



**ACCELERATING THE MARRAKECH PROCESS IN LATIN AMERICA AND THE
CARIBBEAN REGION**

**BACKGROUND PAPER
FOR THE
4TH REGIONAL MEETING ON SCP IN THE LAC REGION**

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ACRONYMS

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| 10YFP | 10-Year Framework Programmes |
| ACORE | American Council on Renewable Energy |
| AMCEN | African Ministerial Conference on Environment |
| ARSCP | African Roundtable on SCP |
| CSD | United Nations Commission on Sustainable Development |
| MERCOSUR | Southern Cone Common Market |
| NEPAD | New Partnership for Africa's Development |
| SCP | Sustainable Consumption and Production |
| UNDESA | United Nations Department of Economic and Social Affairs |
| UNEP | United Nations Environment Programme |
| UNESCAP | United Nations Economic and Social Commission in Asia and Pacific Regions |
| WSSD | World Summit on Sustainable Development |

1. INTERNATIONAL CONTEXT

The Marrakech Process, launched in 2003, is a global process to support the development of a 10-year framework of programmes (10YFP) on sustainable consumption and production. The 10YFP will support national and regional initiatives to promote the shift towards sustainable consumption and production (SCP) patterns, in response to the Johannesburg Plan of Implementation. The Marrakech Process is implementing programmes at national, regional and international levels (see Figure 1). The regional consultations, one of the key elements of the Marrakech Process, are organized to promote awareness and identify priorities for SCP in the region, and to build regional strategy and implementation mechanisms with regional and national ownership.

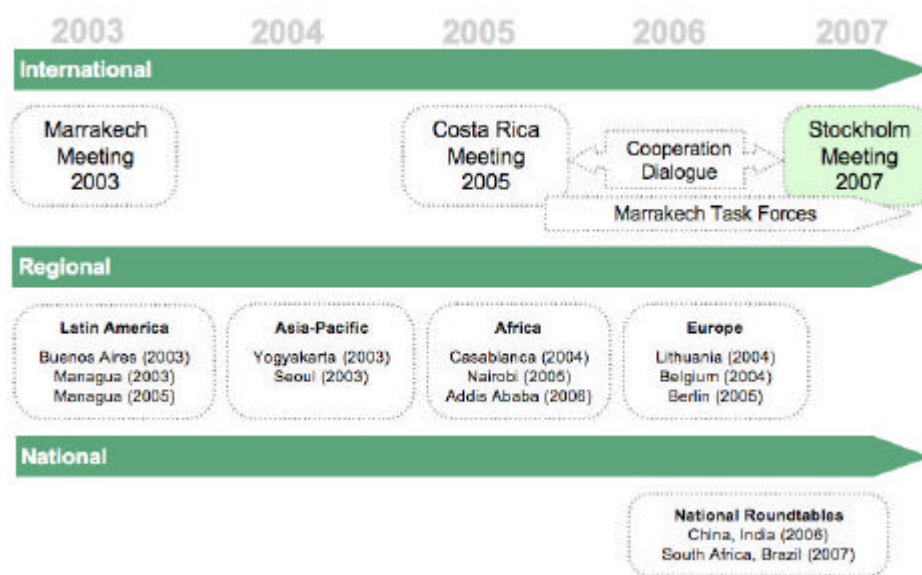


Figure 1 Marrakech Process at national, regional and international level

At the 3rd International Expert Meeting on the 10 Year Framework of Programmes on Sustainable Consumption and Production, held in Stockholm, Sweden in June 2007, goals for all the regional consultations were set forth, namely: i) endorsement of regional strategy by regional institutions and ministerial forums and ii) development of appropriate implementation mechanisms (pilot projects, capacity building, public-private partnerships, and financial support for such activities).

At the Meeting, experts agreed on the need to start another round of regional consultations under the Marrakech Process in order to strengthen existing regional strategies and processes with a view to raising the level of political and institutional support for sustainable consumption and production in all regions.

Efforts should be made to better engage those regions and country groups which have not yet been so actively involved. Some regions have yet to identify their SCP priorities.

