



## **Industrial Development Board**

### **Fortieth session**

Vienna, 20-22 November 2012

Agenda item 7 of the provisional agenda

### **UNIDO activities in environment and energy**

## **UNIDO activities related to environment**

### **Report by the Director-General**

The present document reports on the implementation of General Conference resolution GC.14/Res.4 and provides information on latest developments. It supplements the information contained in the *Annual Report of UNIDO 2011* (IDB.40/2, chapter 5).

## **Contents**

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction .....	1-2	2
II. UNIDO at Rio+20 .....	3-6	2
III. Resource-efficient and cleaner production .....	7-9	3
IV. Stockholm Convention on Persistent Organic Pollutants .....	10-13	4
V. Water management .....	14-16	4
VI. Montreal Protocol on Substances that Deplete the Ozone Layer .....	17-18	5
VII. Global forum activities .....	19	5
VIII. Action required by the Board .....	20	5



## I. Introduction

1. UNIDO has conducted a wide range of activities in pursuance of its mandate to promote sustainable industrial development by introducing and reinforcing sustainable patterns of production and consumption throughout the global manufacturing process. These activities are taking place through UNIDO's Green Industry Initiative which bundles the Organization's environmental services with other key service branches in order to deliver:

- (a) Resource efficient and cleaner production;
- (b) Energy efficiency in industry;
- (c) Corporate social responsibility and responsible production;
- (d) Low carbon and/or climate resilient production;
- (e) Inclusive business development;
- (f) Sustainable agriculture and agribusiness;
- (g) Sound chemicals management;
- (h) Clean energy for productive use.

2. In the build-up to the United Nations Conference on Sustainable Development (Rio+20), a clear focus was placed on delivering results-based evidence of the UNIDO contributions to the transition to a green economy. While the concept of a green economy offers a macroeconomic view across all economic systems and sectors, green industry focuses on the productive and tradable goods sectors. In this regard, UNIDO's Green Industry Initiative has offered developing and emerging economies guidance and actionable tools with which to assess the costs, benefits and increased opportunities of transitioning to a green economy.

## II. UNIDO at Rio+20

3. One of the UNIDO flagship efforts at Rio+20 was the launch of the Green Industry Platform — a global, high-level, voluntary membership framework uniting businesses, Governments, international and civil society organizations to undertake concrete actions to “green” existing industries and help create new green industries. The main activities of the Platform are geared towards greening the supply chain, establishing national road maps for green industry, determining benchmarks and indicators, propagating best practices, running clean technology programmes, undertaking various capacity-building exercises and contributing to international forums with research and expertise.

4. The Green Industry Platform received high-level support from the European Commission, the Global Environment Facility (GEF), and the International Chamber of Commerce. Of the approximately 100 members which the Platform counts so far, about half are businesses. These range in size from small and medium-sized enterprises to global multinational companies. Early supporters and partner Governments of the initiative include: Costa Rica, Denmark, Jordan, Kenya, Mexico, Philippines, Poland, Sierra Leone, South Africa, Sweden, Switzerland and Viet Nam. New members and interested parties are being engaged through UNIDO

country and regional offices, as well as through Investment and Technology Promotion Offices (ITPOs) and the network of National Cleaner Production Centres (NCPCs). A public point of access is the Green Industry Platform's website: [www.greenindustryplatform.org](http://www.greenindustryplatform.org).

5. At the Rio+20 Conference, UNIDO also hosted a number of side events with high relevance to its mandated competencies. An event on green chemistry, served to advance the application of green chemistry for sustainable production and consumption, as well as the protection of human health and the environment. Another event on resource efficiency and enterprise competitiveness showcased the UNIDO and UNEP Resource Efficient and Cleaner Production (RECP) programme and the global network of NCPCs.

6. UNIDO also provided significant inputs to events reviewing the progress of the manufacturing sector in transition to a low-carbon economy, establishing the need for an industrial policy on green growth, addressing the challenges of renewable energy for sustainable development, identifying innovative financing models for green growth, pursuing climate change mitigation through the Montreal Protocol and, together with the Government of Japan, showcasing environmentally friendly technologies identified in the context of the Green Industry Initiative — all of which feature in the Rio+20 outcome document, entitled “The future we want” (A/RES/66/288).

### **III. Resource-efficient and cleaner production**

7. The UNIDO Resource Efficient and Cleaner Production (RECP) programme continues to enjoy strong support from Member States. Recently, the Government of Switzerland agreed to enlarge its financial contribution to global programmatic activities, bringing it up to \$27 million over a five-year period. Similarly, other donors such as Austria and France have funded and extended phases of NCPCs in the Republic of Moldova, Senegal and Serbia.

8. Negotiations are at an advanced stage for regional RECP projects to be funded by the European Union and implemented by the United Nations Environment Programme (UNEP), the United Nations Economic Commission for Europe (UNECE), UNIDO and the Organization for Economic Cooperation and Development (OECD) in the Southern and Eastern partnership regions of the European Union. In the Arab region, a global pilot RECP Knowledge Management System is being developed to create a community of practice for the implementation and delivery of international environment and sustainable development commitments.

