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**International environmental governance**

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**Report of the Executive Director**

*Summary*

The present report provides a summary of actions taken or proposed on international environmental governance in the implementation of Governing Council/Global Ministerial Environment Forum decision SS.VII/1 on international environmental governance and the subsequent decisions on the subject most recently renewed in Governing Council decision 23/1.

The following issues are addressed:

- (a) Bali Strategic Plan for Technology Support and Capacity-building;
- (b) Universal membership of the Governing Council/Global Ministerial Environment Forum;
- (c) Strengthening the scientific base of UNEP: Report on the updated Environment Watch proposal;
- (d) Strengthening the financing of UNEP;
- (e) Multilateral environmental agreements;
- (f) Enhanced coordination across the United Nations system, including the Environmental Management Group.

\* UNEP/GCSS.IX/1.

## **I. Introduction**

1. Since the twenty-third session of the United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum, there has been increasing attention on the part of Governments and concerned organizations to the issues relating to international environmental governance, in particular those addressed in Governing Council decision SS.VII/1, as reflected in the 2005 World Summit Outcome adopted by the General Assembly in its resolution 60/1 of 16 September 2005 during its high-level meeting.

2. In the 2005 World Summit Outcome, in paragraph 169 of section V of the resolution, entitled “Strengthening the United Nations”, under the heading “System-wide coherence” and subheading “Environmental activities”, the world leaders expressed themselves as follows:

“Recognizing the need for more efficient environmental activities in the United Nations system, with enhanced coordination, improved policy advice and guidance, strengthened scientific knowledge, assessment and cooperation, better treaty compliance, while respecting the legal autonomy of the treaties, and better integration of environmental activities in the broader sustainable development framework at the operational level, including through capacity-building, we agree to explore the possibility of a more coherent institutional framework to address this need, including a more integrated structure, building on existing institutions and internationally agreed instruments, as well as the treaty bodies and the specialized agencies.”

3. Those words echo the spirit of Governing Council decision SS.VII/1 on international environmental governance, especially in the closing section of the recommendations annexed thereto, emphasizing the need to review the requirements for a greatly strengthened institutional structure for international environmental governance, based on an assessment of future needs for an institutional architecture with the capacity to address wide-ranging environmental threats in a globalizing world effectively, as was originally stated in the Malmö Ministerial Declaration<sup>1</sup> addressing the need for such review by the World Summit on Sustainable Development.

4. Against this background, the Executive Director has undertaken further actions for the implementation of Governing Council decision SS.VII/1 on international environmental governance and pursuant to the requirements set forth in subsequent Governing Council decisions on the subject, as was most recently reflected in decision 23/1.

## **II. Bali Strategic Plan for Technology Support and Capacity-building**

5. As requested by the Governing Council/Global Ministerial Environment Forum in its decision 23/1 and in other relevant decisions adopted at its twenty-third session, the Executive Director has been undertaking actions for the immediate implementation of the Bali Strategic Plan for Technology Support and Capacity-building. Highlights of the actions already taken and of proposed future actions for the implementation of the Plan may be found in document UNEP/GCSS.IX/3/Add.1.

## **III. Universal membership of the Governing Council/Global Ministerial Environmental Forum**

6. In the light of the outcomes of the eighth special session of the Governing Council/Global Ministerial Environment Forum and in accordance with General Assembly resolutions 57/251 and 58/209, the Secretary-General submitted a report<sup>2</sup> to the General Assembly at its fifty-ninth session in which he described the status of deliberations on the matter. At that session, the General Assembly considered the matter; the outcome of that consideration is reflected in its resolution 59/226.

7. In that resolution, the General Assembly noted that the matter remained an important but complex issue and that a difference of views still existed. The Assembly further noted that the matter would be considered at the twenty-third session of the Governing Council/Global Ministerial Environment Forum and requested further views to be submitted for incorporation in a report by the Secretary-General so that the Assembly could decide on the matter at its sixty-first session.

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<sup>1</sup> Governing Council decision SS.VI/1, annex.

<sup>2</sup> A/59/262.

8. Bearing in mind the above General Assembly resolution, at its twenty-third session the Governing Council/Global Ministerial Environment Forum considered the matter. In paragraphs 10 and 11 of its decision 23/1, the Council/Forum noted the differences in the views expressed so far on the important but complex issue of establishing universal membership of the Governing Council/Global Ministerial Environment Forum and decided to undertake the further review and consideration of the issue of universal membership of the Governing Council/Global Ministerial Environment Forum at its ninth special session, in 2006, during the ministerial consultations, with a view to providing inputs as a contribution to the report of the Secretary-General to the General Assembly at its sixty-first session.

