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INTRODUCTORY STATEMENT BY THE EXECUTIVE DIRECTOR

M... President, Distinguished Delegates, Ladies and Gentlemen,

It is my privilege and honour to welcome you to the seventh annual session of the UNEP Governing Council. I trust that each of you will have a fruitful sojourn in Nairobi, the capital city of our host country, and that when you leave, it will be with a renewed sense of common commitment and of belonging to a community working for a better environment and for more rational management of our only one Earth.

May I take this opportunity to extend my warmest congratulations to you, M... President, and to the other members of the Bureau, on your election to your important office. I can assure you, M... President, that my colleagues and I will do everything within our power to assist you in your most demanding task. I should like to express my heartfelt appreciation to our past President, Ambassador Miguel Velarde, and the members of the Bureau of the last Governing Council for their outstanding performance.

I wish also to welcome the newly elected members of the Council, to extend our congratulations to them on their election to this body, as well as to those member States that were re-elected by the General Assembly at its last session, and to express my appreciation for the co-operation and assistance of the former members of the Governing Council.

M... President,

This statement gives me an opportunity (a) to bring the Council up to date on significant developments; (b) to stress some of the issues already before the Council which need to be highlighted; and (c) to share with you my views on matters of deep and common concern to the international community as a whole.

I will start with the latter. The harmonization of goals and policies for economic development with those of environmental protection and improvement is a matter of concern for developing and developed countries alike. In recent years, the problems involved in such harmonization have come more sharply into focus, since many countries are now suffering from rising levels of unemployment, inflation, balance of payments difficulties and lower levels of productivity. The questions we must squarely face are of universal concern. How can environmental parameters be integrated into the decision-making process? How can decision-makers at all levels be convinced that although environmental measures are costly, the benefits are enormous? In what time frame are environmental measures and economic policy objectives reconcilable? I believe the peoples of the world fully agree that decisions taken now will affect the development process, and the environment, for many years to come, and that development strategies must take account of environmental consequences from the beginning. However, the measures required for environmental protection and improvement are not everywhere the same. Some countries are more concerned with pollution abatement; others with growth to deal with poverty-induced environmental degradation; yet others with long-term and sustainable utilization of natural resources, or with conservation policies, or with population policies, or with the working environment. A wide spectrum of activities must, therefore, be conceived and orchestrated to achieve the reconciliation that we seek.

These questions come immediately to mind when we address the major issue facing the international community today, the formulation of a new international development strategy for the third United Nations development decade. The qualitative difference between the Strategy for the First and Second Development Decades and that now being discussed for the third development decade arises from two related developments. First, there is a shift from exclusive emphasis on aggregative quantitative target rates of growth to a multifaceted strategy which emphasizes the social aspects of development and the need for institutional reforms, both internationally and nationally. Second, there is a gradual, but clear, realization of the important difference in perspectives and priorities between the industrialized and the developing countries. It is not that developing countries are unconcerned about industrial pollution and damage to the human environment resulting from a high level of economic activity. But their prime concern, at the present, is poverty and its implications: poor water supply, inadequate housing and sanitation, low nutritional standards, dangers to health, vulnerability to natural disasters, food shortages resulting from deterioration of fragile ecosystems, and the like. The development objectives identified for the new international development strategy in paragraph 3 of General Assembly resolution 33/193 include changes in the structure of world production to provide additional employment; substantial increases in food and agricultural production; development of institutional and physical infrastructure in developing countries; promotion of industrialization to reach the Lima target; improvement of terms of trade; increase in the flow of resources; enhancement of the responsiveness of the international monetary system; promotion of transfer of technology, etc. These can now be seen as the essential targets, while the measures listed in paragraph 4 of the resolution, including environmental protection measures, can be seen as the framework for the attainment of these targets.

The objectives set forth in the General Assembly resolution represent an important step forward. The Governing Council may wish to contribute to the preparations of the strategy by offering its own observations. Several points could be made: First, strategies and actions for the attainment of the targets demand an integrated approach which takes into account the inter-relationships between development, environment, population and resources. Second, while some of the problems that arise from the process of development itself become greater and more complex as that process gathers momentum, a proper management of the process provides for the prevention of minimization of many more problems, including some of an environmental character. It is through development that resources become available, and a dynamic process of change is set in train which promotes the solution of existing problems. Thus for most developing countries remedial approaches to environmental problems are closely interwoven with policies for overall development. Third, it is of paramount importance to take due account of the need everywhere to preserve non-renewable, and enhance the use of renewable, resources. Fourth, although the strategy is to cover a decade, it must be framed within a longer-term perspective. Fifth, a much more efficient process of review and appraisal must be integral to the strategy.