9. The UNIDO Green Industry policy advisory project in Viet Nam now provides a policy framework for green industry within the country's green growth strategy. Pilot projects implemented under the Viet Nam One Plan Fund on resource efficiency in the steel sector, eco-city development and the micro-scale recycling industry were also launched. Comparable projects are planned in India as well as in Cambodia, Lao People's Democratic Republic and Myanmar.

#### **IV. Stockholm Convention on Persistent Organic Pollutants**

10. UNIDO continues to assist developing and transition economy countries to prepare their national implementation plans (NIPs) under the framework of the Stockholm Convention. In addition, UNIDO is assisting around 40 countries with the update of their NIPs according to the new persistent organic pollutants (POPs) inventory. Furthermore, UNIDO is providing technical assistance and strengthening the capacity of African least developed countries (LDCs) to implement their respective NIPs.

11. UNIDO is also successfully building capacity in Ghana and Nigeria to develop strategies to identify sites contaminated with POPs. These activities include the development of a comprehensive toolkit on the management of POPs-contaminated sites. This toolkit currently benefits the whole African region and was endorsed by the Stockholm Convention Secretariat as the official toolkit for the management of contaminated sites. UNIDO is also successfully building capacity in China to implement the Stockholm Convention at the national and provincial level.

12. UNIDO is further initiating an area-based chemical management model in two municipalities in China. The project will catalyse the integration and mainstreaming of cradle to cradle (C2C) principles into national and regional circular economy and cleaner production programmes.

13. Significant milestones were also reached in three projects on polychlorinated biphenyl (PCB) management and disposal where non-combustion PCB decontamination units have been installed.

#### **V. Water management**

14. UNIDO is involved in two projects demonstrating best practice strategies, carrying out capacity-building, and forming strategic partnerships to reduce the degradation of transboundary river basins and the marine and coastal environments in the Guinea Current and in the Gulf of Mexico.

15. The UNIDO programme on Transfer of Environmentally Sound Technologies (TEST), funded by GEF, is rapidly expanding. €15 million in funding have been secured from the European Commission to continue with the implementation of various TEST programme projects. Current regions in which the TEST programme is active include Latin America, the Mediterranean and South-East Asia.

16. UNIDO is actively involved in UNEP-led negotiations to develop an internationally binding treaty on mercury. Accompanying the Mercury Treaty negotiations, GEF is funding projects to help prepare countries for the entry into force of the treaty. UNIDO is implementing such projects in Burkina Faso, China, Ecuador, Mali, Peru and Senegal.

## **VI. Montreal Protocol on Substances that Deplete the Ozone Layer**

17. After 20 years of being an implementing agency of the Montreal Protocol, UNIDO is expanding the number of its Montreal Protocol projects and beneficiary countries whilst maintaining the quality of its projects. As a result, UNIDO was ranked as the top implementing agency of the Multilateral Fund for the Implementation of the Montreal Protocol for the ninth consecutive time in 2011. UNIDO is currently providing assistance to nearly 80 countries through a total of 250 ongoing Montreal Protocol projects funded by the Multilateral Fund of the Montreal Protocol, and bilateral agencies. UNIDO also has five ongoing GEF projects in countries with economies in transition.

18. The year 2012 is critical for the hydrochlorofluorocarbon (HCFC) phase-out management plans (HPMPs) given that countries have to freeze their HCFC consumption at the baseline level by the beginning of 2013. The different tranches of the HPMPs account for 96 of all ongoing projects. Additionally, over 20 projects account for the phase-out of methyl bromide and 35 ensure that the complete phase-out of CFCs is maintained. UNIDO is also carrying out four demonstration projects for ozone-depleting substance (ODS) disposal in China, Mexico, Nigeria and Turkey, and preparing for four additional demonstration projects in Algeria, four countries in the Europe and Central Asia Region, Lebanon, and six countries in Central Africa. Montreal Protocol projects are increasingly involved in the promotion of new technologies with zero ozone-depleting potential coupled with low global warming potential. UNIDO is progressing substantially towards the development of a suitable scheme for accounting climate benefits from Montreal Protocol-related activities and leveraging of financial support from outside the scope of the Multilateral Fund.

## **VII. Global forum activities**

19. The Tokyo Green Industry Conference, held from 16 to 18 November 2011, marked the successful continuation of the UNIDO biennial Green Industry conferences, which began in Manila, Philippines, in 2009. The Tokyo Green Industry Conference highlighted the availability of environmental and resource conservation techniques and practices that are good for business, environment and climate, employees, communities and consumers. The Tokyo Green Industry Conference was attended by around 300 participants representing over 40 countries. Another key global forum event in which UNIDO participated was the Fifth Nevsky International Ecological Congress, held in St. Petersburg, Russian Federation, in May 2012.

## **VIII. Action required by the Board**

20. The Board may wish to take note of the information provided in the present document.