



Convention on Biological Diversity



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REGIONAL WORKSHOP ON BIODIVERSITY AND FINANCE IN SUPPORT OF THE NAGOYA OUTCOME

First meeting
Cairo, 29-30 November 2010

Agenda item 5

THE POTENTIALS OF THE ARAB ENVIRONMENT FACILITY (AEF)

Based on the submission by Lebanon in October 2007

1. In March 2006, the Arab Summit endorsed the creation of an Arab Environment Facility (AEF), as a regional body structured along the lines of the Global Environment Facility (GEF). The Economic and Social Council of the League of Arab States (LAS) approved the bylaws of the AEF in March 2008, with its transitory secretariat hosted by the Lebanese Ministry of Environment. An initial budget of \$30,000,000 is targeted, though contributions will be on voluntary basis. AEF's mandate covers financing Arab projects in various environmental fields and facilitating private sector investment in environment protection projects.

2. Participants of the Workshop are invited to consider the potential role of the Arab Environment Facility in support of the biodiversity objectives in the Arab region, and explore steps and measures to enhance the financial and technical capacities of the Arab Environment Facility with respect to its potential contributions to realizing the Aichi Targets and the Strategic Plan of the Convention.

A. History and Background

3. The following statements and events form the reasons and history behind the establishment of the Arab Environment Fund (AEF):

- The World Summit for Sustainable Development (WSSD) held in Johannesburg in the year 2002, issued a plan of implementation which stressed the following points:

- *"Intraregional coordination and cooperation on sustainable development should be improved among the regional commissions, United Nations Funds, programmes and agencies, regional development banks, and other regional and sub-regional institutions and bodies"*

- *"Assist in the mobilization of technical and financial assistance, and facilitate the provision of adequate financing for the implementation of regionally and sub-regionally agreed sustainable development programmes and projects".*

- The “*Initiative for Sustainable Development in the Arab Region*” issued by CAMRE, pointed out the need of: “*creating and enabling an environment for new investments in the Arab Region and inviting the international and regional bodies to enhance this increased investment towards the Arab Countries*”.
- The "VIIth Euro-Mediterranean Conference of Ministers of Foreign Affairs" s held in May 2005, recommended that the Ministers encourage the mobilization of financial resources to support Euro-Mediterranean countries; under the title of: “*Sustainable Economic Development and Reform - Environment and Sustainability*”.

4. In response to the initiatives mentioned above, and upon the proposal of the Lebanese Ministry of Environment (MOE), the Council of Arab Ministers Responsible for the Environment (CAMRE) decided to initiate the establishment of **an Arab Environment Facility (AEF)** as a framework with the primary purpose of attracting financial resources for environmental programs and projects which improve sustainable ecological development throughout the Arab Region while enhancing private sector investments in the environment.

B. Progress of Proceedings

5. The Arab Summit in its 18th session held in Khartoum, Sudan 27-29/3/2006 took note of: “*the importance of establishment of the “AEF” to enhance private sector investment and inject resources into the Environmental domain in the Arab Region and called CAMRE to study how to finance the “AEF” and other environmental programmes in the Arab Region*”.

6. The Council of Arab Ministers Responsible for the Environment (CAMRE) in its 18th session, held in Algeria in 19-20/12/2006, “*adopted the Arab Environment Facility - AEF study prepared by the AEF launching secretariat (AEF –LS) -which is hosted by the Republic of Lebanon, the Ministry of Environment- and its by-laws and requested the Chairperson of its Executive Bureau to submit it to the Social & Economical Council in the Arab League for ratification*”.

7. The Social & Economical Council in its 80th session held in Egypt, 3-6/9/2007 issued a decision to establish the AEF.

8. The AEF was a point of attention in the statement of the World Bank at the 3rd Euro-Mediterranean Environment Ministers’ meeting held in Cairo in 20/11/2006. Not only did the World Bank applaud this important Arab initiative in its keynote address, but also the Italian Minister of Environment welcomed and encouraged the initiative of establishing the “AEF”.

9. This support from the Italian Government and the World Bank has attracted international attention to this Arab initiative; whereby, the Global Mechanism (GM), a subsidiary body to the United Nations Convention to Combat Desertification (UNCCD) in Rome - had expressed, its “*full support through the provision of technical and financial contributions for advancing the operationalization of the AEF*” whereby, the AEF launching Secretariat (AEF-LS) signed on August 2007 an Aide Memoire on “*Operationalizing the Arab Environment Facility*”.

