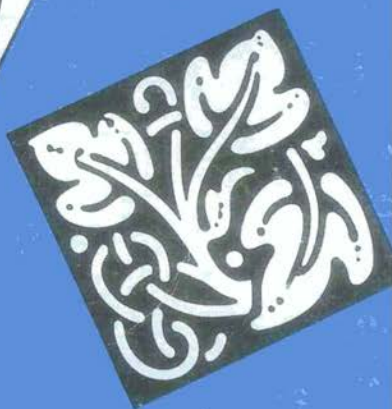


**Costs and benefits for the
developing countries of
becoming parties to
environmental treaties**

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Costs and Benefits for the Developing Countries of becoming Parties to Environmental Treaties

by

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THE VIENNA CONVENTION ON THE PROTECTION OF THE OZONE LAYER AND ITS MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER

I. BENEFITS

1. The amended Montreal Protocol provides for the establishment of a special Multilateral Fund to provide financial and technical cooperation including the transfer of technologies to developing countries operating under paragraph 1 of Article 5 of the Protocol (i.e. developing countries with an annual calculated level of consumption of the controlled substances listed in Annex A of the Protocol of less than 0.3 kg per capita). This Multilateral Fund is governed by an Executive Committee consisting of representatives from seven Parties operating under paragraph 1 of Article 5 and seven Parties that are not so operating. The financial resources in the Multilateral Fund are aimed at defraying the incremental costs to developing countries of using ozone-friendly but more expensive substitutes and technologies, while the grace period granted in the Protocol for compliance with the control measures is designed to avoid disrupting their tempo of industrialization. The Fund, therefore, meets all agreed incremental costs of developing countries in order to facilitate their compliance with the control measures. It is fully financed by contributions from Parties not

operating under paragraph 1 of Article 5.

2. Pending the entry into force of the London Amendment (which is now expected very soon), the Contracting Parties established an Interim Multilateral Fund of \$160 million which became operational on 1 January 1991. It was increased by the Parties in 1991 to \$200 million when China became Party, and the decision establishing the Fund allows for a further increase of another \$40 million when more countries become Parties. The Interim Multilateral Fund has already disbursed \$32.6 million by decisions of its Executive Committee. The Committee now has before it for its consideration projects costing about \$90 million.

3. A developing country that is a Party to the Montreal Protocol receives technical assistance for the implementation of its provisions (in accordance with Articles 9 and 10). The assistance includes the promotion, directly or through competent international bodies, of research, development and exchange of information on best technologies, possible alternatives to controlled substances, costs and benefits of

relevant control strategies. Such assistance should help developing countries to meet their developmental needs while also protecting the environment.

4. The developing country Parties will be able to acquire alternative technologies and to compete better in the world export market for the new CFC-free products.

5. Developing countries operating under paragraph 1 of Article 5 of the Protocol have a 10-year grace period to comply with the control measures.

6. In order to satisfy the basic domestic needs of developing countries operating under paragraph 1 of Article 5, the control measures under the Protocol allow certain production increases in controlled substances.

7. A developing country Party will avoid the following disadvantages of a non-Party:

(a) A non-Party will have to continue with obsolete CFC technologies which are being rapidly phased out in the rest of the world;

(b) From 1 January 1993 non-Parties will be unable to import controlled substances from Parties and therefore will be unable to maintain their existing equipment (Article 4, paragraph 2);

(c) Annex D to the Protocol (list of products containing controlled substances) will become effective on 27 May 1992 for the Parties that do not object to it before that date and, within one year from 27 May 1992, the Parties shall ban the import from any non-Party of the products listed in Annex D. No Party has submitted any objection so far. Non-Parties may therefore lose their export market in these products;

(d) By January 1994, the Parties will determine the feasibility of banning the import from non-Parties of products that are made with but do not contain the controlled substances and, if decided feasible, adopt an Annex listing such products, which will lead to a ban on their import from non-Parties;

(e) In view of scientific evidence regarding high ozone depletion and its many adverse health, environmental and economic effects, a non-Party will be viewed by the world community as needlessly contributing to this damage despite the Protocol's many path-breaking and innovative provisions to assist compliance by the developing countries Parties.