The participants agreed on the need to find synergies and integrate the work of the task forces in the design and implementation of regional SCP strategy and priorities.

The need was expressed to enhance the capacity of developing countries to effectively implement SCP programmes, including through development of innovative funding mechanisms.

Regional consultations should be multi-stakeholder forums and should serve as key mechanisms to revise and provide inputs to the development of the 10YFP, by ensuring that all regions and stakeholders, governmental and non-governmental, can participate in the design and subsequently be engaged in the development and future implementation of the 10YFP.

Adoption of the 10YFP at the 18th Commission on Sustainable Development (CSD) will depend on the support from both developed and developing countries, so the benefits of SCP programmes should be clear to the governments and all other stakeholders.

2. PROGRESS AND KEY ISSUES IN LAC REGION

The Latin America and Caribbean (LAC) region has been actively engaged in the Marrakech Process. Between 2003 and now, three regional government expert meetings have been held (one in Argentina and two in Nicaragua). The region has made considerable progress in identifying the regional priorities on SCP, developing and adopting Regional Strategy, creating a Regional Council of Government Experts, and implementing SCP programmes and pilot projects in collaboration with development agencies and Marrakech Task Forces.

2.1. REGIONAL PRIORITIES AND STRATEGY ON SCP

During the first LAC Regional Government Expert Meeting (Buenos Aires, Argentina, 2003), **economic issues, water and institutional capacity** were identified as the regional priorities on SCP. In summary, these priorities could be listed as follows:

Economic Issues

Economic competitiveness, trade and market access, economic diversification, energy efficiency, cleaner production, and economic instruments are the key issues. These issues respond to trade liberalization and economic integration trends, and the challenges of modest economic growth and large economic and social inequity in the LAC region.

Water Resources

The LAC region has 30 per cent of the global water reserves. Watershed management, coasts and coastal resource management, inland water quality and fresh water supply have been the main issues.

Institutional Issues

Environmental education, training and capacity building, social participation and empowerment, promotion of public-private partnerships, inclusion of the environmental dimension into economic and social processes, evaluation and development of indicators were the priority issues identified.

The Regional Strategy on SCP, developed as the outcome of the 2nd Regional Government Expert Meeting (Managua, Nicaragua, October 2003), was agreed and ratified by the environmental ministers in the LAC region during the XIV Meeting of the Forum of Environment Ministers (Panama, November 2003). The 3rd Regional Meeting recommended the Regional Council of Experts organise working sessions every 6 months to monitor the implementation of the Regional Strategy.

2.2. IMPLEMENTATION MECHANISMS

Institutional Mechanisms

➤ Regional Council of Government Experts

A Regional Council of Government Experts on SCP has been established, supported by the regional Forum of Ministers of Environment. The main objective of the Council of Experts is to identify and propose efficient mechanisms for the implementation of integrated policies, strategy and programmes that promote and facilitate the adoption of SCP in the LAC region. The Council is composed of one government expert from each of the countries of the region.

At the Third Regional Expert Meeting on SCP (Nicaragua, 2005), the Council submitted recommendations to the XV Meeting of the Forum of Environment Ministers of LAC (Caracas, November 2005) and the 2nd International Expert Meeting on the 10YFP on SCP. The recommendations were acknowledged and accepted by the Forum of Ministers of Environment as the decision on SCP of the XV meeting.

The Council of Experts needs to be strengthened as it does not meet regularly as first envisaged. Institutional support is needed for regular meetings; the UNEP ROLAC project funded by the UN Development Account has as one of its objectives to support the Council of Experts. Once support for regular meetings is secured, this could be followed by development of a forward looking work plan that could be monitored and facilitated through establishment of an elected steering committee. The Council should be a true network of experts, sharing information and work plans, and collaborating wherever possible.

➤ National Strategy & National Consultative Councils

At the 3rd International Expert Meeting in Stockholm in June 2007, representatives of the region described the current priority activities in the LAC region as:

- Developing national strategy on SCP
- Integrating SCP into the national and regional strategy on sustainable development and poverty alleviation
- Creating national consultative councils on SCP

Currently the governments of Argentina and Barbados are developing national SCP strategies, while other countries are considering how to proceed.

