

**Second meeting of the Consultative Group  
of Ministers or High-level Representatives  
on International Environmental Governance**  
Helsinki, 21-23 November 2010

## **Draft Elaboration of Ideas for Broader Reform of International Environmental Governance**

**Information note from the co-Chairs of the Consultative Group**

Issued without formal editing.

### *Summary*

Following the invitation of the Consultative Group at its first meeting under UNEP Governing Council decision SSXI/1 in July 2010 in Nairobi, the co-Chairs, with the advice of the Executive Director of UNEP, prepared the following information note, elaborating upon the nine functional options that received general attention of the Group during the meeting but noting that none of the 24 options contained in the Executive Director's paper entitled 'Ideas for broader reform of international environmental governance' that have been discussed by the meeting have been ruled out at this stage.

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## Introduction

This paper is prepared in response to the request of the Consultative Group on international environmental governance as expressed in paragraph 19 of the co-Chairs' summary of the first meeting of the Group held in Nairobi from 7-9 July 2010. The paragraph states that 'The Consultative Group invited the co-Chairs, with the advice of the Executive Director, to prepare documentation that draws upon the discussion of the Consultative Group during its first meeting, to undertake further analysis.' In the below document the co-Chairs, with the advice of the Executive Director of UNEP, therefore elaborate the nine indicative options taken from the original 24 options contained in the Executive Director's paper entitled 'Ideas for broader reform of international environmental governance' that was presented by the co-Chairs at the conclusion of the meeting.

As was stated in paragraph 20 of the co-Chairs' summary, 'The Consultative Group invited the co-Chairs to circulate, through the Executive Director, the documents for comments electronically to governments in good time and in accordance with the timeframe adopted by the meeting' this document is now being circulated for comments by all governments and to provide a basis for the discussion at its second meeting, scheduled for 21-23 November 2010 in Helsinki, Finland. Following the receipt of comments the co-Chairs will 'prepare a final version of the documents, adequately reflecting the received comments and the advice of the Executive Director, for submission to the second meeting of the Consultative Group'.

Based on the rich discussion that took place at the Nairobi meeting, the objective of this paper is to provide further analysis on the gaps of the current international environmental governance (IEG) system as well as to elaborate on nine of the 24 options for broader reform presented to the Group, with the understanding that none of the 24 options have been ruled out at this stage.

In reading the elaborated versions of the options, their interrelatedness and interdependence should be re-emphasized, meaning that in certain cases, one option may not be practicable without the consideration of another option. At the same time this means that opportunities for more comprehensive and effective reform of the IEG system exist when focus is laid upon certain options than others.

For example, addressing objective e) 'ensuring a responsive and cohesive approach to country needs' would improve objective a) 'creating a strong, credible and accessible science base and science-policy interface' by enhancing national assessment processes, capacity building of national scientific institutions and processes, and the interface of science and policy at the national level. It would also open up opportunities for strengthening objective c) 'Achieving effectiveness, efficiency and coherence within the United Nations system' by fostering MEA implementation and synergies at the national level. At the same time, addressing objective e) would require improvement of objective d), as increased country level focus would call for secure, predictable and coherent resources.

Governments have agreed that the status quo of the IEG system is no longer an option. As environmental degradation continues to undermine economic and social development, reform of the system is not an insurmountable challenge. The ability of member states to reform the UN has recently been demonstrated in the area of gender. On 2 July 2010, the United Nations General Assembly voted unanimously to consolidate four entities related to the empowerment of women and the promotion of gender equality and create a new entity, 'UN Women', to accelerate progress in meeting the needs of women and girls worldwide.<sup>1</sup>

Addressing environmental sustainability as a function of economic and social development and human wellbeing requires effective institutions. In light of the Rio+20 preparations there is a unique opportunity for the Consultative Group to take the environmental reform discourse of the past decade to a new level.

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<sup>1</sup> UNGA Resolution A/64/L.56, which consolidated the Division for the Advancement of Women (DAW), the International Research and Training Institute for the Advancement of Women (INSTRAW), the Office of the Special Adviser on Gender Issues and Advancement of Women (OSAGI), and the United Nations Development Fund for Women (UNIFEM)

**Table of options and ideas for broader reform**

<b>Objectives</b>	<b>a) Creating a strong, credible and accessible science base and policy interface.</b>	<b>b) Developing a global authoritative and responsive voice for environmental sustainability.</b>	<b>c) Achieving effectiveness, efficiency and coherence within the United Nations system.</b>	<b>d) Securing sufficient, predictable and coherent funding.</b>	<b>e) Ensuring a responsive and cohesive approach to meeting country needs.</b>
<b>Functions</b>	<ul style="list-style-type: none"> <li>i. Acquisition, compilation, analysis and interpretation of data and information.</li> <li>ii. Information exchange.</li> <li>iii. Environmental assessment and early warning.</li> <li>iv. Scientific advice.</li> <li>v. Science-policy interface.</li> </ul>	<ul style="list-style-type: none"> <li>i. Global agenda setting and policy guidance and advice.</li> <li>ii. Mainstreaming environment into other relevant policy areas.</li> <li>iii. Promotion of rule making, standard setting and universal principles.</li> <li>iv. Dispute avoidance and settlement.</li> </ul>	<ul style="list-style-type: none"> <li>i. Coordination of policies and programmes.</li> <li>ii. Efficient and effective administration and implementation of MEAs.</li> <li>iii. Facilitating interagency cooperation on the environment.</li> </ul>	<ul style="list-style-type: none"> <li>i. Mobilising and accessing funds for the global environment.</li> <li>ii. Developing innovative financing mechanisms to complement official funding sources.</li> <li>iii. Utilising funding effectively and efficiently in accordance with agreed priorities.</li> </ul>	<ul style="list-style-type: none"> <li>i. Human and institutional capacity building.</li> <li>ii. Technology transfer and financial support.</li> <li>iii. Mainstreaming environment into development processes.</li> <li>iv. Facilitating South-South, North-South and triangular cooperation.</li> </ul>
<b>Macro level state and gaps</b>	<p><b>Status</b></p> <p>Many institutional data and assessment mechanisms; several intergovernmental advisory bodies; some intergovernmental assessments.</p> <p><b>Gaps</b></p> <p>Lack of developing country capacity and representation; need for better interoperability and availability of data; inadequate overall governance of the science-policy interface.</p>	<p><b>Status</b></p> <p>High number of treaties; several intergovernmental bodies tasked with agenda setting; environment on the agenda of many policy sectors.</p> <p><b>Gaps</b></p> <p>Alarming gap between commitment and action; gap in developing country capacity; inadequate environment-development integration; a tight field of intergovernmental norm-setting bodies but no clear champion.</p>	<p><b>Status</b></p> <p>Several intergovernmental and interagency coordination bodies; some intergovernmental bodies for review of effectiveness; several arrangements for Multilateral Environmental Agreements (MEAs) administration.</p> <p><b>Gaps</b></p> <p>Inadequate policy and programme coordination; lack of systematic review of effectiveness; no overall approach to administration of MEAs.</p>	<p><b>Status</b></p> <p>Several global funds for different purposes; some markets for environmental services.</p> <p><b>Gaps</b></p> <p>No overall financial tracking system; weak links between governance of commitments and governance of funds; inadequate overall governance of funding system.</p>	<p><b>Status</b></p> <p>Several capacity building mechanisms; some financial support mechanisms; a few technology transfer mechanisms.</p> <p><b>Gaps</b></p> <p>Level of support does not match needs of developing countries; inadequate integration into development assistance; inadequate overall governance of support system.</p>

<b>Objectives</b>	<b>a) Creating a strong, credible and accessible science base and policy interface.</b>	<b>b) Developing a global authoritative and responsive voice for environmental sustainability.</b>	<b>c) Achieving effectiveness, efficiency and coherence within the United Nations system.</b>	<b>d) Securing sufficient, predictable and coherent funding.</b>	<b>e) Ensuring a responsive and cohesive approach to meeting country needs.</b>
<b>Options</b>	<p>1. Create a multi-scaled and multi-thematic global information network of national, international and independent scientific expertise for keeping the impact of environmental change on human well-being under review and issue early warnings. The network would be facilitated by a web-based facility for sharing of “live” information with the support from an interagency cooperation arrangement.</p>	<p>1. Establish a global policy organisation with universal membership to set, coordinate, and monitor the global environmental agenda.</p>	<p>1. Clustering secretariat functions and common service--- establish a mechanism for global, overall coordination among existing MEAs, with one mechanism having innovative tasks that are not performed by MEA Secretariats individually, and without prejudice to their decision-making and budgetary independence. This would include joint MEA institutional structures, including: 1. Secretariats, 2. Legal, financial and conference services, 3. Reporting, 4. Scientific structures, 5. Programmatic structures 6. Knowledge management and IT.</p> <p>2. Establish a UN system-wide medium-term strategy for the environment, coordinating all environmental activities for the UN.</p>	<p>1. Widen the donor base, e.g. establish mechanism for receipt of private/philanthropic donations.</p> <p>2. Establish a joint management mechanism for all major trust funds for the environment with equal roles for project selection, appraisal and supervision of environment-related activities, in accordance with the respective spheres of expertise.</p> <p>3. Link global environmental policy making with global environmental financing (originally b) 4).</p>	<p>1. Establish environment-development country teams and/or desk in existing intergovernmental offices in developing countries around the world.</p> <p>2. Develop an overarching framework for capacity building and technical assistance for the operational activities of MEAs, UN agencies and IFIs.</p>

## **A) Creating a strong, credible and accessible science base and policy interface.**

**Create a multi-scaled and multi-thematic global information network of national, international and independent scientific expertise for keeping the impact of environmental change on human wellbeing under review and issue early warnings. The network would be facilitated by a web-based facility for sharing of “live” information with the support from an interagency cooperation arrangement.**

### **Status**

UNEP Governing Council was, in 1972, assigned the responsibility for keeping the world environmental situation under review through mobilization of relevant expertise, and by financing, through the Environment Fund, monitoring, assessment, research and support to developing countries.<sup>2</sup> The efforts of keeping the environmental situation under review have expanded tremendously since then, amidst a growing awareness of the need to understand environmental change and its implications for human well-being.