II. COSTS

Parties contribute, annually and on the basis of an appropriately adjusted United Nations scale of assessments, to two trust funds, one for the Vienna Convention and the other for Montreal

Protocol, to meet the costs of their implementation including the cost of the Secretariat. The Parties whose United Nations rate of assessment is less than 0.1 per cent do not contribute. Many developing countries, such as Bahrain, Bangladesh, Burkina Faso, Cameroon, Chile, Ecuador, Egypt, Fiji, etc. – 27 out of 37 developing country Parties – do not have to pay at all to the Trust Fund. Annual payments for other developing countries range from \$2,000 to \$14,000. Payments to the Trust Fund for the Vienna Convention

are even smaller as the total annual budget for 1992, for example, is only \$351,430.

III. RATIFICATION

As of 15 April 1992, the Vienna Convention, Montreal Protocol, and the London Amendment, have been ratified/acceded to by 81, 75, and 19 countries, respectively. The European Economic Community has also ratified all three instruments.

THE BASEL CONVENTION ON THE CONTROL OF TRANSBOUNDARY MOVEMENTS OF HAZARDOUS WASTES AND THEIR DISPOSAL

I. BENEFITS

1. To ensure developmental activities will be environmentally sound, provide sustained benefits and protect human health and natural resources, effective control of the generation, storage, treatment, recycling and reuse, transport, recovery and disposal of hazardous wastes is of paramount importance. The Basel Convention confirms the right of the Parties to prohibit the import of hazardous wastes. The Party exercising this right will have to notify the Secretariat of the Convention. Other Parties will respect this right of prohibition and therefore shall prohibit the export of hazardous wastes to it (Article 4, paragraphs 1 (a) and (b)).

2. Parties to the Convention shall prohibit the export of hazardous wastes and other wastes if the State of import does not consent in writing to the specific import.

3. Parties shall employ appropriate means to cooperate in order to assist developing countries in reducing to the minimum the generation and transboundary movement of hazardous wastes, ensuring the availability of

adequate disposal facilities for the environmentally sound management of hazardous wastes and that the person involved in such management is able to prevent pollution or if such pollution occurs to minimize the consequences thereof for human health and the environment (Article 10, paragraph 3).

4. In accordance with Article 10 of the Convention, international cooperation shall be extended to developing countries in the following fields:

(a) Transfer of technology and management systems related to the environmentally sound management of hazardous wastes;

(b) The development and implementation of new environmentally sound low-waste technologies and the improvement of existing technologies with a view to eliminating, as far as practicable, the generation of hazardous wastes and other wastes and achieving more effective and efficient methods of ensuring their management in an environmentally sound manner, including the study of the economic, social and environmental effects of the adoption of such new or improved technologies;

(c) Monitoring of the effects of the management of hazardous wastes on human health and the environment;

(d) Development and promotion of environmentally sound management of hazardous wastes and other wastes;

(e) Public awareness.

5. In accordance with Article 16 of the Convention, every country Party to the Convention will be able to receive assistance from the Secretariat of the Basel Convention in the following areas:

(a) The management of hazardous wastes and other wastes;

(b) Environmentally sound technologies relating to hazardous wastes and other wastes, such as low- and non-waste technology;

(c) The assessment of disposal capabilities and sites;

(d) The monitoring of hazardous wastes and other wastes;

(e) Emergency responses;

(f) Information on consultants or consulting firms having the necessary competence in the field of management of hazardous wastes;

(g) The identification of cases of illegal traffic.

6. According to the specific needs of different regions and subregions, regional or subregional centres for training and technology transfers regarding the management of hazardous wastes and other wastes and the minimization of their generation should be established. Such centres will be of utmost importance for developing countries which lack trained manpower and technology. In the field of training, UNEP and the Interim Secretariat for the Basel Convention (ISBC) have since 1988 organized a number of seminars and workshops for developing countries in the field of management of hazardous wastes.

7. Article 14, paragraph 2, of the Convention stipulates that Parties shall consider the establishment of a revolving fund to assist on an interim basis in case of emergency situations to minimize damage from accidents arising from transboundary movements of hazardous wastes and other wastes or during the disposal of these wastes. Developing countries will be the group of countries to benefit from the facilities provided by such fund in cases of emergency.

8. In case of an illegal movement of hazardous wastes or other wastes to a developing country Party to the Convention as a result of conduct on the part of the exporter or generator, the State of export shall ensure that the wastes in question are taken back by

the exporter or the generator or, if necessary, by itself into the State of export or are otherwise disposed of in accordance with the provisions of the Convention.