A closer examination of the General Assembly resolution on the new International development strategy reveals a number of issues on which the Governing Council may wish to express its views. One such issue is of a general nature. While in the realization of some development objectives, environmental and social goals can be incorporated without undue difficulty, matters become complicated when conflicts are perceived, particularly in the short or medium term, between such goals and narrower growth objectives.

Generally speaking, the optimal development process is seen to be one which sets, as one of its main objectives, the satisfaction for present and future generations of their basic requirements without transgressing the outer limits to biospheric tolerance of man's activities. There is a delicate balance here and it demands very careful decisions. For such rational management to be achieved, methods must be developed to deal more adequately with the full social and environmental, in addition to economic, costs and benefits of development-related activities. As you know, UNEP is currently engaged in developing such methodology through: (a) a cost-benefit analysis exercise; (b) establishing operational guidelines and environmental checklists for development projects; (c) the establishment of criteria for resource use; and (d) charting of possible alternative patterns of development and lifestyles which could be used by Governments in ways commensurate with their own goals. When such tools have been prepared and tested, it will be much easier to take environmental considerations into account in development plans and activities. In the meantime one must use whatever tools are available.

A more specific issue relates to the path chosen for the realization of each of the individual development objectives identified in the General Assembly resolution. Difficult problems of tradeoffs and options arise in this connexion. If they are not faced at the conceptual stage or soon after, such problems could become difficult, perhaps even insurmountable, or of prohibitive cost to most developing countries.

In order to illustrate the problems that may arise in the pursuit of the different objectives, it may be worthwhile to consider briefly the implications of just two of them:

(a) Food and agricultural production

The objective of a substantial increase in food and agricultural production is a vital one. An increase in production must, however, take into account the full costs of that increase and its total impact on broad-based agricultural ecosystems. It will be remembered that the "green révolution" led to a dramatic increase in food production, but it did so by encouraging the widespread adoption of limited genetic strains which lack resistance to diseases and pests, require a narrow range of water, sun and fertility conditions, and make high energy demands. Moreover, accelerated cultivation of poor land to increase food production may lead to reduction in the resource heritage, since such land may deteriorate rapidly because of too little or too much moisture, unsuitable topography, fragility of soil fertility, or a variety of other causes. Increases in food production today may well be at the expense of total food production tomorrow. Accelerated fertilizer production, if carried out by conventional methods, not only requires large amounts of energy, but leads to air and water pollution. When additional areas of land are brought into use by improved irrigation systems, careful attention must be paid to the level of the water table and the possible spread of waterborne diseases. To increase food production greater attention must be given to optimal use of resources at the local level, land-use policies, proper storage and transportation of human and animal food, and to the prevention and reversal of the desertification process;

(b) Industrialization

The promotion of industrialization to reach the Lima target by the year 2000 is equally vital. But appropriate industrialization raises the inter-related questions of what is produced, how it is produced, and the extent of the external effects associated with industrial processes. There is considerable scope for innovative action in this connexion, especially in developing countries where it is important that the proper choice of technologies be made and new and more appropriate ones developed, and where production must be not for the wealthy alone, but for the benefit of all sections of the populace. Thus, various patterns for achieving the industrial objectives of developing countries have to be sought, and the most sustainable of them adopted and used in accordance with each Government's goals and priorities.

This consideration of these two objectives leads one to conclude that the Governing Council could usefully emphasize the need for making environmental impact assessment statements a pre-requisite in development activities, particularly those bilaterally and multilaterally-aided. You could further recommend that the cost of such statements should be borne by donors in addition to the aid given.

The third issue which the new International development strategy should face is the use of commonly-owned or shared property - the global commons. Because of the lack of appropriate International agreements, the future maintenance of the global commons and control of the accelerated rate of utilization of their resources require regulatory actions. Such regulations are the warp and woof of a new International economic order, involving as they do the two major issues of International control and International taxation.

A fourth issue concerns the important question whether the new strategy should not, while fully recognizing the widely different levels of development in the world and among developing countries themselves, include certain specific environmental "target". These could include the achievement of minimum standards of habitation, minimum quality standards for drinking water for all regions of the world, of minimum protection standards in the working environment in each industrial sector according to an agreed schedule, and so forth.

A fifth issue concerns the possibility of including in the new strategy certain regional or global projects to be completed, or at least commenced, during the 1980s. Such projects could make the strategy more specific and concrete. They would represent a trans-national endeavour of regional and world-wide benefit, and, could lead to a significant impact on world economic activity in the short run. Different types of project could be considered, such as environmentally-sound hydro-electric/irrigation projects, projects concerned with afforestation and the management of tropical forests; projects for reclaiming desertified lands; projects in the field of renewable energy sources and projects for less polluting and low-waste technologies.