The current environmental knowledge infrastructure is multi-scaled and goes beyond UNEP. An analysis of the infrastructure is presented in the note by the Executive Director “Environment in the UN system”.<sup>3</sup> The infrastructure consists of a wide range of different institutional components which supports various stages in the interaction between science and policy-making – the science policy interface -, including:

- *Acquisition of environmental knowledge and information*, which is achieved through research, monitoring, observations (including through satellite observations) and modeling;
- *Information exchange*, which is achieved through information networks, platforms and management procedures;
- *Assessments and early warning processes*, which analyse data, information and knowledge stemming from research, modeling, monitoring and observations for the use of policy makers, including through the use of indicators;
- *Scientific and technical advisory and oversight bodies*, which consider assessment and early warning findings, commission studies, operate networks and advise their parent body.

The knowledge infrastructure has improved the understanding of the kind of human activities that may lead to environmental change, the natural and societal time-lags and tipping points involved in such change, its risks to human well-being and the effectiveness of response measures. The infrastructure is demonstrating that the international community is facing an increasing wave of environmental change driven by ever expanding human activities, touching on virtually every component of our biosphere and the global climate system. Furthermore, these changes are taking place in an increasingly globalized, industrialized and interconnected world. Those responsible for global environmental change are often not the ones most affected by the change, who are typically the poor and vulnerable groups in society. Opportunities offered by sustainable use of natural resources and ecosystem services are unequally distributed, and the potential to generate jobs and economic growth are not fully utilised.

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<sup>2</sup> UNGA resolution 2997 requested the UNEP Governing Council to keep under review the world environmental situation in order to ensure that emerging environmental problems of wide international significance receive appropriate and adequate consideration by Governments. In keeping the environment under review the Council was tasked to “promote the contribution of the relevant international scientific and other professional communities to the acquisition, assessment and exchange of environmental knowledge and information”. UNGA also decided that the UNEP Environment Fund “shall be used for financing such programmes of general interest as regional and global monitoring, assessment and data-collecting systems, including, as appropriate, costs for national counterparts; ... environmental research; information exchange and dissemination; public education and training; assistance for national, regional and global environmental institutions; the promotion of environmental research and studies for the development of industrial and other technologies best suited to a policy of economic growth compatible with adequate environmental safeguards...”.

<sup>3</sup> Available at [http://www.unep.org/environmentalgovernance/LinkClick.aspx?fileticket=tZyjX8cn738%](http://www.unep.org/environmentalgovernance/LinkClick.aspx?fileticket=tZyjX8cn738%20)

## Gaps

The evolution of the knowledge infrastructure needs to keep up with increasing environmental change and document how society interacts with the environment across geographic scales and boundaries, with particular attention to impacts in developing countries. A worrying macro level gap in the infrastructure, therefore, is a prevalent lack of capacity in monitoring, data management, assessments and early warning systems, particularly in developing countries and regions. This gap is coupled with an often inadequate representation of developing countries interests in global science processes. Efforts to address these gaps has so far been too top down, too sporadic and too disjointed to match the longterm efforts needed to sustain the evolution of national institutional infrastructures.

Another macro gap, which is partly a function of the first gap, is the lack of environmental data which is associated with an overall need for improved availability of and interoperability between data. This hampers the further development of environmental assessments, indicators and early warning systems which can contribute to bridging the gap between science and policy. Past efforts include the establishment of the Global Environment Monitoring System (GEMS) of which only GEMS water currently exists<sup>4</sup>. Increasingly the overall coordination and architectural development of global observing systems<sup>5</sup> takes place under the auspices of the Group on Earth Observations<sup>6</sup>. Furthermore, most thematic environmental issues, apart from climate change and depletion of stratospheric ozone layer, are still not fully covered by credible, timely, legitimate and relevant multi-scaled assessments, indicators and early warning systems designed to bridge science and policy. Efforts are however underway in areas such as biodiversity, the marine environment and broader environmental change<sup>7</sup>.

These bridging institutions are important for the effectiveness of the international and national scientific and technical advisory and oversight bodies. Attention needs to be given to both the advisory bodies and bridging institutions in order to ensure complementarity and coherence among them so as not to overburden the scientific and policy community with competing processes.

## Description of option

A further strengthening of the science-policy interface and its underpinning knowledge infrastructure can be achieved by a strategic, systematic and adaptive approach to addressing the identified gaps in the environmental knowledge infrastructure. This can best be done by building on the existing institutional structures such as the scientific and technical advisory bodies, the Intergovernmental Panel on Climate Change, the Global Environment Outlook, the International Panel for Sustainable Resource Management, and other multi-stakeholder assessments, the Global Earth Observation System of Systems, the international research community and existing national and regional information networks and institutions. Lessons learned from one thematic area can be customised to other areas and the regional, national and local levels.

Country representatives in the first Consultative Group meeting held in Nairobi in July 2010 expressed interest in exploring the option of creating a multi-scaled, multi-thematic global information network. It was felt that such an option, if combined with adequate capacity building measures, could help address the current gaps in the knowledge infrastructure, while building on existing institutional developments, such as the fifth Global Environment Outlook (GEO-5) and the development of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES).

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<sup>4</sup> GEMS/Water is still a UNEP programme, which since 1978, has been hosted at Environment Canada's National Water Research Institute.

<sup>5</sup> The Global Climate Observing System (GCOS) (coordinated by WMO) and the Global Ocean Observing System (GOOS) coordinated by UNESCO/IOC, and the Global Terrestrial Observing system (GTOS) coordinated by FAO

<sup>6</sup> The Group on Earth Observations is an intergovernmental mechanism established to develop a 10-year implementation plan for building a coordinated, comprehensive and sustained Global Earth Observation System of Systems (GEOSS).

<sup>7</sup> These efforts include the recent strengthening of the Global Environment Outlook (GEO) process and the processes on the establishment of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services under UNEP Governing Council and the Regular Process for the Assessment of the Marine Environment under UNGA.

Such a multi-scaled global network could consist of regional information networks, which in turn would be constituted of national information networks. It would build on existing networks such as in Africa<sup>8</sup>, the EU<sup>9</sup>, the United States of America<sup>10</sup> as well as other states, such as Australia,<sup>11</sup> Brazil<sup>12</sup> and India<sup>13</sup>, and be complemented incrementally through the creation of additional networks as needed.

The network would, as is the case for many of the existing networks, be multi-thematic, and this could be achieved by nesting thematic networks of institutions into the global, regional and national networks. These networks could cover specific functions<sup>14</sup> or thematic areas such as: atmosphere and climate;<sup>15</sup> land and desertification;<sup>16</sup> freshwater;<sup>17</sup> marine ecosystems; and biodiversity. Developing regional and country networks would be sustained by a capacity-building programme. The programme should be designed to address national needs and empower and strengthen existing institutional capacities and expertise in developing countries. At the same time, the programme should be integrated into the development and governance of the network and may include features such as fellowships, twinning arrangements between network nodes, and training such as through e-learning.

A web-based platform for sharing of up-to-date ("live"), coherent and quality-assured priority data and information, indicators, early warning, alert services, analysis and assessments and best practices could be created in support of the network. The platform would evolve with the network and state of the art information and communication technologies. It would promote standards for search-ability and comparison of data and information, such as through semantically aware search tools.

A set of key questions is related to how the network would be governed, and how it would relate to existing international and intergovernmental processes, be they science bodies, observation systems, assessments, scientific and technical advisory bodies or regional networks. The multi-scaled and multi-thematic network may need several layers of governance, or a kind of decentralised structure of intergovernmental bodies, possibly in the form of a consortium.

At the global level, governance would involve setting procedures for building the network (i.e. nomination and appointment of network nodes), and for running the network (i.e. agreements which detail the roles and responsibilities of each of the institutions in the network). Global governance would also be needed in order to agree on technical infrastructure standards and standards for interoperability and search-ability of information. The question of ownership and intellectual property rights related to data and information would also need to be addressed. A results-based strategic and programmatic approach for the evolution of the network may help: strengthen complementarity and synergies between existing processes - such as through sequencing of work; ensure targeted financial investments in the network - such as through capacity building, and help keep the effectiveness of the network under regular review.

The overall governance of the network could, as is the case for many existing regional networks, be undertaken by a body of government nominated experts. Such a function could be performed by an existing, or alternatively a new, subsidiary intergovernmental body in the UN system. A new body could be comprised of a limited number of government representatives drawn from regional and thematic networks, assessments and scientific and technical advisory bodies in the network. A bottom-up approach could be developed, whereby regional networks are governed by national focal points who in turn nominate regional representatives to the global network. In addition, the

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<sup>8</sup> The Africa Environment Information Network (AEIN)

<sup>9</sup> The European Environmental Information and Observation Network (EIONET)

<sup>10</sup> The exchange network helps the US Environmental Protection Agency (EPA), federal states, ethnic groups, territories and regulated facilities exchange environmental information more efficiently (see also <http://www.exchangenetwork.net>).

<sup>11</sup> Environmental Resources Information Network (ERIN), see <http://www.deh.gov.au/erin/index.html>.

<sup>12</sup> Sistema Nacional de Informação sobre o Meio Ambiente (SINIMA), see <http://www2.ibama.gov.br/~cni/sinima.htm>.

<sup>13</sup> Environmental Information System (ENVIS), see <http://www.envfor.nic.in/envis/envis.html>.

<sup>14</sup> Such as the network of GRID centres.

<sup>15</sup> Such as the network under the World Climate Research Programme.

<sup>16</sup> Including the Global Land Cover Network (GLCN) jointly coordinated by the Food and Agriculture Organization of the United Nations (FAO) and UNEP and the network of Consultative Group on International Agricultural Research (CGIAR) centres.

<sup>17</sup> Including the network component of the Global Environmental Monitoring System (GEMS-Water).

governance body could consist of governmental or technical representatives from the international science bodies, observation systems, assessments and subsidiary scientific and technical advisory bodies.

Similarly, a coalition of institutions from within the UN system and other relevant institutions could provide the necessary technical and programmatic support to the network. Such a coalition could be anchored in an existing interagency coordination mechanism. Such a coalition brought about through a "One UN" approach, would be vital for capacity-building and technology support in developing countries and for enhancing the international infrastructure for monitoring and assessment.