9. For its consideration of the matter at the present session, the Governing Council/Global Ministerial Environment Forum may wish to recall the views of Governments submitted to the Council/Forum at its twenty-third session (UNEP/GC.23/6), showing that there remained divergent views on the question of universal membership, as follows.<sup>3</sup>

10. The views of those Governments which expressed their support for universal membership of the Governing Council/Global Ministerial Environment Forum may be summarized as follows:

(a) That strengthening international environmental governance should result in a reinforced UNEP; there was a need for better political guidance, which would enhance the ability of UNEP to address emerging issues and provide for more efficient and effective decision-making. Such strengthening should be through a combination or package of measures, based on the outcomes of the seventh special session of the Governing Council/Global Ministerial Environment Forum. Universal membership of UNEP must be a crucial element in the process of strengthening UNEP;

(b) That since UNEP is responsible for ensuring environmental well-being on a global scale and for coordinating corresponding activities by countries, logically, its decisions must be based on direct discussions and be adopted with the equal participation of all States Members of the United Nations;

(c) That a sense of ownership of UNEP activities is important, and the current system of elected representation in the UNEP Governing Council hinders the full participation of all countries by excluding countries not represented on the Governing Council from effective decision-making;

(d) That universal membership would make decision-making more participatory and more transparent. Full participation by all countries would also lead to the promotion of a greater spirit of democracy. The legitimacy of UNEP decisions relating to its normative and catalytic role would increase, which could strengthen countries' commitment to implementation;

(e) That voting rights would enhance the sense of responsibility of each country for the decisions adopted and the obligations entered into, and would form the basis for a more responsible, active and joint participation by all countries in environmental activities on a global scale. UNEP would be able to resolve the complexities involved in improving the arrangements for voting and adoption of decisions by an enlarged forum of equal participants;

(f) That universal membership might make it necessary to explore other measures for the purpose of improving the efficiency and effectiveness of decision-making. That could be achieved by combining the introduction of universal membership with the creation of an executive board which could function as a programmatic decision-making body meeting on a more regular basis than the Governing Council/Global Ministerial Environment Forum. Consideration should be given to ensuring equitable geographical representation on such a board and also to the relationship of such a board to the Committee of Permanent Representatives.

11. Some Governments were against universal membership of the Governing Council/Global Ministerial Environment Forum. Their views may be summarized as follows:

(a) That subsidiary bodies of the General Assembly are normally governed either by an Executive Board or an Executive Committee with a limited membership, and very few subsidiary bodies of the General Assembly have universal membership. The limited membership of the UNEP Governing Council/Global Ministerial Environment Forum is therefore in accordance with the rules and practice of subsidiary bodies and programmes of the United Nations General Assembly. The lack of

<sup>3</sup> A synthesis of those views may be found also in documents UNEP/GCSS.VIII/5 and UNEP/GCSS.VIII/INF/6. An issue paper on the matter is to be found in document UNEP/GCSS.VIII/INF/11. Those documents were submitted to the Governing Council/Global Ministerial Environment Forum at its eighth special session.

universal membership does not prevent entities from carrying out their important work. By creating universal membership, UNEP would be breaking away from established practice in the United Nations system. Giving UNEP universal membership would imply that universal membership should be adopted across the United Nations system;

(b) That the proposition that the lack of universal membership reduces UNEP legitimacy and support implies that the decisions of all United Nations bodies of limited membership are illegitimate or lacking support, which is not correct;

(c) That universal membership of UNEP would likely lead to significantly higher administrative costs to the organization at the expense of its environmental mandate;

(d) That, in practice, the limited membership of the UNEP Governing Council has very little effect as it takes almost every decision by consensus without having to come to a vote. There seems to be no Governing Council decision that has disadvantaged or ignored the views of a country because it lacked the right to cast a formal vote. Decisions taken by the Governing Council are already extremely open in their nature and fully transparent both to Governments and to non-governmental organizations;

(e) That the current system of membership is working adequately and there is no need to change it. The current composition of the UNEP Governing Council reflects equitable geographical representation and also provides an adequate balance between developed and developing countries. Introducing universal membership would make the operation of UNEP difficult and its efficient administration impossible. Universal membership would allow all Member States to participate in the decision-making process, which would result in divergent opinions and consequently make the coordinated management of the Governing Council itself difficult;

(f) That history shows that universal participation, not universal membership, is important for the functioning of UNEP. All countries, members and non-members alike, benefit from universal participation and have a voice at UNEP Governing Council sessions. The establishment of the Global Ministerial Environment Forum further enhanced the political profile and participatory nature of the Governing Council and provided additional opportunities for inclusive multilateral dialogue. All countries' ministers are encouraged to participate actively in the Governing Council/Global Ministerial Environment Forum and many do so. Countries with an interest in UNEP activities are given a voice and a role through universal participation. All United Nations Member States are entitled to participate in the deliberations of the UNEP Governing Council. All United Nations Member States have the right to vote in the United Nations General Assembly on the outcomes of UNEP Governing Council sessions.

