from both the public and private sectors, by, for example:

- (i) Identifying the financial, legal and political risks of large-scale investments and adopting appropriate measures to insure against such risks;
- (ii) Strengthening the capacity of Governments to identify the need for action, generate appropriate solutions, and enter into legally robust contracts or partnerships with relevant stakeholders;
- (iii) Promoting consideration by stakeholders of alternative technologies, approaches and management processes;

(f) Increase the efficient use of public funds for projects related to implementation of the Global Programme of Action, by, for example:

- (i) Reviewing and reforming where necessary, domestic institutional, fiscal, legislative and policy measures, such as subsidy and taxation regimes, which may encourage land-based activities that are harmful to the marine environment;
- (ii) Increasing transparency and accountability in the use of public funds;
- (iii) Developing multi-year investment programmes;

(g) Increase the capacity of local communities and small-scale enterprises to implement the Global Programme of Action on a local scale, by, for example, encouraging the wider application of micro-financing and enterprise financing mechanisms.