The development of a global network would require further attention by national and international expertise. Such efforts could, amongst others, draw on the 'Eye on Earth' Global Summit planned by the United Arab Emirates in cooperation with UNEP, the European Environment Agency and others, to be held in Abu Dhabi possibly in December 2010 or in early 2011. The Summit aims to explore the governance, content, technical infrastructure and capacity development needed for sharing of environmental information and data through a federation of systems and networks that use common standards and the latest ICTs.

### **Financial and legal implications**

A global information network would have strong linkages with other functional reform options. The network could serve as a backbone of international environmental governance and be the knowledge foundation of **a global authoritative and responsive voice for the environment**. The option of establishing or enhancing an existing global policy organization with universal membership to set, coordinate, and monitor the global environmental agenda could involve also the development of the information network. The global governance component of the network could, for instance, be a subsidiary of the governing body of the organization or be performed by that governing body. Alternatively, a reporting relationship could be established in the form of a letter of agreement between relevant governing bodies.

The information network would also be important for **achieving effectiveness, efficiency and coherence within the United Nations system** and advancing the options for broader reform in this area. For instance, the development of a UN system-wide medium-term strategy for the environment, coordinating all environmental activities for the UN could be informed by the network. Furthermore, the governing structures of the network could assume responsibility for implementing the science component of the strategy. The other option of a possible clustering of secretariat functions and common services and the establishment of a mechanism for global, overall coordination among existing MEAs could be implemented in close conjunction with the development of the information network. The thematic and functional structure of the network could be matched to the clusters, and the governing and support structures of the network and its "live platform" could possibly assume the science and knowledge management component of the envisaged mechanism.

Efforts to **secure sufficient, predictable and coherent funding** could also be facilitated through the network. The information network could for instance be structured so as to help provide the knowledge base, including information on effectiveness of investments, to a joint management mechanism for all major trust funds for the environment. A common shared knowledge base would also facilitate the links between global environmental policy-making with global environmental financing. An enhanced knowledge foundation might also help widen the donor base, e.g. establish mechanism for receipt of private/philanthropic donations.

The information network would be particularly important for **ensuring a responsive and cohesive approach to meeting country needs**. A multi-scaled network aimed at strengthening the science capacities of developing countries will enhance the capacity for identification of evolving national priorities. National information networks could receive support from and help inform possible environment-development country teams and/or desks in existing intergovernmental offices in developing countries around the world. The national, regional and global governance structures of the

information network could serve as an integral part of a possible overarching framework for capacity building and technical assistance for the operational activities of MEAs, UN agencies and IFIs.

## **B. Developing a global authoritative and responsive voice for environmental sustainability.**

**Establish a global policy organization with universal membership to set, coordinate, and monitor the global environmental agenda.**

### **Status**

When founding the UNEP, the General Assembly, in its resolution 2997 (XXVII) of 15 December 1972, prompted by its awareness of the “urgent need for a permanent institutional arrangement within the United Nations system for the protection and improvement of the environment”, decided to establish a Governing Council of UNEP, composed of 58 members elected by the General Assembly for three-year terms on the following basis: 16 seats for African States; 13 seats for Asian States; six seats for Eastern European States; 10 seats for Latin American States; and 13 seats for Western European and other States.

In the same resolution the General Assembly decided that the Governing Council should report annually to the General Assembly through the Economic and Social Council (ECOSOC), so as to enable ECOSOC to transmit to the Assembly such comments on the reports as it might deem necessary, particularly with regard to questions of coordination and to the relationship of environmental policies and programmes within the United Nations system to overall economic and social policies and priorities. This function of ECOSOC is in line with Article 64 of the Charter of the United Nations, in which it is tasked with obtaining regular reports from specialized agencies and directing system-wide coordination and integration of environmental and developmental aspects of United Nations policies and programmes.

The relationship between the Governing Council of UNEP and ECOSOC has been further refined by the latter’s decision 1995/207 of 10 February 1995, in which it decided that, “when reviewing at its substantive session of 1995 the report of the Commission on Human Settlements on its fifteenth session and the report of the Governing Council of the United Nations Environment Programme on its eighteenth session, it would not consider new draft proposals, except for specific recommendations contained in those reports that required action by the Council and proposals on matters relating to the coordination aspects of the work of those bodies.” At subsequent sessions, ECOSOC simply took note of the reports of the Governing Council of UNEP without taking any action.

Since its establishment, UNEP has evolved to meet the growing challenges of global environmental protection and decisions of the Governing Council have helped bring into life a number of multilateral agreements on global environmental issues. The 1992 United Nations Conference on Environment and Development (UNCED, or Rio Earth Summit) and the global environmental conventions adopted on that occasion added over the succeeding years and within the context of sustainable development, new elements to the mandate and functions of UNEP.

Reflecting on such changes, the Governing Council of UNEP, in the Nairobi Declaration on the Role and Mandate of UNEP and adopted by its decision 19/1 of 7 February 1997, declared that the role of UNEP was to be “the leading global environmental authority that sets the global environmental agenda, that promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and that serves as an authoritative advocate for the global environment [...]”. To that end, the Council decided to improve the governance structure of UNEP and, in that context, emphasized that UNEP should serve as a world policy and decision-making forum for ministers and high-level government officials in charge of environmental matters. The declaration was endorsed by the General Assembly in its resolution S-19/2 of 28 June 1997, adopted on the occasion of the five-year review of the outcome of the Rio Earth Summit.

As part of the United Nations reform initiative, launched by the Secretary-General in 1998 under the title “Renewing the United Nations”, the General Assembly, having considered the recommendation of

the Secretary-General's Task Force on Environment and Human Settlements, adopted resolution 53/242 of 28 July 1999. In that resolution, the General Assembly welcomed the proposal to institute an annual, ministerial-level, global environmental forum, with the Governing Council of UNEP constituting the forum in the years it meets in regular session and, in alternate years, with the forum taking the form of a special session of the Governing Council, in which participants could gather to review important and emerging policy issues in the field of the environment, with due consideration for, among other things, the need to ensure the effective and efficient functioning of the governance mechanisms of UNEP, as well as possible financial implications.

The sixth special session of the Governing Council, held in Malmö, Sweden in May 2000, constituted the first Global Ministerial Environment Forum. The GC/GMEF (WSSD) adopted the Malmö Ministerial Declaration on 31 May 2000. Referring to the then forthcoming preparatory process for the WSSD, the declaration emphasized that the WSSD should review the requirements for a greatly strengthened institutional structure for international environmental governance based on an assessment of future needs for an institutional architecture that had the capacity effectively to address wide-ranging environmental threats in a globalizing world. The role of UNEP in this regard should be strengthened and its financial base broadened and made more predictable.

In pursuance of this objective the UNEP Governing Council at its twenty-first session established, by its decision 21/21 of 9 February 2001, the Open-ended Intergovernmental Group of Ministers or Their Representatives on International Environmental Governance to undertake a comprehensive policy-oriented assessment of existing institutional weaknesses as well as future needs and options for strengthened international environmental governance, including the financing of UNEP. The Open-ended Intergovernmental Group held four meetings between April and December 2001 to address these subjects, the outcome of which was submitted to the GC/GMEF at its seventh special session.

At its seventh special session, held in Cartagena, Colombia, in February 2002, the GC/GMEF, in its decision SS.VII/1 of 15 February 2002 on international environmental governance, adopted the report of the Open-ended Intergovernmental Group. The report recommends that the issue of universal membership be deferred to the WSSD.

In its paragraph 140, the Plan of Implementation of the WSSD addresses the strengthening of the institutional framework for sustainable development at the international level.<sup>18</sup> In its subparagraph (d), the Plan states:

“The international community should [...] fully implement the outcomes of the decision on international environmental governance adopted by the Governing Council of the United Nations Environment Programme at its seventh special session and invite the General Assembly at its fifty-seventh session to consider the important but complex issue.”

Since the question of universal membership was asked to the General Assembly by the WSSD the UN General Assembly (UNGA) has deferred the question six times from its agenda, thus keeping the question in a state of limbo.

It must be recognized that there are alternative views to supporting universal membership and maintaining the status quo. Some of the concerns that have been raised are the following:

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<sup>18</sup> Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August to 4 September 2002 (United Nations publication, Sales No. E.03.II.A.1) chap. I resolution 2, annex.

- ⇒ The necessity for universal membership, where universal participation exists. All countries, members and non-members alike, benefit from universal participation at UNEP. All countries' ministers are encouraged to participate actively at the GC/GMEF and many do so. Countries with an interest in UNEP activities are given a voice and a role through universal participation.
- ⇒ Some financial concerns. There has been in past IEG related processes a concern by some countries that a universal body might lead to a requirement of assessed contributions. There has also been some concern that the adoption of universal membership could lead to higher administrative costs to the organization.
- ⇒ Finding consensus. Within a universal body it becomes more difficult to find consensus and it is less effective as a decision-making body.
- ⇒ The GMEF is an effective forum for Ministers to exchange views and brainstorm of environmental themes. The dialogue may be less open and constructive if ministers are expected to adopt decisions.

## Gaps

The global authoritative voice for environmental sustainability has rested with UNEP since its establishment in 1972. UNEP's mandate under resolution 2997 is very clear as to its role in the UN system and these roles are directly relevant to fulfilling three of the four functions identified by the set of options under the objective of developing a global authoritative voice for environmental sustainability. These are i) global agenda setting and policy guidance and advice ii) Mainstreaming environment into other relevant policy areas and iii) promotion of rule making, standard setting and universal principles.

Resolution 2997 states that UNEP's mandate should be to act as the global authoritative voice for the environment and in carrying out this mandate recommend policies for international cooperation, provide general policies for coordination of environmental activities in the UN system, review the implementation of programmes in the UN system, keep under review emerging environmental issues, and to review the impact of national and international policies on developing countries.<sup>19</sup>

Though the resolution does not state directly UNEP's role as the global authoritative voice for environmental sustainability, UNEP's mandate all but fulfilled this role from a functional point of view. In 1997, UNEP's role was reaffirmed by the Governing Council's Nairobi Declaration and the subsequent General Assembly resolution recognized that UNEP indeed was the leading global environmental authority within the UN system.<sup>20</sup>

The issue in terms of addressing the gap is therefore not about the absence of a recognized global authoritative voice for the environment, rather it is providing the existing recognized institution of UNEP with the capabilities necessary to fulfil and carry-out its mandate in practice. The international system that was in place in 1972 is much different than the system we have today and UNEP would need to have additional capabilities if it were to achieve the objectives that its mandate prescribes.