9. UNEP and ISBC provided the financial support for the participation of the developing countries in the meetings organized for the preparation as well as the implementation of the Convention. Since the establishment of ISBC by the Executive Director of UNEP, financial assistance has permitted the developing countries to participate in the meetings organized for the implementation of resolutions 1, on mechanisms for the implementation of the Convention, 3, on liability and compensation for damage, and 8, on technical guidelines, adopted by the Basel Conference of Plenipotentiaries at the same time as the Convention.

II. COSTS

In accordance with a proposal to be made by the Executive Director and which is subject to the acceptance of

the first meeting of the Conference of the Parties, a trust fund for the operation of the Secretariat would be established. The proposed contributions of the Parties to this Fund are based, as with those for the Vienna Convention and Montreal Protocol, on an appropriately adjusted United Nations scale of assessments. Following the precedents, shares of developing countries whose contributions under the United Nations scale of assessments are below 0.1 per cent will be waived.

III. RATIFICATION

As of 15 April 1992, the Basel Convention had been signed by 52 countries and the European Economic Community and ratified/acceded to by 21 countries (Argentina, Australia, China, Czech and Slovak Federal Republic, El Salvador, Finland, France, Hungary, Jordan, Liechtenstein, Mexico, Nigeria, Norway, Panama, Poland, Romania, Saudi Arabia, Sweden, Switzerland, Syrian Arab Republic and Uruguay). It will enter into force on 5 May 1992.

COSTS AND BENEFITS FOR THE DEVELOPING COUNTRIES OF BECOMING PARTIES TO THE FUTURE CONVENTION ON BIOLOGICAL DIVERSITY

I. BENEFITS

1. Biological resources constitute a capital asset, with great potential for yielding sustained benefits to the countries which access them and for meeting human needs in general. The draft convention being negotiated on biological diversity is the first international agreement in the field of the environment where the developing countries have something specific to offer (being generally rich in biological resources) and for which they should get fair return. Until now, in practice, access to biological resources, which are mainly found in developing countries, was generally free.

2. The expected regulations in the Convention would help promote conservation and sustainable use of biological resources. Special attention will be given to the developing countries on whose territories biodiversity is found. It is also expected to provide new and additional financial resources to cover all agreed incremental costs accrued by developing countries in the implementation of the provisions of the Convention.

3. While recognizing that access to genetic resources undertaken on mutually agreed terms between Contracting Parties should be an essential element for achieving the goals of the Convention, it is expected that it would be based on prior informed agreement between the Contracting Parties and that the Contracting Party providing genetic material would have an access to the results of the research and development based on this material, and the benefits and profits arising from its exploitation.

4. Throughout the negotiating process, the participation of more than 50 developing countries (2 persons per developing country) was covered by the UNEP funds and/or funds provided by the developed countries.

5. During the negotiating process on the Convention, several developing countries were assisted by UNEP in preparation of country studies on their needs for the conservation of biodiversity. These country studies will be continued.

6. The Convention is expected to facilitate access to the environmentally

sound technologies relevant to the conservation and sustainable use of biological diversity, as well as access to technology that makes use of genetic material. This transfer of technology is to be on a fair and most favourable basis.

7. The Convention will provide for the establishment by the Conference of the Parties of a clearing-house mechanism to promote and facilitate technical and scientific cooperation as well as develop joint research programmes.

8. It is expected that a financial mechanism would be established to provide resources for developing countries to meet the agreed incremental costs of complying with the Convention, as well as access to and transfer of technology and the benefits arising from the exploitation of the relevant genetic material.

9. Conservation of biological diversity is one of the four strategic areas funded by the Global Environ-

ment Facility. The convention on biodiversity is expected to lead to agreement on specific amounts of financial resources to be earmarked for its implementation.

II. COSTS

A trust fund is expected to be created for the implementation of the Convention (including operation of its Secretariat), contributions to which would be most probably based on the United Nations scale of assessments appropriately adjusted, similar to the cases of the Vienna Convention and its Montreal Protocol. The countries whose rate of assessment is below 0.1 per cent would thus not contribute to this fund. Taking into account that the assessments of most developing countries in the United Nations scale are rather low, it is expected that the contributions of those assessed at 0.1 per cent or above to any fund established under the Convention would be quite low.