➤ **National Roundtables**

A Brazilian National Roundtable on SCP was held in April 2007 by the Ministry of Environment of Brazil, UNEP and the European Commission, and with the support of the Sao Paulo State Environmental Sanitation Technology Company (CETESB). The Roundtable aimed to provide information on the Marrakech Process, facilitate exchange of information, experiences and knowledge on SCP between Brazil and other regions, particularly Europe, provide an opportunity to discuss perspectives, challenges, specific needs and priority issues related to SCP in Brazil, as well as means for implementing SCP programmes in Brazil.

➤ **Regional Association--MERCOSUR**

The Southern Cone Common Market (MERCOSUR) has started to integrate SCP activities into its work plan; especially its Sub-Working Group on Environment, whose work is directed to supporting policies for small and medium-sized enterprises (SMEs) within its member countries, namely Argentina, Brazil, Paraguay and Uruguay.

Among its member countries, MERCOSUR has been promoting its SCP policies, focusing on:

- Promotion of suitable instruments for corporate environmental management and cleaner production, e.g. the trade tax reduction proposal for cleaner production
- Public-private cooperation and increased exchange between member countries with regard to cleaner and efficient production
- Design and development, and market access of sustainable products
- Regional cooperation for competitiveness and environment

The German technical cooperation agency, Gesellschaft fuer Technische Zusammenarbeit (GTZ), supports MERCOSUR in formulating, coordinating and implementing environmental policies for greater competitiveness and improved environmental soundness. The joint project “Competitiveness and Environment” is carried out by the MERCOSUR and GTZ to establish and implement a common strategy for cleaner and more efficient production patterns. Working areas include policy development, public-private cooperation as well as practical efforts and the exchange of experiences in cleaner production, resource efficiency and environmental management. Economic instruments and incentives are considered a key element, particularly to integrate environmental and economic policies and to address small and medium-sized enterprises (SMEs), which are a key target group.

There are significant differences on competitiveness and environment between the member states within MERCOSUR. Therefore country-specific approaches are suggested, based on the experience sharing seminars between MERCOSUR countries and national-level studies. Argentina was suggested to integrate cleaner production explicitly into existing SME promotion schemes was proposed; while Uruguay was suggested to develop primarily market-based instruments in the areas of industrial waste water and solid waste, directly related with its general law on environmental protection. The approach in Paraguay aims at the municipal level and is coherent with general decentralisation efforts in environmental management. In addition, soft incentives like cleaner production awards are also promoted.

Projects and Policy Implementation

➤ Implementation of a Regional Project on SCP in LAC

This two-year project, launched by UNEP in 2006, with the financial support of the UN Development Account, aims at supporting governments in the region to implement concrete SCP policies and projects included in the regional strategy. Among its activities, it focuses on:

- Supporting development of national SCP action plans
- Integrated waste management systems
- Capacity building of small and medium-sized enterprises (SMEs)
- Sustainable public procurement (SPP)
- Supporting the Government Council of Experts

➤ Application of Economic Instrument on SCP: Trade Tax Reductions for Cleaner Production in Paraguay

Within the framework of a Technical Cooperation Initiative between the MERCOSUR and Germany, an economic instrument of step-wise trade tax reductions (to a maximum reduction of 20% of tax payable) was implemented at the municipal level in Paraguay, to promote cleaner production in cities and municipalities and thus create win-win situations whereby companies can reduce tax burdens while municipalities face reduced environmental pollution from industrial activities. It was designed for those industries that implement cleaner production programmes and can actually demonstrate measurable and independently verified results such as emission reduction, pollution minimisation or increased natural resource use efficiency.

The project implementation is still at the early stage. Political lobbying and awareness building are required in order to convince local politicians of the benefits of the model. Apart from environmental benefits and efficiency gains, the possibility of compensation for lower municipal tax revenues and the creation of local capacities for environmental management are crucial elements. Good training and information work is necessary for successful application. A comprehensive monitoring system is important to guarantee the proper development of the instrument in its introduction phase. In the case of Paraguay a

supporting factor has been the compatibility with the ongoing general decentralisation of environmental management that is being supported by, among others, the Inter-American Development Bank.