The main element that UNEP requires is weight within the system and universal membership is one of the key elements that could provide this weight. There are 44 agencies in the UN system that are working on environmental issues. There are over 45 MEAs having at least 72 signatory countries and multiple funds and financial mechanisms. There is no longer one anchor institution that can see the whole picture and make broad recommendations on priorities and interlinkages between these multiple bodies. The UNGA has recognized the need of this role through UNEP's mandate and several declarations and resolutions while respecting the autonomy of existing MEAs. Ministers of

<sup>19</sup> Resolution 2997, UNGA 1972.

<sup>20</sup> ...the United Nations Environment Programme is to be the leading global environmental authority that sets the global environmental agenda, that promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and that serves as an authoritative advocate for the global environment, Nairobi Declaration UNGA 1997.

environment are the best placed to play this role as a collective group but the GMEF has been designated a forum for discussion rather than a body for adopting decisions.

If UNEP is going to have the political weight to make recommendations to other agencies and to the conference of the parties of MEAs where most of the policy domain now lies compared to 1972, it must have the resources to act. This means it must be recognized that its role is to coordinate activities through setting the environmental agenda for the UN system, making periodical reviews of the UN agencies environmental programmes, reviewing the implementation of MEAs at the national level and making recommendations from a holistic angle on priority areas and key interlinkages between environmental policy areas. Guiding bodies with broad or sometimes universal membership will only come if UNEP has the same type of membership. How can UNEP have legitimacy with 58 members and make recommendations to bodies such as the COPs with three to four times as many?

In 1972 the UNEP model was fashioned as a subsidiary body of the UNGA. The institutional arrangements were such that areas related to the environment and in accordance with UNEP's mandate under resolution 2997 would first be dealt with by UNEP and when requiring action approved by the whole system, it would be taken before the UNGA or ECOSOC, as appropriate. In the nearly four decades that have passed since this model was put in place, the nature and scale of environmental issues have changed dramatically. Many environmental issues require a global response and there is a necessity to work more closely with all countries to implement existing commitments. Furthermore, the policy area within the legal scope of UNEP is far greater than it was in 1972 and many of these agencies which UNEP is meant to provide guidance to and advice with are larger in membership than UNEP.

The UNGA has also become much busier in the nearly four decades that have passed since UNEP was created and it simply has difficulties to effectively deal with all the matters that are before it. For example, in 1972 the UNGA passed 192 resolutions in its 27<sup>th</sup> session while in 2009, at its 64<sup>th</sup> session, it passed 307 resolutions. The UNGA simply does not have the time to devote and the specializations required to deal with the number of issues that it should, even if it were to work most effectively.

### **Description of option**

This option would be put in place to readdress the disconnection between global policy making and policy implementation and promote greater interlinkages between the various policy bodies including the COPs of MEAs and other UN bodies working on environmental policy setting and implementation.

A UNEP with universal membership could provide the ministers of environment with an effective platform not only to exchange ideas as the existing GMEF does but also, when required, consider issues and make recommendations to other bodies concerning key environmental issues. Many of the most important policy areas, including agriculture, health, trade, industry, and labour, have global universal forums where their ministers set global policy.

Under this reform option it is proposed that the Governing Council would become a body with universal membership and therefore be opened up to all members of the UN while its mandate would remain unchanged. The Committee of Permanent Representatives (CPR) could continue playing the role of preparing the agenda and the draft decisions for the Governing Council and the Bureau could take intercessional decisions as it does now for the Governing Council.

The most significant change resulting from universal membership is that each member state of the United Nations would also become a member of the Governing Council, with a vote, and would accordingly be able to participate in the decision-making process with full rights. This is a departure from the current procedure, where the 58 members of the Governing Council are allowed to vote, leaving over two-thirds of all member states of the United Nations without such rights. Over 100 ministers attended each of the sessions of the GMEF constituted with the Governing Council and participated in the debate on global environmental matters. Under current rules, about half of those

ministers are not, however, able to participate in the actual process of taking decisions, making proposals, or voting.

## **Financial and legal Implications**

Article 22 of the Charter of the United Nations states: "The General Assembly may establish such subsidiary organs as it deems necessary for the performance of its functions." There is no provision in Article 22 that stipulates that the subsidiary body must be established with a certain membership.

Many subsidiary bodies that have been set up under the UNGA have had representative membership. The main rationale for this is that many of these bodies were prescribed to act as executive bodies. There are, however, several exceptions to this practice where there was a clear need for universal membership. Two examples are the United Nations Conference on Trade and Development (UNCTAD) and the Disarmament Commission, both of which are subsidiary organs of the General Assembly with universal membership (UNGA resolution 1995 (XIX) of 30 December 1964 and resolution S-10/2 of 30 June 1978, respectively). The members of UNCTAD are the member states of the United Nations. The Disarmament Commission is composed of all member states of the United Nations, a decision taken by the General Assembly in its resolution 502 (VI) of 11 January 1952, replacing a limited-membership body. Both UNCTAD and the Disarmament Commission function without assessed contributions demonstrating that universal membership does not necessarily imply a system of assessed contribution, but UN organizations with universal membership can be administered through regular and extra-budgetary resources. These examples also show that despite being a subsidiary organ of the General Assembly, there is no legal impediment to the Governing Council's change in membership towards universal membership.

It should be noted that the introduction of universal membership might require amendments to certain provisions of the rules of procedure of the Governing Council, such as the quorum for meetings. Most of the rules will, however, not need to be changed.

Also, the establishment of the universal body does not necessarily require that embassies are being established in Nairobi. The Governing Council with universal membership could have a mandate to meet and deliberate issues once a year or once every two years. The frequency of the meetings would therefore be similar to that of the current schedule of the GMEF yet its focus and decision-making would be changed to reflect that of a governing assembly. During intersessional periods the CPR could act as the executive body, reviewing decisions and making recommendations for its agenda.

In accordance with UNGA resolution 2997 (XXVII), the costs of servicing the Governing Council are borne by the regular budget of the United Nations. Since the sessions of the Governing Council had been designed to take into account participation of non-members as well as members, it is not foreseen that the change in membership would only marginally increase the costs for servicing the GC/GMEF, since these costs normally relate to the production and distribution of documentation, interpretation, conference facilities, etc.. As documentation, in compliance with the rules of procedure of the GC/GMEF, is already being provided to all member states of the United Nations, the volume would remain largely the same and few, if any, additional costs are anticipated. Similarly, meetings of the GC/GMEF already have full interpretation services in all United Nations languages hence no additional costs should be incurred in this regard. The conference facilities currently used by both UNEP and UN-HABITAT in Nairobi have proved adequate for meetings of such large bodies as the meetings of the COPs to the UNFCCC, the Convention on Biological Diversity and the Convention on International Trade in Endangered Species of Wild Fauna and Flora have shown.

Moreover, in accordance with the rules of procedure of the Governing Council, notifications of sessions of the Governing Council and all official Governing Council documents are formally distributed to all member states of the United Nations through official channels of communication. Under rule 7 of the rules of procedure, the Executive Director is required to communicate the date of the first meeting of each session of the Governing Council to all member states of the United Nations. Rule 64 requires the secretariat to distribute to all members of the Governing Council and any others

participating in the session the text of resolutions, recommendations and other formal decisions adopted by the Governing Council, its sessional committees and other subsidiary organs. Under the same rule, the secretariat is required to distribute the printed text of such resolutions, recommendations and other formal decisions, as well as the reports of the Governing Council to the General Assembly, and after the close of the session, to all member states of the United Nations. Hence, a change in the membership will not entail any increased load in the distribution of documents.

Financial support for the travel of representatives of developing countries is not obligatory but has in the past been provided from trust funds of UNEP, based on voluntary contributions. In addition, such extra-budgetary support has been given to ministers and heads of delegations of both members and non-members of the Council. Extension of membership to all member states of the United Nations thus would not substantially change the existing arrangements regarding support for travel, as all countries requesting such support are already evenly treated subject to available extra-budgetary resources.

### **C. Achieving effectiveness, efficiency and coherence within the United Nations system.**

**1. Clustering secretariat functions and common services--establish a mechanism for global, overall coordination among existing MEAs, with one mechanism having innovative tasks that are not performed by MEA Secretariats individually, and without prejudice to their decision-making and budgetary independence. This would include joint MEA institutional structures, including: 1. Secretariats, 2. Legal, financial and conference services, 3. Reporting, 4. Scientific structures, 5. Programmatic structures 6. Knowledge management and IT.**

This option focuses on addressing function II. The discussion on clustering MEAs to improve coordination and efficiency has been ongoing – particularly in terms of what type of clustering should be undertaken, thematic or functional.

#### **Status**

Intensive treaty negotiation over the past few decades has produced a dynamic and complex array of agreements and instruments, resulting in an impressive amount of environmental governance and regulation. However, the proliferation of MEAs has spread thin the limited financial and human resources devoted by nations to international environmental governance and resulted in inefficient coordination.

MEAs generally have the following institutional elements: a Conference of the Parties (COP) and or Meeting of the Parties (MOP), a secretariat, advisory bodies, a clearing-house mechanism and a financial mechanism. The COP of each convention or the MOP of a protocol to a convention are the ultimate decision-making bodies regarding the overall implementation and development of their respective MEA. The bureaus of the COPs and MOPs of several conventions and protocols meet intersessionally to discuss matters within their bureau mandates. Most MEAs have established or are associated with subsidiary bodies and assessment bodies that are generally advisory in nature and present their recommendations to the COP or MOP of the respective agreement.

Several MEAs have clearing-houses, generally operated by the secretariats, to promote and facilitate technical and scientific cooperation or facilitate the exchange of scientific, technical, environmental and legal information and assist developing country parties in the implementation of the MEA concerned. A few conventions (e.g. the Basel Convention) have established or are in the process of establishing regional centres. The purposes of these centres range from training and technology transfer, to the provision of assistance in the implementation of the MEA.