#### **IV. Strengthening the scientific base of UNEP: Report on the updated Environment Watch proposal**

12. The ongoing multi-stakeholder consultative process on strengthening the scientific base of UNEP (the Science Initiative) has now entered its fifth phase. The entire process is presented on the website (<http://science.unep.org>), which is designed to help facilitate, and to report on, the process. The fifth phase of the Science Initiative was launched by the Council/Forum at its twenty-third session when, in its decision 23/1, it called upon the Executive Director to update the Environment Watch proposal, to submit that updated version to Governments for comments and report to the ninth special session of the Council.

13. In following up this decision, by July 2005 the Executive Director had updated, revised and restructured the proposal from a framework to a proposed system. In August 2005, the updated proposal was translated into all United Nations official languages and circulated by the Executive Director to all ministers responsible for the environment. All Governments were requested to comment on the proposal. The updated proposal was also circulated to other stakeholders, including members of the Global Civil Society Forum, other United Nations organizations, scientific institutions, focal points for major multilateral environmental agreements, and various non-governmental organizations.

14. Also, the opportunity was taken to conduct a situation analysis and capacity-building needs assessment to determine which elements of Environment Watch were already in place worldwide and to identify where capacities needed to be strengthened. The needs assessment exercise was undertaken in the context of the Bali Strategic Plan. Governments received a questionnaire to that end.

15. As of 22 November 2005, 44 Governments had responded to the Executive Director's request. A total of 32 Governments and 37 other institutional stakeholders had provided written comments on the Environment Watch proposal. A total of 36 Governments provided a response to the situation analysis and capacity-building needs assessment questionnaire, which also solicited comments on the proposal.

#### A. Summary of comments received on the Environment Watch proposal

16. There was broad agreement on the rationale behind the updated version of the proposed Environment Watch system. Many found it to be a timely, yet ambitious initiative, with relevance for society at large, including for poverty reduction and for the implementation of relevant parts of the 2005 World Summit Outcome. The following, more specific summary of key points emerging from the submissions includes:

(a) *Overall orientation:* Most comments supported the overall proposed structure of the system and reiterated that such a system would have to be based on existing processes; reduce duplication and avoid leading to the establishment of new bodies; be distributed and flexible to allow for regionally and nationally customized priorities; and be developed in an incremental manner through consultations and cooperation between partners. A call was made to consider further how the system would be implemented and to clarify the expected outputs of the system. Clarification of the governance structure of the system and in particular the role of the Governing Council and the partners was also called for. The need to lay out clearly the next steps for the establishment and implementation of the system and the budgetary implications of those steps was pointed out. Some found it difficult to endorse the proposal before those points were further clarified. One Government felt that the proposed system would be complicated and represent a departure from current structures, and proposed an alternative approach consisting of a scientific pillar feeding into an intergovernmental policy advice pillar which in turn would feed into the Governing Council;

(b) *Role of Member States:* The key role of Member States in the system and the need to build capacity in developing countries and countries with economies in transition to enable them to take part in the system was pointed out. The need to identify more clearly how the system would benefit Member States, for example by reducing their current reporting burden, was stressed;

(c) *Links with other instruments:* Several comments pointed to the need to clarify how the system would interact with other existing instruments. In particular, it was felt that there was a need to clarify how the system would build upon and interact with existing scientific programmes and global observing systems, including the Global Earth Observing System of Systems. It was also felt that the interaction between the system and the multilateral environmental agreements and regional ministerial forums needed further exploration;

(d) *Comments on the components of Environment Watch:*

(i) *Conceptual framework:* The need for a dynamic and flexible conceptual framework was reiterated. One country felt that the current analytical approach being developed in the fourth Global Environment Outlook had not been fully successful in combining the driver, pressure, state, impact and response (DPSIR) framework with the Millennium Ecosystem Assessment framework, and preferred the latter. Others commended that approach, recommended that it should be further developed and noted that the DPSIR approach would facilitate cooperation with regional forums. The need to identify priority areas and avoid overloading the Environment Watch system with information was stressed. It was reiterated that the proposed concept of thematic and geographically defined modules under the system needed to be developed;