10. The "Union of Arab Banks" which is based in Lebanon approved the hosting of the AEF-LS offices in October 2007.

C. Presentation on the Arab Environment Facility

EMERGING MARKETS IN THE ENVIRONMENTAL SECTOR "GOODS & SERVICES"



PRESENTED BY:
FOUNDING SECRETARIAT OF ARAB ENVIRONMENT FACILITY
DIRECTOR GENERAL
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OVERVIEW

THE ENVIRONMENTAL GOODS & SERVICES -EGS- INDUSTRY IS VERY DIVERSE, DYNAMIC AND GROWING RAPIDLY YEAR ON YEAR.

IT COVERS GOODS & SERVICES SUCH AS:

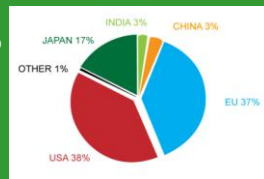
- DRINKING WATER SUPPLY
- WASTEWATER TREATMENT
- AIR POLLUTION CONTROL
- WASTE MANAGEMENT ETC...
- RENEWABLE ENERGY
- CLEAN TECHNOLOGIES

AT THE SAME TIME THERE ARE NEWER SERVICES SUCH AS:

- ENVIRONMENTAL MONITORING
- ENERGY MANAGEMENT
- ENVIRONMENTAL CONSULTANT SERVICES
- CONTAMINATED LAND REMEDIATION

EGS - GLOBALLY

THE GLOBAL EGS SECTOR WAS ESTIMATED TO BE WORTH US \$ 618 BILLION IN 2006

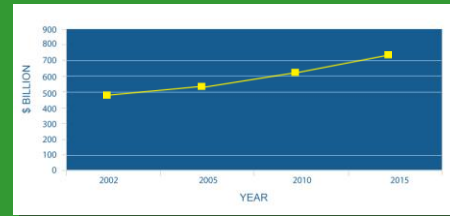


Environmental Goods and Services Market Share Per Country - 2004

US + EU + JAPAN ACCOUNTING FOR AROUND 94% OF THE TOTAL SECTOR

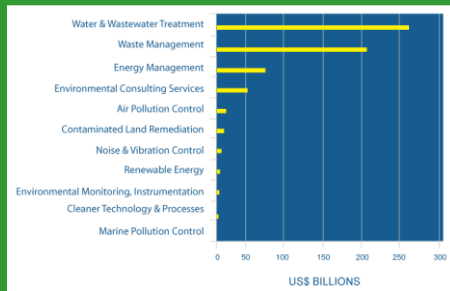
EGS MARKET GROWTH

GLOBALLY: IT IS EXPECTED TO GROW BY UP TO 30% (2010) & 45% (2015)



World EGS Markets to 2015

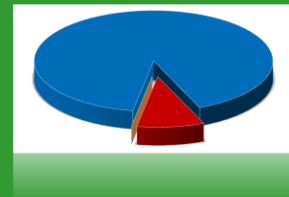
EGS MARKET BY SUB-SECTOR



Environmental Goods And Services Market by Sub-Sector 2005

EGS IN THE ARAB STATES

THE EGS IN THE ARAB WORLD IS LESS THAN 1% OF THE GLOBAL EGS SECTOR.



THE ARAB REGION IS DISTINGUISHED BY ITS:
ENVIRONMENT + NATURAL RESOURCES = ECONOMY

EGS IN THE ARAB STATES

HOWEVER THE ARAB REGION FACE NUMEROUS ENVIRONMENTAL & NATURAL RESOURCES PRESSURES THAT THREATEN ITS SUSTAINABILITY

THE ANNUAL COST OF ENVIRONMENTAL DEGRADATION IN THE ARAB REGION AMOUNTS TO ABOUT US \$ 67.3 BILLION IN 2006



REPRESENTING 4% OF THE ARAB WORLD GDP

BARRIERS TO DEVELOPMENT OF EGS IN THE ARAB REGION

1- ARAB ENVIRONMENT MINISTRIES ARE NOT GIVEN PRIORITY BUDGETS

COUNTRY	PERCENTAGE % OF TOTAL BUDGET PERTAINED TO MoE
OMAN	1.21
BAHRAIN	0.06
KUWAIT	0.11
LEBANON	0.04

2- THE EXISTING ARAB FUND AND DEVELOPMENT ORGANIZATIONS AREA OF FOCUS AND RELEVANCE TO THE ENVIRONMENT IS MINIMUM

< 5%