UNEP, through the United Nations Organisation in Nairobi (UNON), provides a number of MEAs with administrative support. As such, they are under the same rules and regulations of the United Nations and the Executive Director of UNEP is responsible for the hiring of staff and the supervision of their

administration and management. The policies, budgets and programmes of work of UNEP-administered MEAs, while mostly drafted and proposed by the secretariats in consultation with their parties, are exclusively decided upon by their COPs or MOPs, taking into account UN rules and regulations. Because they are UNEP-administered, UNEP also provides them with strategic programmatic support in the form of scientific and technical expertise and financial resources. UNEP also promotes and facilitated the negotiations of a number of non-UNEP administered MEAs. With these, UNEP maintains a working relationship, albeit at different degrees of support. For most, it also provides scientific and technical expertise and strategic financial support.

The UNEP-administered conventions<sup>21</sup> can also be divided into two groups:

(a) the secretariats of MEAs that operate as self-contained units with administrative capabilities whose staff and operations are financed from the budgets approved by their COPs or MOPs with funds drawn from their respective trust funds administered by UNEP.

(b) the secretariats of three global MEAs (Rotterdam Convention, Stockholm Convention, Global Programme of Action) that are embedded within a functional unit of UNEP and whose operations are largely, but not exclusively, covered from UNEP's Environment Fund. This is a different governance structure than other MEAs. In the cases of the Rotterdam and Stockholm Conventions, this means that the overall UNEP Chemicals Programme becomes a joint programme of UNEP's Governing Council along with the governing bodies of the two agreements. The Secretariat of the GPA is a unit of UNEP's Division of Policy Implementation; decisions relevant to its implementation emanate from UNEP's Governing Council, although periodic intergovernmental reviews of implementation (the first having been in November 2001) are built into the GPA structure. In many ways, this latter model resembles the institutional arrangements for the IMO-, ILO-, IAEA- and FAO-administered conventions in which the secretariat functions are embedded into the organisations themselves.

Though objectives and priorities of MEAs can vary significantly from one agreement to another, even within a cluster, there are common threads that link them together. Given the different stages of implementation of the core MEAs, the variation in priorities is even greater. Most MEAs also share a number of organisational characteristics, as well as functional crosscutting priorities, including: the strengthening of the capacities of parties or member states to meet their obligations or responsibilities, mobilising additional resources for implementing their respective MEAs, and a strengthened scientific basis for decision-making and coordination with related MEAs. However, often separate secretariats are established to administer the functions of MEAs, and as stated by the Joint Inspection Unit Report, "the financial implications for establishing independent secretariats for MEAs are significant."<sup>22</sup>

In recent years there has been a marked rise in collaboration through both formal and informal arrangements between conventions, signalling a period of increasing political will for MEAs to collaborate more closely in the implementation of the programmes of work of their respective agreements.

This has been recognised in UNEP's Governing Council. At its ninth session in February 1999, the Governing Council called upon parties to the MEAs 'to give due consideration to ways and means to strengthen coherent interlinkages among relevant conventions' and emphasised that UNEP 'should intensify its catalytic role to stimulate and support collaboration among multilateral environmental conventions and international processes related thereto with a view to strengthening coherent interlinkages among such conventions and processes in line with the decisions of their respective conferences of the parties'. At its seventh special session in February 2002, the GC/GMEF adopted the following recommendations on MEAs (UNEP/GCSS.VII/6):

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<sup>21</sup> UNEP administered conventions are: CITES, CBD, CMS, Basel, Rotterdam, and Stockholm (jointly with FAO) Conventions as well as the Montreal Protocol.

<sup>22</sup> "Management Review of Environmental Governance in the UN System", Joint Inspection Unit (JIU) , 2008 (JIU/REP/2008/3), p. 11. Available at [http://www.unjiu.org/data/reports/2008/en2008\\_3.pdf](http://www.unjiu.org/data/reports/2008/en2008_3.pdf)

*'While taking fully into account the autonomous decision-making authority of the conference of the parties, **considerable benefits could accrue from a more coordinated approach to areas such as scheduling and periodicity of meetings of the conferences of the parties; reporting; scientific assessment on matters of common concern, capacity-building, transfer of technology; and enhancing the capacities of developing countries before and after the entry into force of legal agreements to implement and review progress on a regular basis by all parties concerned.** Biennial meetings as well as shorter duration of conference of the parties should be promoted as well as the need to consider, as far as possible and practical, back-to-back or parallel conference of the parties meetings... In the future, careful consideration should be given to the effectiveness and resource efficiency of establishing additional subsidiary institutions of the conference of the parties, and the co-location of future multilateral environmental agreement secretariats should be encouraged, and where possible in developing countries, with a view of enhancing collaboration and effectiveness. Enhanced coordination at the convention level will also require improved coordination of positions at the national level concerning multilateral environmental agreements. Priority should be given to synergies at the country level, including the provision of means of implementation'.<sup>23</sup>*

As a result of calls for better coordination, several MEAs carry provisions for collaboration with other conventions and agreements and have adopted more and more joint work programmes, memoranda of understandings/cooperation with other conventions and mechanisms.<sup>24</sup> For example, a range of activities promote synergies between the three Rio Conventions (CBD, UNFCCC, UNCCD), including a joint liaison group, established in 2001, and a joint web-based calendar of events. In addition, various decisions by COPs to the biodiversity-related conventions have requested the continuation of the work on harmonisation and synergies.<sup>25</sup> However, these arrangements have been on an ad hoc basis and there is increasing recognition that while each MEA stands on its own with its own defined objectives and commitments, there are also linkages and inherent relationships between all of them that need to be better coordinated.

The experiences of a few MEAs demonstrate the possibilities for individual conventions to enhance synergies in the absence of a regular mechanism to address incoherencies at the administrative and programmatic levels and solve substantive contradictions between environmental conventions. Already taking steps in this direction, the simultaneous extraordinary Conferences of the Parties (ExCOPs) to the Stockholm, Rotterdam and Basel Conventions held on 22-24 February 2010 in Bali, Indonesia adopted a decision on joint services, joint activities, synchronisation of the budget cycles, joint audits, joint managerial functions, and review arrangements.<sup>26</sup> The UNEP study on options to realise further synergies within the chemicals and waste area will provide input for further actions to increase coordination and cooperation among the conventions and to strengthen implementation on the ground. This can only, to a certain degree, be done within the existing structure for chemicals-related conventions. The biodiversity-related conventions are often cited as other MEAs that could benefit from clustering.

Overall, a great deal of experience and expertise has been gained from the existing initiatives towards synergies and cooperation between MEAs. The level of interlinkages differs between the MEAs, with several conventions having progressed more than others in this regard. It is important to recognise, however, that the identification and implementation of synergies is a process that needs to be implemented in accordance to the identified needs, the ongoing processes and available resources of each MEA.

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<sup>23</sup> See GC decision UNEP/GCSS.VII/6, para 29. available at <http://www.unep.org/gc/GCSS-VII/Documents/K0260448.doc>

<sup>24</sup> For example, a specific mention for collaboration can be found in Articles 7.2(l) and 8.2(e) of the United Nations Framework Convention on Climate Change (UNFCCC), Articles 5 and 24(d) of the Convention on Biological Diversity (CBD) and Articles 8.1 and 23(d) of the United Nations Convention to Combat Desertification (UNCCD).

<sup>25</sup> For example, the 6th COP to the CBD, in decision VI/20, welcomed 'the work of the United Nations Environment Programme on the harmonisation of environmental reporting' and encouraged its continuation and 'urged Parties to take steps to harmonise policies and programmes, at the national level, among the various multilateral environmental agreements and relevant regional initiatives, with a view to optimising policy coherence, synergies and efficiency in their implementation, at the national, regional and international levels'.

<sup>26</sup> See "Financial management and audit functions" of the Ad hoc joint working group on enhancing cooperation and coordination among the Basel, Rotterdam and Stockholm conventions. UNEP/FAO/CHW/RC/POPS/JWG.2/12

## Gaps

The IEG system “continues to suffer from inadequate coherence and coordination due to the lack of a framework for common administrative, financial and technical support services to promote synergies between United Nations agencies and MEAs.”<sup>27</sup> Given the manner in which the MEAs have proliferated, there is increasing potential for duplication of efforts and conflict between different MEAs; and a need for more efficient use of existing resources with a better balance between administration and implementation. As mentioned above, some work has been done at both national and international levels to take measures to achieve coordination and reduce duplication of efforts. However, as noted at a recent symposium on synergies in the biodiversity cluster, “[m]ore work is nevertheless needed to address challenges which remain, such as certain overlapping efforts and conflicting agendas, occasionally inconsistent rules and norms, an overwhelming meeting schedule and reporting burden and insufficiently coherent decision-making. Coherent and effective implementation of multilateral environmental agreements at the national level is likewise impaired, especially for developing countries.”<sup>28</sup> The question remains of how to design issue clusters so that they facilitate and reinforce coordinated institutional support of MEAs.

## Description of option

Clustering of the functions of MEAs in this instance is aimed at enhancing collaboration among MEA secretariats in specific areas where common issues arise. Clustering services and functions among convention secretariats would enhance the secretariats ability to comprehensively and cohesively support countries in their implementation of MEAs. It would also provide the infrastructure for developing and increasing networking between the secretariats. Joint services and functions could include: joint financial, administrative, legal, information technology, outreach and resource mobilisation services.

Examples of arrangements that could be jointly undertaken include:

Reducing the number of meetings by holding joint COPs and providing joint conference services – COPs could be arranged “back-to-back”, similar to the Chemicals and Waste ExCOP held recently, before the eleventh special session of the UNEP Governing Council. Since the COPs usually decide themselves where and when to meet, changing the current practice would mainly require related decisions by the COPs. Proper procedures for coordination and common conference services would be required. Therefore, a joint mechanism would act as a hub for coordinating functions and ensuring effective communication.