➤ **Pilot Projects & Collaboration with Marrakech Task Forces**

The Stockholm International Meeting called for the Marrakech Task Forces to become more engaged in supporting work on priority SCP areas in various regions to further the implementation process at the regional level. To date, Argentina is collaborating with the Marrakech Task Force on Sustainable Public Procurement and there are plans for Mexico to become engaged as well. Brazil is part of the Task Force on Sustainable Tourism Development and a tourism destination is in the process of being chosen for a pilot project. In Argentina the sustainable public procurement strategy aims at introducing environmental criteria in the public procurement process, improving efficiency in government spending, settling industrial recovering towards sustainable process, and outreach and communication on sustainable development.

Countries and institutions in the LAC region which are participating in the Marrakech Task Forces as members include:

- Sustainable Public Procurement (Argentina)
- Sustainable Buildings and Construction (Mexico)
- Sustainable Lifestyles (Argentina, Eco Global Advisors (NGO, Costa Rica))
- Sustainable Tourism (Bahamas, Brazil, Costa Rica, Central America Integration System (SICA))
- Education for Sustainable Consumption (Universidad Autonoma de Mexico)

Financial Support

The Development Cooperation Dialogue is encouraging collaboration with development agencies and financial institutions and is one of the major implementation mechanisms of the Marrakech Process to finance and support regional and national SCP activities.

GTZ, as a partner to this dialogue, has been supporting MERCOSUR in formulating, coordinating and implementing environmental policies for both greater competitiveness and improved environmental soundness, especially of SMEs.

The use of a future structural fund for promotion of sustainable production within MERCOSUR has been evaluated.

The Inter-American Development Bank and the Multilateral Investment Fund (MIF) have financed a project to facilitate the development and dissemination of techniques and methods for promoting cleaner production in value chains, in order to encourage the implementation of cleaner production and environmental management strategies among SMEs and expand their use nationwide in Paraguay.

3. BEST PRACTICES FROM OTHER REGIONS

Latin America and the Caribbean region has made considerable progress in identifying regional priorities, establishing the Regional Council of Government Experts, and implementing pilot projects in collaboration with development agencies and Marrakech Task Forces. To accelerate the regional process, it may be useful to examine best practices from other regions of the world. In this section, best practices from Africa, Asia and Europe are considered, with the emphasis on **institutional support structures** and **implementation mechanisms**.

3.1. AFRICA: REGIONAL 10 YFP ON SCP

The African regional process is in an advanced stage due to its high-level political commitment and institutional support on SCP, with the notable outcome of launching the first regional 10YFP on SCP. Four areas are identified as regional priorities on SCP in Africa: energy, water and sanitation, habitat and sustainable urban development, industrial development. Each thematic priority area was considered in the context of the Environmental Action Plan of the New Partnership for African Development (NEPAD) and regional poverty reduction priorities.

Three regional expert meetings were organized in Africa between 2004 and 2006. The main outcomes of the meetings were:

- Adoption of Statement on SCP by the African Ministerial Conference on Environment (AMCEN)
- Institutionalization of African Roundtable on SCP (ARSCP)
- Development of project proposals in priority areas
- Adoption and launch of African 10YFP on SCP
- Establishment of five technical committees to operate under the ARSCP
- Launch of concrete pilot projects to implement SCP regional strategy

Africa is the first region to launch its own regional 10YFP on SCP. Key factors to the success achieved in the Africa region are:

- ☑ High-level political commitment to the Marrakech Process
- ☑ Linking regional policies on SCP to the high-priority development issues of the region

With support from the African Ministerial Conference on the Environment (AMCEN), the African Roundtable on Sustainable Consumption and Production (ARSCP) became a formal institution at the first regional meeting in 2004, in addition to being subsequently incorporated into the Marrakech Process. The ARSCP aims to facilitate the development

of national and regional capacities for SCP and promote effective implementation of SCP policies and activities.