(ii) *Information network:* The need for clear guidelines for the operation of national information networks and selection of national focal points was reiterated. Focus should be on access to information and the guidelines should draw from existing experiences. An analysis of why environmental data are scattered and inadequate and an evaluation of the effectiveness of existing networks were proposed. The need to work with existing regional networks through their regional focal points such as the European Environmental Information and Observation Network (EIONET) and the European Environment Agency (EEA) was reiterated. An offer was received from EEA to serve as the interface between the system and the EEA member countries. Significant opportunities existed in using new

developments in information technologies and in providing infrastructure support for environmental networking and information sharing. A caution was given against overstressing the capacity of national focal points by expecting them to perform multiple functions and introducing too many indicators. A caution was also given with respect to potential sensitivities related to the accessibility of some national data and the need to address those sensitivities, for example, through de-identification measures;

- (iii) *Assessment compact*: Some called for a clarification of how the assessment compact would work in practice and stressed the key role which the Global Environment Outlook process would play in it. Focus must be placed on national and regional capacities and on providing links between assessments. The compact should be based on the latest developments in assessment and include multi-stakeholder and multi-scaled approaches. Its link with existing policy and decision making fora should be developed in respect of their different mandates.
- (iv) *Capacity-building programme and the toolbox*: The importance of continuing to map the needs of developing countries and countries in transition was stressed. The orientation of the proposed pilot projects should be clarified. The content of the toolbox needed to be prioritized. Calls were made for a clarification of how the implementation of Environment Watch and the implementation of the Bali Strategic Plan would be coordinated.

## **B. Summary of feedback received in response to the situation analysis and capacity-building needs assessment questionnaire and its relationship to the Bali Strategic Plan**

17. The proposed Environment Watch system and the Bali Strategic plan are closely related. An objective of the Bali plan is to strengthen the capacity of developing countries and countries in transition to undertake national environmental research, monitoring and assessment and to take part in international processes. Such capacity is recognized as the basis for strengthening national environmental institutions and capabilities for technological adaptation and innovation and will also in turn help strengthen the UNEP science base. The proposed Environment Watch system is potentially a key vehicle for a long-term strengthening of national capacities, as demonstrated in the pilot phase of the African Environmental Information Network (AEIN) under the African Ministerial Conference on the Environment (AMCEN).

18. The situation analysis and capacity-building needs assessment questionnaire was issued to address the interface between the Environment Watch system and the Bali Strategic Plan. The objectives of the questionnaire as it relates to development of the Environment Watch system were to obtain an overview of the current state of development of legal, institutional, programmatic and technical mechanisms in place within countries and regions; to identify gaps which must be filled; and to assess capacity-building and technology support needs for developing countries and countries with economies in transition.

19. Some felt that the questionnaire itself would merit being further developed based on the experience of submissions so far, in particular so as to reflect the full range of institutions and experts needed to complete the questionnaire while also keeping national reporting requirements at a reasonable level. Although more responses to the questionnaire would have given a better picture, the submissions received reveal an emerging landscape of capabilities and needs in connection with taking part in the Environment Watch system. That landscape is characterized by the following key points:

- (a) *Legal and strategic arrangements*: Most of the Governments which responded have enacted legislation in support of state-of-the-environment reporting whereas others have national legislation which supports various aspects of it. Identified needs included training on strategic planning; strengthening of institutional frameworks; capacities and mechanisms for data collection and analysis; and assessment of data.

(b) *Administrative and institutional arrangements:* Most of the responding countries published national environmental reports on a three- to four-year cycle, or on an irregular basis, with few doing so on a yearly basis. Needs identified include the establishment of means for closer cooperation between multilateral environmental agreement focal points; harmonization of reporting under multilateral environmental agreements; and strengthening research activities in the area of environment.

(c) *Technical arrangements:* Most of the countries responding have datasets and monitoring systems in place and use data standards. Developed countries also have environmental networks at the national level, but non-governmental organizations are not always included. A few responses indicated that those countries provided data to the United Nations Statistics Division, but developed countries provided data to the Organisation for Economic Co-operation and Development (OECD). Facilitation of access to information was given relatively little emphasis. Identified needs included harmonizing and sharing of data; and technical assistance in integrated water resources management; integrated assessment on environmental security; tsunami early-warning system, solid waste management, and environmental modelling and training related to adaptation to climate change.

### **C. Next steps in the development of the Environment Watch proposal**

20. In conclusion, the comments on the updated proposed Environment Watch system were, overall, supportive of an incremental approach to developing such a system along the lines of the current proposal. However, a number of comments pointed to the need to consider further how the system would be implemented, and how it would relate to current national and regional capacities, to the scientific community, to the global observing systems and to policy- and decision-making forums at multiple scales. The comments received formed the basis for the Executive Director's completion of the updated proposal as presented to the Council/Forum in document UNEP/GCSS.IX/3/Add.2. It is envisaged that the updated version would be subject to further considerations by Governments and stakeholders, a process which may be concluded at a future session of the Council/Forum.