Finally, I would like to draw your attention to some other ways in which emerging environmental issues are likely to affect International economic relations. I refer particularly to trade, aid and the transfer of technology. Apprehension is felt in many quarters of a detrimental climate for developing countries in all three fields. For various reasons, the developing countries may not be able either to take advantage of opportunities that may arise from environmental controls, or to avoid being faced with new non-tariff barriers or an unfair share of the extra burden that such controls may entail. Yet the new environmental concern in the developed countries may afford opportunities for the developing countries, in that it could lead to adaptation and adjustment of industries, including possible relocation of appropriate well-chosen ones to the developing countries. If actions on them are conceived in a spirit of interdependence and international solidarity, such emerging environmental issues will enhance International co-operation.

The basic concerns I have mentioned need to be placed in their proper long-term perspective, since a number of major social and environmental goals fundamental to the new strategy cannot be realized in a time-frame as short as a decade. At the same time, we must not lose sight of the environmental considerations that have to be taken into account in achieving operational goals and objectives over shorter periods of time.

Preparations within the United Nations family for the formulation of the new strategy are moving ahead purposefully. It is a matter of urgency that the views of the Governing Council - in the form not so much of alternative policies and projections but of relative emphasis - be conveyed to those concerned in an authoritative and persuasive manner. Such an expression of views by the Governing Council would undoubtedly assist the various bodies engaged in the task to arrive at a consensus on the different issues before them.

I turn now to some major developments since the preparation of the Council's documentation or since the last session of the Governing Council, which need to be highlighted.

The Conference on Climate and Mankind, organized by the World Meteorological Organization and held in Geneva from 19-23 February 1979, represented a milestone in the international efforts to comprehend natural and man-made climatic changes and their effects. The Conference, after reviewing the state of knowledge, issued inter alia a declaration directed at policy-makers and containing an appeal to all nations "to take full advantage of man's present knowledge of climate, to take steps to improve that knowledge and to foresee and prevent potential man-made changes in climate that might be adverse to the well-being of humanity".

The issue of the concentration of carbon dioxide in the atmosphere and its possible impact on the climate was recognized at all stages of the Conference as one that "deserves most urgent attention of the world community of nations". The programme document submitted for your consideration at this session includes proposals for action in this area. The Governing Council may wish to consider this issue in conjunction with the alarming rate of tropical deforestation, a problem which, in my view, requires urgent concerted international co-operation for its solution.

The UNEP Co-ordinating Committee on the Ozone Layer issued in December 1978 "An assessment of ozone depletion and its impacts". According to that assessment, the most serious threat to the ozone layer comes from chlorofluoromethanes. The expected rate of depletion through this source should be a cause for deep concern. International co-operation in learning more about the impacts of such depletion is a must. There are inherent risks in such changes but we are far from knowledgeable of their physical, social, political or economic impacts. As a step in this direction, the President of SCOPE and I are working on a joint statement of risks to the environment, and of our understanding of the biogeochemical cycles, to be issued in the coming few months.

Recent developments in regard to nuclear energy have shown once again the degree of public concern which must be taken into account when considering the growing needs for energy. We are in the process of finalizing our reports on environmental impacts of nuclear and fossil-fuel sources of energy, and will soon begin the preparation of a third report,

on renewable energy sources. These reports should contribute to a better understanding of the environmental consequences of all forms of energy and help in the preparation of a comparative study of such consequences, to be undertaken sometime next year. Such a comparative review will hopefully help in enabling better informed choices to be made.

M... President,

During the last year, there has been ample progress in implementing certain elements of the environment programme. Some of this is worth highlighting. Two activities within the Global Environmental Monitoring System have recently come to fruition, both in co-operation with FAO. The pilot tropical forest cover monitoring project has produced its report on monitoring methodologies used to assess forest cover in Benin, Togo and the United Republic of Cameroon. The report is accompanied by forest cover maps of the three countries which will serve as baselines against which to measure future forest cover changes. As part of the project on the world assessment of soil degradation, two maps of Africa north of the Equator and the Near and Middle East have been produced: the first indicates both the present soil degradation rates and the present state of the soils of the region, while the second shows the risks of soil degradation. All the maps produced by these two projects are on display in the Kenyatta Conference Centre.

There has been clear positive response from Governments regarding registration of sources and processing of queries for INFOTERRA, while the response of Governments to the identification of national correspondents for IRPTC has been even more positive.