Coordination of scientific information and communication - various arrangements exist in different MEAs to ensure proper scientific input into the decision-making process. Clustering in this area could occur by establishing a hub for providing scientific advice to various MEAs. This could be done either as a self-standing effort or under an existing institution such as UNEP. COPs of MEAs may then refer to this institution for advice. Information resources of MEAs could be developed in a compatible manner so that they can be integrated at national, regional, and global levels to support problem diagnosis in shared resources and so that solutions from around the world may be readily identified by policy-makers and sectoral managers

An effective way to promote and support the benefits of synergy would be the cooperative establishment of an information hub to distribute user defined information, manuals, training kits and any relevant data required to facilitate synergy. There is a large number of information initiatives relevant to MEAs that are carried out by national governments and academic institutes, NGOs, convention processes, and global and regional IGOs including the multilateral development banks. A systematic approach might organise these resources not only convention by convention but rather by

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<sup>27</sup> JIU Report, p. 15

<sup>28</sup> Report of the Nordic Symposium "Synergies in the biodiversity cluster". 3 May 2010. Available at [http://www.biodivcluster.fi/pdf/Report\\_3\\_May\\_2010%20Final.doc](http://www.biodivcluster.fi/pdf/Report_3_May_2010%20Final.doc)

country and region in relation to environmental conditions and trends and by ecosystem type, sector/activity, and thematic area in relation to response options. This could build on UNEP's Knowledge Management Initiative, which is already working toward developing interoperability of data between MEAs and user-defined information. Such a structure therefore decreases the flexibility for single MEAs to receive scientific input according to their own priorities, which may in particular create problems in larger clusters. The potential benefit would consist of increased coherence and efficiency.

Capacity building and resource mobilisation – access to resources is one of the primary obstacles to implementing MEAs and this is one of the areas where pooled efforts would be cost-effective and where practical gains might be achieved through coordinated mobilisation of technical and financial support, passed on to the conventions to enhance implementation. For example, building implementation of MEAs into the United Nations Development Assistance Frameworks (UNDAF's) could ensure that attention is being paid to national commitments when developing environmental projects – as the most significant coordination efforts will emerge from the bottom up rather than top down.

Historically, UNEP has played an instrumental role in developing inter-secretariat channels through its Division for Environmental Law and Conventions (DELIC). At the intergovernmental level, UNEP has been given lead responsibility for improving coordination and coherence between MEAs.<sup>29</sup> The rise in the signing of memoranda of understanding between conventions signifies a clear move towards an increased collaboration between the convention secretariats in the implementation of their programmes of work.

Given UNEP's mandate, one manner in which this might work could be to house a mechanism for providing common services (without affecting the decision-making authority of the COPs) for clustered Conventions. The proposed joint services units would be clustered under one body, overseen by a "Joint Executive Management Team". A senior officer designated from one of the secretariats could assume the functions of the head of the joint services body and would form the Joint Executive Management Team. Both national focal points for MEAs could be designated to liaise with UNEP clustering programmes and maintain links between the Conventions and coordination team (see Figure 1). The primary role of UNEP is to enhance economies of scale, ensure that the MEAs receive the administrative support which they need and that savings are directed toward supporting states in implementing the MEAs that they have ratified.

In this model, the Executive Director of UNEP, in consultation with the executive secretariats of MEAs within the cluster, would establish joint management involving the heads of conventions for joint services and joint activities. Depending on the decisions taken by participating COPs, joint management could take various forms, including a system of rotating management or individual joint services to a particular convention. The feasibility and cost implications of joint management should be analysed to select the optimal arrangement for synergies. Options suggested for cooperation and coordination among the conventions would seek to:

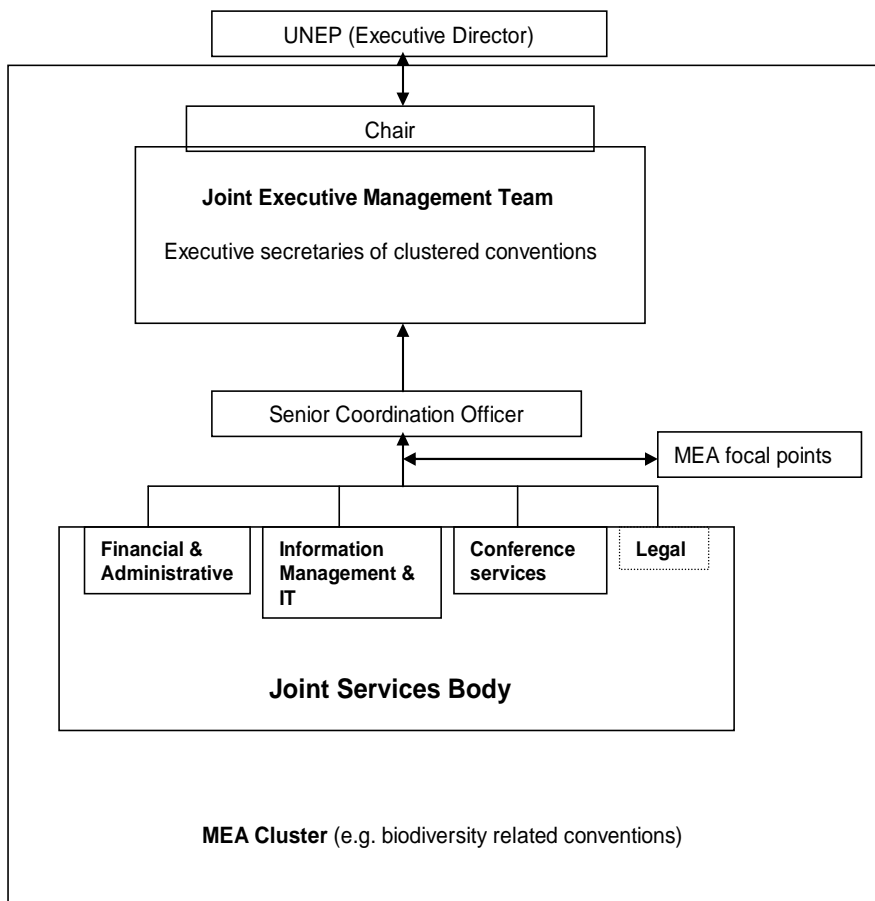
1. minimise disturbances within the secretariats,
2. avoid unnecessary bureaucratic layers,
3. avoid that current staff confines their interaction to their respective secretariat,
4. design flexible solutions,
5. keep technical staff fully operational and fully supported by the joint services, and
6. avoid additional burden for the heads of the secretariats.

The UNEP GC/GMEF could also assist in the coordination function, perhaps by troubleshooting for inconsistencies or duplications within the system. Overall, this scenario approaches the decentralised nature of the current global environmental regime as one of its greatest strengths, as it allows for flexible, democratic cooperation among a constantly evolving coalition of interested states.

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<sup>29</sup> UNEP GC/GMEF decision SS.VII/1 on International Environmental Governance, 2002.

**Figure 1: Organigram for possible arrangement of joint services management**



### Financial and legal implications

Support of the MEAs could be done by a decision of the COP of the MEA, thus eliminating the need to renegotiate the text of pre-existing MEAs. This process would be bottom-up and driven by member states. There would be initial costs<sup>30</sup> but efficiency gains can be expected from providing joint services and functions for the MEA secretariats in their specific subject matters, without additional obligations for MEA parties. A global mechanism for overall coordination can add value to the existing system by performing innovative activities that are currently not being undertaken such as annual global cluster coordination meetings, overall integrated assessments of MEA national reports, and support to national integrated MEAs implementation.

The advantage of holding combined meetings are potential efficiency gains. Less administrative effort might need to be spent for organising combined meetings. Common infrastructure could be shared by several meetings, etc. If a significant overlap of government representatives exists, combined meetings could considerably reduce their travel costs (and related burdens). Whether co-ordination of decision-making is facilitated by co-locating meetings will depend on which MEAs are involved and how their interaction is arranged for.

In terms of the costs of undertaking synergies processes, analysis of the recently concluded chemicals synergies process revealed that the cost of the synergies process was equivalent to 7% of the combined biennial core budgets. While enhancing cooperation and coordination does not

<sup>30</sup> The chemicals synergies process; the Ad Hoc Joint Working Group cost roughly \$125,000 per meeting; the Ex COPs \$1,000,000 – costing \$1,375,000 or €1 million in total. See [http://www.biodivcluster.fi/pdf/thursday/4Hanna\\_8April2010.pdf](http://www.biodivcluster.fi/pdf/thursday/4Hanna_8April2010.pdf)

necessarily lead to immediate cost savings, it is realistic to think that the synergies work would be cost-neutral in the long run. For example, there is already marked improvement in efficiency in capacity building activities, e.g. that the Rotterdam and Stockholm Conventions are now able to do four times more workshops jointly with the same resources. Therefore, the potential exists to increase efficiency by redirecting resources from administration to implementation, and the reallocation of resources to facilitate national implementation is likely to provide cost-benefits in the long term.<sup>31</sup>

Any attempt to integrate elements of MEAs needs to be based upon the analysis of a range of factors that influence the prospects of such integration (including overlap of membership and issues, practical feasibility, legal obstacles, and functional requirements). Drawing from the experiences of the chemicals synergies process, important considerations for any synergies process are:

- The process should be handled and driven by the Parties to the agreements;
- The agreements included need to be closely related;
- The number of agreements included in the process is directly connected to the complexity of the process;
- The legal integrity of the respective agreements must be respected throughout the process;
- A clear national benefit must be part of the outcome.

Ultimately, the aim is to achieve economies of scale by pooling resources to provide supplemental services to MEAs where common functions exist, and to shift the savings toward better implementation support for countries.

## **2. Establish a UN system-wide medium-term strategy for the environment, coordinating all environmental activities for the UN.**

This option focuses on interagency coordination and primarily addresses functions I and III of the objective. However, gains in these areas will also lead to gains in the efficient and effective administration and implementation of MEAs.

### **Status**

At the time that UNEP was created, a System-Wide Medium-Term Environment Programme (SWMTEP), backed by several coordination mechanisms, was put in place.<sup>32</sup> The Environmental Coordination Board (ECB) was established in 1972 by General Assembly Resolution 2997 and constituted the Executive Heads of UN agencies, chaired by UNEP's Executive Director, who were tasked with ensuring cooperation and coordination among all bodies involved in the implementation of environmental activities and to report annually to UNEP's Governing Council. In 1978, the Administrative Committee on Coordination (ACC) assumed the functions and responsibilities of the ECB (General Assembly resolution 32/197 VII). Subsequently, each agency appointed a Designated Official on Environmental Matters (DOEM), to work with and advise UNEP's Executive Director.

