



United Nations
Environment
Programme



Distr.
GENERAL

UNEP/GC.14/4/Add.5
22 January 1987

ORIGINAL: ENGLISH

GOVERNING COUNCIL
Fourteenth session
Item 4 of the provisional agenda:

INTRODUCTORY REPORT OF THE EXECUTIVE DIRECTOR

Addendum

ENVIRONMENT AND FINANCIAL INSTITUTIONS

Summary

This report, prepared in pursuance of Governing Council decision 13/16, entitled "Environment and financial institutions", highlights developments and planned approaches in the implementation of the Declaration of Environmental Policies and Procedures Relating to Economic Development, adopted in 1980, which led to the formation of the Committee of International Development Institutions on the Environment (CIDIE).

Suggested action by the Governing Council

The Council may wish:

1. To take note of the reports of the Executive Director on the work and activities of the Committee of International Development Institutions on the Environment; 1/

2. To welcome the increasing emphasis placed by member institutions of the Committee on specific assistance to developing countries in the formulation and implementation of their overall development policies, with a view to making them sustainable and environmentally sound;

3. To welcome the Committee's decision to solicit the co-operation of relevant multilateral development financing institutions and bilateral donor agencies in its work and activities;

4. To urge the member institutions of the Committee to continue to co-operate with the Environment Programme in promoting and implementing the provisions of the Declaration of Environmental Policies and Procedures Relating to Economic Development, with a view to achieving full integration of environmental concerns in their development co-operation activities;

5. To request the Executive Director to continue to co-operate with and assist member institutions of the Committee in the review and further improvement of their environmental policies and procedures aimed at assisting developing countries and increasing their capabilities and expertise in the formulation of environmentally sound and sustainable development plans, programmes and projects;

6. To request the Executive Director to continue to promote adherence to the principles laid down in the Declaration by relevant multilateral development financing institutions and bilateral donor agencies;

7. To request the Executive Director to continue to report to it on the Committee's work in his Annual Reports.

Environment and financial institutions

1. The Committee of International Development Institutions on the Environment (CIDIE) was established in 1980 and currently has the following membership: African Development Bank, Arab Bank for Economic Development in Africa, Asian Development Bank, Caribbean Development Bank, Commission of the European Communities, European Investment Bank, Inter-American Development Bank, International Fund for Agricultural Development, Organization of American States, United Nations Development Programme, United Nations Environment Programme and World Bank. Since 1980 the Committee has held seven annual meetings, in rotation at the headquarters of the member institutions, to discuss such issues as the integration of environmental concerns into development projects and programmes funded by its members, the establishment of environmental units in their organizational structures, and training of staff in environmental management as well as in specific areas including reforestation, irrigation in arid and semi-arid regions, use of pesticides, water management, soil erosion and measures to combat desertification. CIDIE has served as a major platform for the exchange of information on policy and institutional reforms, as a result of which environmental problems have benefited from increased attention in their programmes and projects. The Executive Director has reported regularly to the Governing Council on UNEP's co-operation with CIDIE in his Annual Reports.
2. In its decision 13/16 of 24 May 1985, the Governing Council made two requests to the Executive Director. First, he was asked to undertake, in co-operation with the signatories to the Declaration of Environmental Policies and Procedures Relating to Economic Development, "periodic reviews of the progress they have achieved in response to the Declaration, particularly as regards the institution of internal provisions and procedures relating to the application of such methods as environmental assessments and/or environmental impact analyses and other measures for incorporating environmental considerations into their activities in a manner compatible with the requirements, needs and resources of developing countries". In pursuance of this request, an evaluation was carried out in 1986 to take a critical look at the Committee's accomplishments since its inception. The ensuing study entitled "Action and interaction on environmental matters - the history and potential of CIDIE", is being finalized for publication.
3. Also in keeping with the request of the Council, increasing emphasis is being placed, in consultations with multilateral development banks within the context of CIDIE and otherwise, on the need to assist developing countries in the formulation of overall policy objectives and to provide them with options for sustainable development, utilizing guidelines and methodologies for simplified and cost-effective environmental impact assessment and cost-benefit analysis and adapting integrated physical planning to developing country conditions. Several CIDIE member institutions, including the World Bank and IFAD, have already established practical arrangements for responding to these needs. By way of example, UNEP has been implementing a programme since 1983

/...

on environmental accounting, in close co-operation with the World Bank, to facilitate the integration of environmental concerns in the development process from an early stage of project design. It is expected that the programme will lead to the formulation of a set of guidelines for use by decision-makers in developing countries. UNEP will continue to assist other CIDIE member institutions in their efforts in this respect.

4. The second request made of the Executive Director by the Council was that he should "seek ways and means of enhancing the ability of the Environment Programme to provide" CIDIE members "with suggestions and recommendations". In this respect, the secretariat of CIDIE, which is provided by UNEP, has prepared an analysis of the policies and procedures followed by CIDIE members for the design and implementation of their development projects and programmes, identifying those policies, procedures and methodologies likely to be the most effective for integrating environmental concerns in their economic development activities. This analysis is to be discussed at the eighth CIDIE meeting in March 1987.

5. Finally with the co-operation and support of CIDIE members, UNEP is developing a joint project, scheduled to commence on 1 July 1987, aimed at testing in the field the integration of environmental concerns in development projects, programmes and plans. Following the identification of sectors which constitute a crucial resource base for sustainable development and economic growth, such as water or soils, three or four countries will be selected for field testing.

Note

1/ 1985 Annual Report (UNEP/GC.14/2), chap. IV, para. 26; 1986 Annual Report (UNEP/GC.14/3), chap. IV, UNEP/GC.14/4/Add.5.