At this time last year I reported to you the progress made in the Mediterranean, and mentioned some financial problems which had not been resolved. Now I am glad to report that those problems have been solved and that the Action Plan has entered a new phase. The Governments concerned and EEC approved in Geneva in February last a programme of work for 1979-1980 and its budget of \$6.4 million. Half of this sum will be paid by Governments through a Mediterranean Trust Fund which is presented to you for approval. The balance will be met half by UNEP and half, in different forms of services, by other United Nations agencies. I am sure that the Council will be gratified by these achievements, which are consistent with the Council's wish that Governments assume progressively more and more financial responsibility and substantive control.

Similarly, the contracting parties to the Convention on International Trade in Endangered Species of Fauna and Flora agreed on a cost-sharing arrangement for the Secretariat services of the Convention which demonstrates their will increasingly to assume the cost of the administrative functions of the Convention.

The last two developments are encouraging me to continue to review programme activities in which UNEP's catalytic role has been in operation. The purpose of the review is to gradually phase out those activities that tend to involve UNEP on a long-term basis and to pave the way for the exercise of our catalytic role in new areas and situations, thus enabling us to use our limited resources dynamically to meet emerging challenges.

Co-operation between UNEP and the United Nations Centre for Human Settlements (Habitat) is progressing in a most satisfactory way. The Bureaux of the governing bodies of the two organizations held a very productive meeting with the two Executive Heads here in Nairobi last month. The Executive Director of Habitat, Mr. Ramachandran, will address you as soon as you reconvene in plenary on Monday, 23 April.

Goal 9 of the 1982 goals calls for the development of a **global** plan for the restoration, conservation and management of wildlife, and the establishment and management of a network of parks and other protected areas. As a step towards this goal IUCN, in co-operation with UNEP and WWF, is finalizing the world conservation strategy which will be launched officially later this year. The strategy does three main jobs: it explains the objectives of conservation and shows how their achievement will contribute to development; describes the main requirements for the achievement of conservation objectives; and sets up a means for meeting these requirements. The strategy will be communicated to all Governments as soon as practicable, and the UNEP Secretariat, especially our Regional Offices, will assist when requested within its capacity to ensure that the opportunities afforded by the strategy are taken advantage of without delay.

These are all satisfying achievements. But not all the signs are positive. Much still remains to be done, and there is much room for improvement especially in the following areas:

- (a) Sharpening the focus of treatment of emerging problems in the annual state of the environment report;
- (b) Consolidating and integrating our activities in the field of environmental assessment. This has to be complemented by real support of Governments to their focal points for INFOTERRA and IRPTC. The progress may be impressive but there is still much that needs to be done by Governments to ensure that these instruments are operating satisfactorily;
- (c) Implementation of the Plan of Action to Combat Desertification, especially the financial aspects;
- (d) Halting the disastrous depletion of tropical forests and woodlands;
- (e) We have made considerable progress in technical information, but much remains to be done in the field of public information;
- (f) Although we have managed to cut down the volume of documentation by 30 per cent compared to the last session, there is still room for improvement in terms of quality.

M...President,

The documents before you raise a number of issues on which I am seeking policy guidance from the Council. These include:

- The periodicity and duration of Governing Council sessions;
- The 1982 session of the Council;
- The System-wide Medium-term Environment Programme;
- Further action in the field of environmental law;
- The status of the Fund of UNEP, its management and the application of its catalytic role.

I wish only to refer briefly here to the last three of the issues. First, the development of the System-wide Medium-term Environment Programme. I hope the proposals in my introductory report point the way to an integrated means of dealing with planning, programming, budgeting and evaluation in the field of environment. With the preparation of SWMTEP, UNEP would be in a position to influence the development of suitable approaches by all concerned.

Second, the question of draft principles of conduct for the guidance of States in the conservation and harmonious exploitation of natural resources shared by two or more States. This has been before the General Assembly, the Economic and Social Council, and the Governing Council for some six years, having been assigned to the Governing Council by the General Assembly. It took almost four years to propose, finalize and arrive at a consensus on the fifteen principles. The General Assembly and the Economic and Social Council both urged UNEP's working group on the subject to expedite its work and finalize its report. As at November 1978, the money spent on preparation by UNEP was close to \$300,000. The total cost to all concerned in terms of time and actual expenditure must certainly be well above the million dollar mark.

When the report transmitting the principles was submitted to the General Assembly, it appeared that the anxiety of Governments to see the work completed had waned, and the General Assembly "invited the Secretary-General to transmit the report to Governments for their study and comments regarding the principles and to report thereon, taking into account also other significant information with a view to enabling the General Assembly to take a decision at its thirty-fourth session".