The **African 10- Year Framework of Programmes on SCP** was launched at the third expert meeting in 2006 (also held as the 4th African Roundtable on SCP), with official support from the African Union and AMCEN. The African 10YFP has effectively catalyzed the required political commitment and support at the national and regional level for its further development and implementation.

Throughout the development of the African 10YFP, emphasis was given to the importance of linking sustainable consumption and production with the challenges of meeting basic needs and provision of sustainable livelihoods, which are of high priority for the Africa Region.

With support from the German Government, the Marrakech Task Force on Cooperation with Africa was launched and is the only task force with a regional focus. The Task Force was a strong supporter of the development of the African 10YFP. The Task Force currently is assisting African countries to implement some activities under the African 10YFP, with a special emphasis on assisting Africa to “leapfrog” reducing poverty and adopting in the early stages sustainable patterns of consumption and production. The Task Force is currently working in three areas: development of an African eco-labeling scheme, development of national/city-level programmes on SCP, and a review of opportunities for leapfrogging in Africa. Some examples of SCP leapfrogging opportunities in Africa include:

Energy

- Promoting the use of renewable energy technology in rural agriculture
- Promoting the use of energy efficient light bulbs and electric appliances through affordable prices and information to consumers

Water and Sanitation

- Replication of successful experiences in safe reuse of wastewater
- Promoting the Implementation of Integrated Water Resource Management, ensuring the inclusion of LCA and SCP

Waste Management and Urban Development

- Development of Integrated Solid Waste Management (ISWM)
- Sustainable Urban Mobility
- Reduction of Vehicular Emissions
- Sustainable Urban Development

Sustainable Agriculture and Market Competence

- Expansion of value chains for agricultural products and by-products by expanding their industrial uses
- Improve market competitiveness and ensure fair trade through strengthening capacity of organic agricultural products production and eco-labeling

Under the regional 10YFP, African countries are actively implementing pilot projects, with close cooperation with Marrakech Task Force and other partners. Opportunities of good-practice transfer are also enhanced throughout the region. For example, the project of Donkey Waste Collection System implemented in Ghana can be feasibly transferred to South Africa, the project of water supply and sanitation system in Ethiopia can be modeled by all the tropical Africa.

Model: Regional 10YFP

- Catalyzes required political commitment and support at the national, regional and international level
- Strong institutional support for implementation of regional SCP strategy

3.2. ASIA-PACIFIC: REGIONAL SCP HELP DESK

The Asia-Pacific Regional SCP Help Desk is a good example of implementation mechanism providing tailored solutions on SCP to governments and other stakeholders in the region. In an effort to support the activities of the countries in the region, as well as to provide increased opportunities for networking, information sharing and capacity building in the area of sustainable consumption and production, the Help Desk was jointly established by UNESCAP and UNEP in May 2006, and hosted by the China Standard Certification Center (CSC). The mission of the Help Desk is to foster innovative practices on SCP in the region. The main approaches for the Help Desk to achieve its mission are:

- ☑ Playing the role of information broker to support innovative initiatives of partners at regional and national levels;
- ☑ Disseminating good practices, knowledge and know-how through training;
- ☑ Designing and implementing regional/national demonstration projects in partnership with global, regional and national players.

Regional cross-learning is an important aspect to accelerate the regional process in promoting SCP. Taking the sub-regional and national priorities and economic differentiation into account is also a necessity in ensuring effectiveness in implementation projects. The idea of regional Help Desk is to have a knowledge clearing

house and expert outreach mechanism to support national action plans on SCP as well as other policy and implementation programmes in the region.

Asia-Pacific SCP Helpdesk is the first initiative of such kind. Given the financial resource constraint, the Help Desk will be developed in three phase. Its core value of information service and expert outreach has been reflected in the development plan.

At the Phase I (year 1), the Help Desk test-ran with service in energy as pilot issue area. The Help Desk disseminates good practices of China's certification programmes in energy-efficiency and water-efficiency to other countries in the region. Till 2007, more than 10,000 products manufactured by 605 Chinese companies have been certified as the energy-efficient products. Governments are required to give procurement preference to the products with this certification.