21. In keeping with this incremental approach, the Executive Director suggests that the Environment Watch system should be implemented in phases through the biennial programmes of work, as is also proposed for the implementation of the Bali Strategic Plan. Such an approach would ensure practical coordination between the implementation of those two long-term and mutually supportive initiatives. The administrative and financial implications of the system would therefore be subject to approval by the Governing Council in accordance with the regular results-based planning, programming and reporting cycle of the United Nations. The Governing Council would oversee the implementation of the system from one biennium to the next and review the orientation of the system as needed. The Executive Director would implement the system in close cooperation with Governments and partners. In so doing, the Executive Director would also call upon the support of ad hoc advisory and expert groups as necessary. Consequently, the Environment Watch system would not imply the establishment of any additional global institutional arrangements, but would rather be a system for setting the long-term priorities for the UNEP programme of work and the basis for sustained international cooperation in keeping the world environment situation under review.

## **V. Strengthening the financing of UNEP**

### **A. Implementation of the voluntary indicative scale of contributions**

22. The Governing Council/Global Ministerial Environment Forum in its decision 23/1, emphasized the need for stable, adequate and predictable financial resources for UNEP and the Environment Fund, in the context of the United Nations regular budget, in accordance with General Assembly resolution 2997 (XXVII) of 15 December 1972. The Council/Forum reaffirmed its support for the provision of adequate, stable and predictable financing of UNEP as an essential prerequisite for the strengthening of its capacity and functions, as well as an effective coordination of the environmental component of sustainable development. The Council/Forum encouraged Governments, to the extent feasible, to move towards contributions to the Environment Fund in preference to contributions to earmarked trust funds, with a view to enhancing the role of the Governing Council in setting the agenda of work and priorities of UNEP. It also encouraged Governments, taking into account their economic and social circumstances, to contribute to the Environment Fund on the basis of either the voluntary indicative scale of contributions or any other of the voluntary options set forth in paragraph 18 of decision SS.VII/1.

## **B. Voluntary indicative scale in 2003 and 2004–2005: Pilot phases**

23. In September 2002, in the light of decision SS.VII/1 and the Johannesburg Plan of Implementation,<sup>4</sup> which called for the full implementation of that decision, the Executive Director of UNEP sent a letter to the Governments of all United Nations Member States inviting them to join the pilot phase of the voluntary indicative scale of contributions in 2003.
24. The methodology used for developing the scale was based on the following main considerations:
- (a) Maintaining the voluntary character of contributions to the Environment Fund;
  - (b) Broadening the donor base and inviting all United Nations Member States to consider making regular and adequate contributions to the Environment Fund;
  - (c) Maintaining the level of high and adequate contributions by the countries;
  - (d) Inviting those countries which at that time were paying below the United Nations scale and below their previous high levels to increase their contributions gradually.
25. The main result achieved during the first pilot phase was a significant widening of the base for voluntary contributions. A total of 127 countries pledged and paid their contributions in 2003, an increase of over 70 per cent above the average of 74 countries contributing annually to the Environment Fund in previous years.
26. Another important result achieved during the pilot phase in 2003 was a 9 per cent increase in payments by countries to the Environment Fund. More than 70 Governments increased their pledges and payments compared to contributions (counted in dollars) the year before (2002).
27. Following decision SS.VII/1 and taking into account feedback from Governments during the first pilot phase, in 2003 UNEP developed a new indicative scale of contributions for the biennium 2004–2005. The new scale envisioned an increase in annual contributions from \$60 million to \$65 million, equivalent to half the Environment Fund budget of \$130 million approved by the Governing Council for the biennium. By November 2005, 120 countries had pledged and paid their contributions for 2004. Of those, 52 paid or pledged higher contributions than the year before, and the total of pledges and payments increased by approximately 15 per cent. Part of that growth in dollar terms resulted from the favourable exchange rate between the dollar and the currencies of the major donor countries.
28. In 2005, countries continued to use the same voluntary indicative scale for the biennium; therefore, the increase in pledges and contributions, which continue to come in, is estimated not to exceed 1 to 2 per cent. Nevertheless, by November 2005 more than 20 countries had already increased their support to the Environment Fund.
29. At its fifty-ninth session, the General Assembly welcomed the progress made in implementing section III B of the appendix to decision SS.VII/1 on strengthening the role and financial situation of the United Nations Environment Programme, including the significant broadening of the donor base and the increase in total contributions to the Environment Fund.