In the follow-up to the 1992 the Rio Earth Summit, the ACC decided to establish a Task Force at the level of Executive Heads of FAO, UNESCO, WHO, the World Bank, WMO, UNDP and UNEP, with UNCED as an ex officio member, to consider UNCED follow-up issues. This led to the establishment of the Inter-Agency Committee on Sustainable Development (IACSD) to identify major policy issues relating to the follow-up of UNCED and advise ACC on ways and means of addressing them so as to ensure effective cooperation and coordination of the UN system in the implementation of Agenda 21.

In 1995, UNEP abolished the DOEM and substituted the Inter-Agency Environment Management Group (IAEMG). The IAEMG was conceived as a mechanism to provide UNEP with an effective and

<sup>31</sup> Report of the Nordic Symposium "Synergies in the biodiversity cluster". 3 May 2010. Available at [http://www.biodivcluster.fi/pdf/Report\\_3\\_May\\_2010%20Final.doc](http://www.biodivcluster.fi/pdf/Report_3_May_2010%20Final.doc)

<sup>32</sup> 2008 Joint Inspection Unit (JIU) Report on the Management Review of Environmental Governance in the UN System (JIU/REP/2008/3). Available at [http://www.unjiu.org/data/reports/2008/en2008\\_3.pdf](http://www.unjiu.org/data/reports/2008/en2008_3.pdf)

strong coordinating role within the UN system on environmental matters. This group only met twice before being replaced by the Environment Management Group (EMG) in 1999.<sup>33</sup>

In October 2001 the General Assembly established the UN System Chief Executives Board (CEB) for Coordination<sup>34</sup> - replacing the ACC - and three committees: the High-level Committee on Programmes (HLCP); the High-level Committee on Management (HLCM); and the United Nations Development Group (UNDG).<sup>35</sup> The CEB disbanded IACSD and took steps to establish and strengthen inter-agency collaborative arrangements in the key areas of fresh water, sanitation, energy, oceans and coastal areas, and consumption and production patterns. The CEB identified 27 collaborative initiatives by United Nations organisations to achieve the Millennium Development Goal 7, to “ensure environmental sustainability” and has formed the following sectoral groups: UN-Water, UN-Oceans, International Strategy for Disaster Reduction, the Marrakesh Process and UN-Energy (JIU report).

While the Environmental Coordination Board was part of the overall coordination mechanism of the UN system, the EMG focuses on time-bound issues and is not a formal part of the Secretary General’s coordination mechanism, which is performed by the CEB.

The discontinuation of some of these mechanisms and the evolution of others is due to the changing scope and nature of environmental issues and to a certain extent has mimicked the complexity and diversity of environmental issues themselves. The UN’s approach to addressing environmental issues has been based more on ad hoc responses at the agency level than on a deliberate strategic systemic direction. In 1998, the UNGA discontinued the United Nations’ four-year Medium-term Plan the successor document - the Strategic Framework for the periods 2008-2009 and 2010-2011 - is not a system-wide instrument. Consequently, the SWMTEP, which constituted an integral part of the Medium-term Plan, lost its system-wide scope.<sup>36</sup> UNEP is theoretically the lead agency for policy coordination, however, in practice has a mandate that overlaps with those of several other UN agencies that tend to make their decisions independently – guided by their governing boards or councils. UNEP has neither real authority to set the agenda nor resources to play a major role across the full range of environmental issues. The result is often fragmentation and inconsistency.

## Gaps

Despite iterating mechanisms for coordination, challenges still remain. There is still inadequate policy and programme coordination and a lack of systematic review of effectiveness. There are gaps in international policy, fragmentation of effort, and sometimes competing or incoherent decision-making structures. This has been recognised by UNEP’s Governing Council and there have been previous calls from the Governing Council to consider the need for a system-wide strategy in the field of the environment; however, there is still no system-wide strategy instrument that identifies the roles, responsibilities and activities of United Nations agencies involved in the field of environment and MEAs.<sup>37</sup>

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<sup>33</sup> The EMG was established following the adoption of General Assembly resolution 53/242 with the aim of enhancing the UN system-wide inter-agency coordination related to specific issues in the field of environment and human settlements.

<sup>34</sup> Twenty-seven UN system organisations, including UN funds and programmes as well as specialized agencies, WTO and the Bretton Woods institutions, are members of the CEB. The Board holds two annual sessions and is chaired by the Secretary-General of the United Nations. The Board reports on its activities to ECOSOC through, among others, its Annual Overview Reports.

<sup>35</sup> Until October 2000, system-wide coordination in programme as well as management areas was carried out in part by standing bodies, each focusing on a particular aspect of coordination within the UN System. There were five such bodies which reported directly to ACC: the Organisational Committee (OC), the Consultative Committee on Administrative Questions (CCAQ), the Consultative Committee on Programme and Operational Questions (CCPOQ), the Inter-Agency Committee on Sustainable Development (IACSD) and the Inter-Agency Committee on Women and Gender Equality (IACWGE). In October 2000, two high level committees were established: one to oversee work in the management area (the HLCM), and another in the policy and programme areas (the HLCP). The Board decided to move away from the concept of “permanent subsidiary bodies” – all previous subsidiary bodies ceased to exist as of the end of 2001.

<sup>36</sup> JIU report, p.7-8.

<sup>37</sup> See Governing Council decisions: United Nations system-wide strategy in the field of the environment for the period 1998-2002 (decision 19/9 B) and Inter-Agency Environment Coordination Group and the system-wide strategy in the field of the environment (decision 20/13)

As stated in the Secretary General's High Level Panel Report, "the UN's work on development and environment is often fragmented and weak. Inefficient and ineffective governance and unpredictable funding have contributed to policy incoherence, duplication and operational ineffectiveness across the system. Cooperation between organisations has been hindered by competition for funding, mission creep and by outdated business practices."<sup>38</sup>

The JIU report also states, "[l]ack of distinction and coordination between sustainable development and environmental protection in the work programmes of the United Nations organisations has been a major source of duplication and fragmentation of their work, which Member States need to tackle." Furthermore, the "international environmental governance system continues to suffer from inadequate coherence and coordination due to the lack of: (a) a common mechanism to resolve contradictions among MEAs; and (b) a United Nations system-wide planning document on environmental assistance."<sup>39</sup> The report concluded that there is still a need for a results-based, strategic, system-wide planning and management approach to remedy the fragmentation of the environmental management system within and outside the United Nations system.<sup>40</sup>

A significant part of the challenge, as demonstrated by the constantly evolving mechanisms for decision-making, is that environmental governance takes place in the context of a rapidly changing world that necessitates balancing all three pillars of sustainable development.

### **Description of option**

The option is proposed in line with recommendation 3 of the JIU report which states:

*The General Assembly should also decide to authorise the UNEP Governing Council/Global Ministerial Environment Forum to adopt the Medium-Term Strategy of UNEP as a system-wide instrument constituting an integral part of the United Nations Strategic Framework.*<sup>41</sup>

Upgrading the United Nations Strategic Framework to incorporate long-term objectives and the UNEP Medium-Term Strategy to a system-wide instrument would allow the integration of the strategic goals of environment-related organisations into a single governance framework for environment in the context of sustainable development. The aim of a system-wide strategy is to bring more clarity to the current proliferation of forums where environment issues are discussed and/or coordinated at the interagency level; to set basic guidelines for interagency cooperation on environmental issues; and to develop a division of labour that identifies and leverages the comparative advantages of different agencies and maximises the UN's impact within the context of the sustainable development agenda. The role of UNEP would be to develop environmental policies and facilitate arrangements with UN bodies for their coordinated implementation.

However, the CEB could offer a venue for identifying priorities, and could coordinate interagency collaboration with respect to the overall environmental strategy – within the wider sustainable development context. The identification of priorities would have to involve far-reaching external consultations conducted by agencies individually. The CEB could ensure that the agencies' own strategic priorities are sufficiently taken into account and ensure that networks do not work at cross-purposes with existing priorities.

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(<http://www.unep.org/Documents.multilingual/Default.asp?DocumentID=96&ArticleID=1466&l=en> and <http://www.nyo.unep.org/pdfs/gc2013.pdf> respectively)

<sup>38</sup> United Nations, 2006. Delivering as One: Report of the Secretary-General's High-Level Panel, p.1. Available at <http://www.un.org/events/panel/resources/pdfs/HLP-SWC-FinalReport.pdf>

<sup>39</sup> JIU report, p.15.

<sup>40</sup> Ibid, p.21.

<sup>41</sup> JIU Report, p.9.

## Financial and legal implications

As described above, arrangements of this kind are not new and would build on existing strategies. Adopting an upgraded/modified version of the UNEP Medium-term Strategy, as a system-wide strategy would require a General Assembly resolution. In practise, developing the strategy would require extensive consultation among the relevant agencies. As stated by the CEB in response to recommendation 3 of the JIU, "organisations agree that it is sensible to have a system-wide strategy but point to the need for broader/inclusive participation in the preparation of such a strategy by all relevant organisations."<sup>42</sup> Costs of developing such a strategy would be low and related to costs of holding consultations. However, even these costs could be minimised by placing them on the agenda of existing meeting schedules of EMG, CEB, UNDG etc.

The mandate for UNEP's role in coordinating environmental activities of the UN system already exists in its establishing UNGA resolution, 2997 (XXVII) of 15 December 1972, which mandated UNEP's Governing Council, to "promote international cooperation in the field of the environment and to recommend, as appropriate, policies to this end, and to provide general policy guidance for the direction and coordination of environmental programmes within the UN system". This was reinforced by the UNGA's endorsement of the 1997 Nairobi Declaration in its resolution S-19/2 that reaffirmed UNEP's role in the coordination of environmental activities in the United Nations system in the field of the environment.

Establishing an integrated framework for prioritisation and coordination of activities should result in efficiency gains. If properly designed and adopted, development of a system-wide strategy would minimise competing policies and duplication of activities and would enable agencies to focus on their areas of comparative advantage.

### D. Securing sufficient, predictable and coherent funding.

#### 1. Widen and deepen the funding base.

##### Status

A key component of meeting the increasing demands for funding environmental activities is developing targeted new schemes for fundraising and increasing private voluntary contributions through non-governmental channels. In general, resources from the private sector remain a very small component of overall funding. Constraints to effective, diversified fundraising have included insufficient knowledge in the secretariats of the new aid modalities and instruments, such as global funds and other public-private partnerships, or policy constraints in accessing such instruments.