During the Phase II, the Help Desk will expand the information services to broader network of national level partners and formulating network (a number of partners should be identified as focal points on specific issues, such as water, infrastructure development, consumer awareness and education, etc.). At its Phase III the Help desk will focus on managing the network of institutions and experts, coordinating studies and organizing training in addition to providing information services.

Model: Regional Help Desk

- Strengthens institutional capacity in the region
- Strengthens implementation mechanism through knowledge clearinghouse
- Builds the regional SCP network and specific partnerships among stakeholder groups: policy-makers, donors, and expert advisors

3.3. EUROPE: LEGISLATION FOR ADOPTION OF ECONOMIC INSTRUMENTS AND INFORMATION TOOLS

In Europe, the overarching SCP policy framework and implementing activities are supported by robust legislation, economic instruments and information tools. These three elements can be gainfully used to reshape the market towards greater sustainability. The tools and instruments are directed to specific issues, such as product standards, eco-design, life-cycle approach, eco-labels, recycling of waste electrical and electronic equipment, restrictions on hazardous substances, environmental technology action plans, codes of conduct and public reporting requirements.

Experience from Europe is that the adoption of tools and economic instruments is more effective when implemented at the region or sub-regions that sharing the common

legislations. Such as in the European Union, which is governed by the EU umbrella legislation of environmental directives, several examples related to SCP exist as the pan-European initiatives, such as directives on Energy-using Products (EuP), Waste Electrical and Electronic Equipment (WEEE), Restrictions of Hazardous Substances (RoHS), Integrated Pollution Prevention and Control (IPPC), as well as eco-management and audit scheme (EMAS), emission trading systems, and region-wide eco-labelling, among other instruments.

Learning from EU product legislation and labelling schemes can make an important contribution to sustainability in other regions. Since Europe is one of the biggest global markets and products are traded globally, European directives that foster SCP tend to become global directives.

Model: Common Legislation for the Region / Sub-Regions

- Accelerates dissemination and adoption of economic instruments and tools on SCP in the region or sub-regions sharing the common legislation
- Strengthens markets for sustainable products manufactured in the region or imported through international trade through harmonized standards and coherent rules
- Enhances opportunities for inter-regional and intra-regional cooperation and technology transfer

4. EXPECTATIONS AND RECOMMENDATIONS

Develop Regional 10YFP

Following the good practice of African model, the LAC region may wish to develop its own regional 10YFP. LAC has some conditions that are similar to those in Africa, i.e., political support from the ministries of environment in the region, and the fact that the regional SCP priorities are also the regional development priorities. The objectives of developing regional 10YFP might be

- Creating an integrated and long-term vision on SCP in the region
- Strengthening the institutional support from the Regional Council on SCP and ministries of environment in the region
- Making more effective and efficient use of development resources
- Developing regional targets on SCP in the 10YFP
- Influencing investment decisions of public and private sectors, in promoting SCP activities under the framework

Strengthening Implementation Mechanisms on SCP

Implementation mechanisms need to be explored, and funding needs to be mobilized to promote SCP activities in the region. In addition to international development agencies, regional and national development banks, foundations and commercial banks are encouraged to join the Cooperation Dialogue of the Marrakech Process to strengthen the financing mechanism for the LAC regional process. The region may wish to explore how to create an SCP Trust fund. Objectives of such a fund may include:

- Supporting the regional process, in particular the Council of Government Experts, stakeholder roundtables, etc.
- Supporting development and implementation of pilot projects on SCP in the region
- Supporting activities in capacity building and technology transfer on SCP, particularly for SMEs
- Promoting markets for sustainable products
- Supporting specific pilot projects of the Marrakech Task Forces that relate to the regional SCP priorities
- Supporting networks of all stakeholders wishing to enhance sustainability: NGOs, business, academia, governments, local authorities, trade unions, consumer organizations, and others.
- Establishing a LAC regional Help Desk to provide information services and facilitate knowledge network, following the Asia-Pacific model

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