## **C. Voluntary indicative scale in 2006–2007: Third pilot phase**

30. In keeping with Governing Council decision 23/1, in mid-2005 UNEP developed a new voluntary indicative scale for the biennium 2006–2007, using the same principles as for 2004–2005. The new scale took into consideration an increase in annual contributions from \$65 million to \$72 million, equivalent to half the Environment Fund budget of \$144 million approved by the Governing Council for the biennium. The Executive Director informed Member States of the proposed levels of voluntary contributions and urged them to inform UNEP by October 2005 as to whether they would make their voluntary contributions on the basis of the proposed voluntary indicative scale of contributions or under any of the other voluntary options set forth in paragraph 18 of section III B of the appendix to decision SS.VII/1.

<sup>4</sup> Plan of Implementation of the World Summit on Sustainable Development (*Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II. A.1 and corrigendum), chap I, resolution 2, annex).

31. By November 2005, the replies from countries were continuing to arrive and over 75 per cent supported the proposed scale and agreed to make their contributions according to it. Some 15 per cent expressed agreement with the need to strengthen the financing of UNEP and declared increased contributions in the 2006–2007 biennium, though those contributions were still below the levels proposed in the new voluntary scale. About 7 per cent also expressed agreement with the need to improve the financial situation of UNEP but confirmed the same level of payments in 2006–2007 as in 2004–2005, below the level of the new voluntary scale. The remaining countries requested more information or stated that because of economic difficulties they could still not make their contributions. One country let it be known that it did not intend to make use of the new voluntary indicative scale in determining its contributions for the 2006–2007 biennium.

**D. More efficient and effective use of available resources, including the possibility of utilizing external management review mechanisms, taking into account the recommendations of prior management reviews of UNEP**

32. Paragraph 15 and its subparagraph (b) of section III B of the appendix to decision SS.VII/1 mention the possibility of utilizing external management review mechanisms as part of efforts to ensure more efficient and effective use of available resources in order to address the overall financial situation of UNEP. The secretariat has responded to that call by using reviews carried out through various mechanisms, including:

- (a) External experts commissioned by the UNEP Evaluation and Oversight Unit;
- (b) The Office of Internal Oversight Services, set up by the General Assembly for the specific task of evaluating the management structures and practices of the United Nations Secretariat and United Nations agencies, funds and programmes;
- (c) The Joint Inspection Unit, a long-standing statutory body set up by and reporting to the General Assembly and the governing bodies of United Nations agencies, funds and programmes;
- (d) The external auditors of the United Nations;
- (e) The UNEP management and organization review (see below).

33. In 2005, the Executive Director initiated a comprehensive review of UNEP, including its management and organization. The previous such review was conducted in 1991 and 1992, pursuant to decision GC.16/6. The principal goals of the review are as follows:

- (a) To analyse the existing mechanisms for planning, development and implementation of projects and allocation of resources;
- (b) To make recommendations for improving and streamlining the planning, programming and budgetary process, and also the implementation of the Bali Strategic Plan;
- (c) To develop the appropriate programmatic and management performance indicators.

34. For additional information on this subject, see document UNEP/GCSS.IX/INF/6.

**E. Greater mobilization of resources from the private sector and other major groups in accordance with applicable United Nations rules and procedures**

35. UNEP continued to mobilize additional contributions from various non-governmental sources, including non-earmarked payments to the Environment Fund and earmarked contributions in support of priority UNEP project and programme activities.

36. It seems that most non-governmental partners were not in favour of making non-earmarked contributions to the Environment Fund, as they consider it primarily a responsibility of the Governments of the United Nations Member States. The same approach was confirmed by the Governments in the resource mobilization strategy of UNEP which was considered at the twenty-first session of the Governing Council, in 2001. The strategy paper on the issue<sup>5</sup> concluded that as UNEP was an intergovernmental organization, the bulk of its funding must comprise contributions from Governments.

<sup>5</sup> UNEP/GC.21/7/Add.1, annex I.

37. In 2002–2005, the principal effort in fundraising from the private sector and other major groups was to stimulate co-financing of priority projects, leaving the main role in funding to donor Governments. Earmarked pledges and contributions were generated from the United Nations Foundation through the mechanism of the United Nations Fund for International Partnerships (UNFIP). In 2002–2003, expenditures on UNEP programme activities funded through UNFIP were approximately \$12.3 million. In 2004, the allocations received by UNEP from UNFIP exceeded \$8.5 million. Additional earmarked contributions were generated from various national and international private-sector companies and other major groups. In 2002–2003, a total of over 110 of these donors contributed over \$2 million. In 2004, UNEP received an additional \$1.3 million from 116 private sector companies, and many businesses made in-kind contributions in support of UNEP priority initiatives.