Environmental Law is an area stressed heavily by the Governing Council, which feels we are not moving quickly enough. I would like your guidance in this respect. Should UNEP spend so much time, and scarce resources to prepare principles only to find that there is a lack of the kind of political will needed on the part of Governments to reach a decision on what to do with the principles they had requested?

Third, the question of the Environment Fund. In order to maintain a level of programme activities compatible with our mandate, with the present medium-term plan, and with the ambitious endeavours of establishing SWMTEP, additional resources are necessary to carry UNEP through this challenging new phase. If, over the past years, we have been in a position to contribute positively to the solution of some global, regional and even national environment problems, it is because contributions to the Fund of UNEP steadily increased to \$98.7 million over the first five years, almost reaching the target of \$100 million.

The approved target of contributions for the medium-term plan 1978-1981 is US\$150 million. We have now estimated resources of slightly over \$122 million, almost \$9.5 million more than the figure I reported to you last year. However, even without allowing for the uncertainty of the level of contribution of our major donor, we are still close to \$28 million short of reaching this target. When inflation and currency composition are taken into account, our resources will not be able to support in real terms our present level of activities. This means that in future, if the present trend prevails and no substantial additional contributions are forthcoming, we will have to reduce our programme considerably in 1979. If contributions in convertible currencies stabilize at the present rate, this will mean a further drastic fall in our ability to support activities in these currencies, from a level of more than \$38 million worth in 1979 to around \$24 million in 1980 and 1981. This is at a time when the problems of the environment are becoming more acute and several Governments are looking to UNEP to help them face these problems. We have certainly proved ourselves in a short period of time. It would be unfortunate if, because of a shortage of funds during this and the next two years, amounting, I dare say, to less than the world's expenditure on arms for one hour, we were forced to cut down on our catalytic and co-ordinating role or decline to offer much-needed assistance in dealing with environmental problems.

Several Governments, aware of this problem, and responding to my presentations through correspondence or during my official visits, have already responded positively - 13 Governments have pledged contributions for the first time - all developing countries. 19 Governments have raised their contributions, some of them generously. We are most grateful to them; Sweden, Norway, the Libyan Arab Jamahiriya, and France come at the top of the list. May I appeal to all other Governments to give serious consideration to this crucial issue. And I am in the meantime requesting you to give me policy guidance on how to ensure, on a predictable, continuous and increasingly assured basis, the level of funding required for implementing the activities that you agreed we should support in the next few years.

Mr... President,

I am delighted to have had the opportunity of paying official visits to 17 countries in different regions of the globe since the last Governing Council. These visits covered the United Kingdom, the German Democratic Republic, Poland, Switzerland, the United States of America, Bulgaria, Bangladesh, Indonesia, Malaysia, the Philippines, Thailand, Singapore, Sri Lanka, Kuwait, Saudi Arabia, the United Arab Emirates and Greece. It was a pleasure for me to see at first hand the progress being made in the environmental field, and to discuss matters of mutual concern again at the level of Heads of States and Governments, and concerned ministers and high officials. Indeed, the fact that I was received at the highest level emphasizes the extent of these countries' interest in and support to UNEP's work, ideals and concerns.

During my discussions on these visits, I laid particular emphasis on the need for environmental impact assessment; for case studies in the field of cost/benefit analysis of environmental measures; and for a better exchange of information on the experiences of individual countries. Of paramount importance, however, was the question of the fund of UNEP and the urgent need for countries to fulfil and increase pledges.

M... President,

To conclude, I wish to reiterate my continued understanding and belief that possible risks to the environment, and negative impacts of the mishandling of natural resources, are real and present dangers to all peoples everywhere. These risks and dangers do not stop at the border of any given political or economic system, or at any given level of development. They are, rather, issues which could exercise a binding force among the nations as together they seek ways and means of sustaining our life-supporting systems. Environmental considerations should therefore be at the heart of all that we say and do with regard to the process of development, a process the final aim of which has been defined by the community of nations in the General Assembly as the constant increase of the well-being of the entire population. Environmental protection and improvement is therefore not a marginal or sectoral issue in development, it is a core issue. I see it as paradoxical that the community of nations expresses a firm belief in the need to have environmental considerations taken fully into account in the development process and yet we in UNEP remain handicapped when it comes to catalysing and activating the implementation of this belief because of the shortage of resources. We cannot do much to help Governments protect and improve their environment without the full support of Governments themselves, moral, political, technical and financial. We can only be what you want us to be. And, I am sure you want us to serve you well.

Thank you, M... President.

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