## VI. Multilateral environmental agreements

38. The Governing Council/Global Ministerial Environment Forum, in section V, paragraph 21, of its decision 23/1, requested the Executive Director, within the mandate of decision SS.VII/1, to continue to focus on activities to improve the coordination among, synergy between and effectiveness of multilateral environmental agreements, taking into account the autonomous decision-making authority of the conferences of the parties to such agreements and the need to promote the environmental dimension of sustainable development among other relevant United Nations organizations, and to intensify efforts to support implementation by parties to multilateral environmental agreements of their obligations under such agreements, upon request, including through the provision of technical assistance through, among other things, the Bali Strategic Plan.

39. In an effort to determine areas of possible cooperation with the governing and subsidiary bodies of the multilateral environmental agreements to establish possible common issues to enhance interlinkages and synergies between multilateral environmental agreements, in 2005 UNEP conducted a review of decisions of the conferences of the parties to multilateral environmental agreements which specifically requested action on the part of UNEP.

40. Based on the recommendations to UNEP on how cooperation can best be achieved, activities were taken up by UNEP including the assistance to multilateral environmental agreements' meetings related to media outreach, development of guidelines on harmonized reporting for multilateral environmental agreements, development of issue-based modules for the biodiversity-related multilateral environmental agreements, national campaigns for climate change awareness-raising, analysis and organization of meetings related to the linkages between multilateral environmental agreements and the Millennium Development Goals, and strengthened administrative support to the secretariats of multilateral environmental agreements.

41. As an outcome of those activities, UNEP helped create public information materials of improved quality which helped to achieve the public outreach goals of the multilateral environmental agreement secretariats. Collaborating closely with those secretariats on practical outputs strengthened the relationship of UNEP with multilateral environmental agreements and improved communications.

42. Several multilateral environmental agreement meetings also recognized UNEP project contributions, including decisions specifically mentioning the work done by UNEP, such as resolution IX.5 of the ninth meeting of the Conference of the Contracting Parties to the Convention on Wetlands of International Importance especially as Waterfowl Habitat which takes note of the work by UNEP for promoting synergies and cooperation with other conventions. Regional agreements are also serviced and included in the above activities. Through their recent conferences of the parties, UNEP is providing support to the African-Eurasian Waterbird Agreement (AEWA), the Bamako Convention on the Ban of the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa and the Lusaka Agreement on Cooperative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora.

43. Similarly, responding to decisions of conference of the parties to multilateral environmental agreements, findings from the Millennium Project, the Millennium Ecosystem Assessment and the United Nations Development Programme (UNDP) 100-country study on the implementation of the Millennium Development Goals, in July 2005 and October 2005 UNEP organized two workshops on mainstreaming environment into the Millennium Development Goals, using the institutional frameworks and mandates of the multilateral environmental agreements. Based on the outcome of those consultations, exploration for the development of pro-poor markets for ecosystem services using multilateral environmental agreements was also considered at a workshop organized in London in

October 2005. Those meetings have now resulted in the creation of UNEP-wide task force on conservation finance.

44. Also, at the request of the Committee of Permanent Representatives, UNEP briefed the Committee, on 4 October 2005, on the continuing work of UNEP in respect of multilateral environmental agreements, particularly the issues of the linkages between multilateral environmental agreements and the Millennium Development Goals.

45. UNEP, in collaboration with the secretariats of multilateral environmental agreements and parties to multilateral environmental agreements, continues to support and facilitate implementation of, compliance with and enforcement of multilateral environmental agreements, in particular common cross-cutting issues. UNEP has continued its assistance to enhance and strengthen the capacity of the parties to multilateral environmental agreements through the development of a manual of guidelines on compliance with and enforcement of multilateral environmental agreements which builds on the guidelines with case studies, best practices, explanatory notes and checklists. The manual was tested through a series of three regional workshops, for Spanish-speaking Latin American and Caribbean countries in March 2005, French-speaking African countries in May 2005 and West Asian Arab-speaking countries in May 2005. UNEP is developing indicators for environmental compliance and enforcement of biodiversity-related multilateral environmental agreements to be tested in at least four countries (Brazil, Costa Rica, Kenya and South Africa) and is supporting the development of harmonized national legislation to implement biodiversity-related multilateral environmental agreements for the Organisation of Eastern Caribbean States (OECS) and Tonga, and also for chemicals- and waste-related multilateral environmental agreements for Tonga.

46. UNEP continues to develop tools and guidelines to strengthen further the implementation of and compliance with multilateral environmental agreements. In that connection, UNEP has developed a multilateral environmental agreement negotiators' primer for national Government negotiators to deal with new or on-going negotiations on multilateral environmental agreements or conferences of the parties to multilateral environmental agreements and tested it through three regional workshops; also, three national workshops are planned for the first quarter of 2006. A 10-module training manual on negotiation and implementation of multilateral environmental agreements for non-governmental organizations has also been developed and was tested during the twenty-third session of the Governing Council/Global Ministerial Environment Forum, in February 2005, and the thirteenth session of the Commission on Sustainable Development, in April 2005. A training manual for customs officials for the implementation of trade-related multilateral environmental agreements was developed and was tested through a series of six regional workshops between May and November 2005. UNEP is currently reviewing the outcome of the draft report on the coherent implementation of biodiversity-related multilateral environmental agreements through four issue-based modules on sustainable use, invasive alien species, inland waters and climate change.

47. UNEP collaborated with Ukraine on a mechanism to involve the public in the development of national reports for four multilateral environmental agreements. Regional workshops have been held on further enhancing the capacity of the Parties to fulfil their obligations under multilateral environmental agreements institutional frameworks and mandates. Two regional workshops on the legal implementation of the regional seas conventions were held, for South Pacific island States in August 2005 and English-speaking Caribbean countries in July 2005, as was a national workshop for Pakistan on the implementation of biodiversity-related multilateral environmental agreements in September 2005.

48. At its first meeting, held in Punta del Este, Uruguay, from 2 to 6 May 2005, the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants, in its decision SC-1/18, requested the secretariat of the Convention to prepare, in consultation with other relevant secretariats and UNEP, a study on how cooperation and synergies between the secretariats of the Basel Convention on the Transboundary Movement of Hazardous Wastes and their Disposal, the Rotterdam Convention, the Stockholm Convention and other relevant programmes could be improved, taking into account the special nature of the Rotterdam Convention secretariat, which is jointly provided by the Executive Director of UNEP and the Director-General of the Food and Agriculture Organization of the United Nations, in order to ensure maximum coherence, efficiency and effectiveness in the field of chemicals and wastes, including consideration of the role that common structures might play. The Conference of the Parties invited the Governing Council of UNEP to consider the results of the study at its twenty-fourth session. At its second session, held in Rome from 27 to 30 September 2005, the Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade welcomed that decision and requested the

secretariat of the Rotterdam Convention to participate in this work by contributing to the study on cooperation and synergies with the Basel and Stockholm Convention secretariats. In that context, the Conference of the Parties invited UNEP to prepare, in consultation with the secretariats of the three conventions, a supplementary analysis of financial and administrative arrangements that would be needed to implement any changes that the three convention secretariats and UNEP might propose.

## **VII. Enhanced coordination across the United Nations system and the Environmental Management Group**

49. Since the twenty-third session of the Governing Council/Global Ministerial Environment Forum, the Executive Director has undertaken measures to strengthen the functioning of the Environmental Management Group, which serves the United Nations system as a whole, by reinforcing its secretariat. The secretariat of the Environmental Management Group has been undertaking a series of intensive consultations with United Nations bodies and agencies located in New York, Geneva and elsewhere with a view to strengthening the functioning of the Environmental Management Group through improved engagement of member organizations in its work.

50. Within the framework of the Environmental Management Group and its issue management groups, work is currently being carried out to prepare two reports, as a contribution to the fourteenth session of the Commission on Sustainable Development, on the major United Nations system joint activities, best practices and lessons learned in the areas of air pollution, atmosphere and industrial development, with the support of the United Nations Industrial Development Organization (UNIDO) and the World Meteorological Organization (WMO), which will provide the Chairs of the relevant issue management groups. Upon completion, the reports will be submitted to the United Nations Department of Economic and Social Affairs as documentation for the fourteenth session of the Commission on Sustainable Development.

51. Also within the Environmental Management Group framework, the issue management group on sustainable procurement, chaired by UNEP, has continued the preparation of an inventory of the existing United Nations system sustainable procurement policies.

52. The eleventh meeting of the Environmental Management Group is scheduled for January 2006 to consider the above matters together with its work plan for 2006.

53. UNEP has further intensified its participation in the work of the United Nations Development Group, including the common country assessments (CCA) and United Nations Development Assistance Framework (UNDAF) process (in Brazil, Georgia, Kenya, Panama, the Republic of Moldova, Mongolia and Thailand) and also needs assessments for post-conflict countries (in Iraq, Liberia, Somalia and Sudan). That participation has led to increased attention on the part of United Nations development and field agencies to environmental issues and the role of UNEP.

54. In follow-up to the conclusion of the memorandum of understanding between UNDP and UNEP, the two organizations, from the highest level, intensified cooperation and collaborative efforts, in particular for cooperation in national-level capacity-building in support of the implementation of the Bali Strategic Plan.

55. Also, through the continued active engagement of the Executive Director and his representatives in the work of the High-level Committee on Programmes and the Chief Executives Board for Coordination of the United Nations system, there has been an increased level of systematic attention to environmental issues in United Nations system-wide policy discussions.