There are various estimates of funding needs for developing countries to meet the targets set by the Rio Earth Summit, the World Summit on Sustainable Development (WSSD), the Millennium Summit and Declaration, and MEAs. Goals and targets for funding have been a long standing element for negotiation and an impediment to effective implementation of environmental commitments. Estimates of the overall financial resources available to the various components of the environmental governance system are not available. However, the JIU Report approximates the total annual funding available to United Nations system organisations in 2006 at \$1.65 billion. This includes \$301.0 million for the implementation of global MEAs administered by the United Nations and UNEP, and \$136.5 million for UNEP.

Existing sources of global environmental finance include national government spending, national private sector spending, foreign direct investment, international debt and official development

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<sup>42</sup> UNGA, 2009. Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "Management review of environmental governance within the United Nations system" and the comments of the Secretary-General and those of the United Nations Chief Executives Board for Coordination thereon (A/64/83/Add.1–E/2009/83/Add.1). Available at <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/380/34/PDF/N0938034.pdf?OpenElement>

assistance (ODA). Until 1993, ODA was the main external source for financing development. Since then, however, its share has declined continuously.<sup>43</sup> According to statistics collected by the Organisation for Economic Cooperation and Development (OECD) for the 22 Member States of the Development Assistance Committee (DAC) and other donors, in 2005 out of \$111.2 billion of total bilateral ODA, \$1.85 billion was committed to general environmental protection. It is assumed that approximately a third of ODA of DAC countries is spent on environmental and environment-related activities in support of sustainable development in such areas as water supply and sanitation.

## Gaps

There are shortfalls in resources required to achieve the internationally agreed environmental goals. More and better resources are needed if the commitments that have been made under various MEAs are to be met. The following table indicates the gaps in funding for IEG:

<b>Insufficient funding</b>	<b>Unpredictable funding</b>	<b>Unsustainable funding</b>	<b>Volatile funding</b>	<b>Misaligned Funding</b>
Refers to the overall net volume of financial resources available for external assistance for global environmental activities	Low level of certainty attached to the actual provision of external assistance for environment	Refers to the financial sustainability of the source of funds supporting a particular activity for global environment and/or a low capacity of external funding to generate a financially sustainable activity	Mostly applicable to external assistance lacking of a consistent stream of resource flows	Refers to non-convergence between external assistance and global environmental needs. When resources are allocated to activities not identified as priorities locally

## Description of option

The aim is to raise additional resources (i.e. non-traditional modes of financing – beyond ODA and Government contributions) that are provided to countries in an effective way and linked to results. Success in implementing globally agreed environmental goals rests largely upon the ability of countries to mobilise the necessary resources. Therefore, there is a need to diversify the resource base and to determine the contribution of new funding sources to financing for environment in order to enhance the prospect of implementation. There is also the need to complement formal institutional arrangements with informal ones. Bringing together international institutions, civil society, national governments, and private sector organisations can be an important part of achieving the common good of sustainability.

This includes:

- Deepening the resource base through stronger and more predictable partnerships with major donors;
- new approaches for pooling private and public revenue streams to scale up or develop activities for the benefit of partner countries;
- new revenue streams (e.g. a new tax, charge, fee, bond raising, sale proceed or voluntary contribution schemes) earmarked to developmental activities on a multi-year basis;
- new incentives (financial guarantees, corporate social responsibility or other rewards or recognition) to address market failures or scale up ongoing developmental activities.

Private investment, which has grown dramatically in recent years, can play a crucial role in the development process and governments can adopt policies to promote investments. For example, table 1 indicates the types of innovative financing mechanisms that can be employed for biodiversity

<sup>43</sup> [http://www.annd.org/images/stories/aid\\_effectiveness/second\\_session/The%20Coffers%20Are%20Not%20Empty.pdf](http://www.annd.org/images/stories/aid_effectiveness/second_session/The%20Coffers%20Are%20Not%20Empty.pdf)

conservation. However, innovative financing schemes for the environment will call for re-defining, re-energising, and expanding traditional financial schemes.

**Table 1<sup>44</sup>: A Summary of Traditional and Innovative Financial Mechanisms for Biodiversity Conservation**

<b>Local Level Financial Mechanisms</b>	
<b>More traditional</b> - Protected areas entrance fees - Tourism related incomes - Local markets for sustainable rural products - Local NGO and charities - Local businesses' goodwill investments	<b>More innovative</b> - Local markets for all type of ecosystem services (Payment for Ecosystem Services)
<b>National Level Financial Mechanisms</b>	
<b>More traditional</b> - Government budgetary allocations - National tourism - National NGO fundraising and fund granting - National businesses' goodwill investments	<b>More innovative</b> - Earmarking public revenues - Environmental tax reform - Reforming rural production subsidies - National level PES - Green lotteries - New goodwill fundraising instruments (internet based, rounds, up, etc) - Businesses/public/NGO partnerships - Businesses voluntary standards - National green markets - National markets for all type of ecosystem services (PES)
<b>International Level Financial Mechanisms</b>	
<b>More traditional</b> - Bilateral aid - Multilateral aid - Debt-for Nature-Swaps - Development banks and agencies - GEF - International NGOs fundraising and fund granting - International foundations - International tourism - International businesses goodwill investments	<b>More innovative</b> - Long term ODA commitments - Environment related taxes - Other international taxes - Reforms in the international monetary system - Green lotteries - New goodwill fundraising instruments (internet based, rounds, up, etc) - Businesses/public/NGO partnerships - Businesses voluntary standards - International green markets - International markets for all type of ecosystem services (PES)

A successful model of innovative financing has been developed for the health sector through the establishment of new global partnerships – the Global Alliance for Vaccines and Immunisation (GAVI) in 2000; the Global Fund for AIDS, Tuberculosis, and Malaria in 2002; UNITAID in 2006. Each took advantage of the upsurge in private philanthropy for development, particularly through the Gates Foundation, to create a new type of public-private partnership (PPP) that would fund major disease-fighting campaigns in developing countries.

These new health sector funds have themselves become drivers of further innovation. GAVI is now largely funded through the International Finance Facility for Immunisation (IFFIm), which is expected to raise a total of \$4 billion by issuing bonds against long-term ODA commitments from eight donor countries. Through this mechanism, governments contribute to IFFIm to meet interest payments and the ultimate redemption of the bonds. Meanwhile, the Global Fund is now receiving contributions from

<sup>44</sup> See: A review of innovative international financial mechanisms for biodiversity conservation with a special focus on the international financing of developing countries' protected areas. UNEP/CBD/WG-PA/2/INF/8, 21 January 2008. Available at [www.cbd.int/doc/meetings/pa/wgpa-02/.../wgpa-02-inf-08-en.doc](http://www.cbd.int/doc/meetings/pa/wgpa-02/.../wgpa-02-inf-08-en.doc)

(PRODUCT) RED, to which credit card and other companies contribute a share of their profits on goods marked with the (PRODUCT) RED trademark.

The Global Fund has also made use of a more traditional form of development assistance – debt relief – through the Debt2Health initiative by which donors waive the debt owned by developing countries on condition that these countries contribute half the waived amounts to Global Fund programmes.

The financial crisis has also sharpened interest in schemes that involve a small levy on private (or sometimes public) purchases.<sup>45</sup>

The Air Ticket Solidarity Levy scheme launched in 2006 to fund UNITAID (a central purchasing body for the procurement of drugs for AIDS, tuberculosis and malaria) had, by 2009, been adopted by 13 countries, and an international purchase facility, UNITAID, has been created to distribute its proceeds with the objective of scaling up access to treatments for AIDS, tuberculosis and malaria.

These mechanisms have been broadly successful. The Air Ticket Solidarity Levy generates approximately €180 million in France and a further €22 million per annum from other participating countries that include Chile, Congo, Côte d'Ivoire, Madagascar, Mauritius, Niger and South Korea. In the case of IFFIm, six European governments (France, Italy, Norway, Spain, Sweden and the UK) have made pledges totaling approximately \$5.5 billion over 20 years.

The World Health Organisation estimates that between 2000 and 2008, GAVI support has prevented 3.4 million future deaths, protected 50.9 million additional children with basic vaccines, and protected 213 million additional children with new and underused vaccines.<sup>46</sup>

## Financial and legal implications

Widening the funding base for environmental activities, if targeted directly, can improve countries' ability to implement objectives set out in international agreements. However, without a concerted institutional push, many innovative financial mechanisms will never happen. While concerns were initially raised regarding the creation of a new 'global' institution, with broad-ranging development goals, there was strong interest to apply the concepts of innovative financing to specific development areas and proponents succeeded in making the case for both more and better aid resources. Similarly strategic approaches could be developed for financing IEG by fostering a much higher degree of public-private participation. Constraints to effective diversified fundraising have included insufficient knowledge in the secretariats of the new aid modalities and instruments, such as global funds and other public-private partnerships, or policy constraints in accessing such instruments.

## **2. Establish a joint management mechanism for all major trust funds for the environment with equal roles for project selection, appraisal and supervision of environment-related activities, in accordance with the respective spheres of expertise.**

### Status

A detailed analysis of the global funds that have been set up over the course of years for different purposes can be found in Chapter V. of the background paper for the first meeting of the Consultative Group, entitled 'Environment in the UN system'. These include the Environment Fund, as the principal funding mechanism of UNEP with a budget of \$180 million for the biennium 2010-2011, supplemented by allocations of the UN's regular budget, a number of trust funds and earmarked contributions to a total of \$450.7 million as the budget for UNEP for this biennium.

The largest budget for environmental activities is now with the World Bank, which as of mid-fiscal year 2009 entertained a budget of US\$4.3 billion in commitments for its core, active environmental and natural resource management (ENRM) portfolio (projects with more than 65 percent ENRM content).

<sup>45</sup> <http://www.oecd.org/dataoecd/56/47/44087344.pdf>

<sup>46</sup> GAVI Alliance Achievements. Available at [http://www.gavialliance.org/resources/15\\_EN\\_Achievements1\\_final\\_2.pdf](http://www.gavialliance.org/resources/15_EN_Achievements1_final_2.pdf)

The Fifth replenishment of GEF was approved at the GEF Assembly in May 2010, with a total of \$4.2 billion pledged. These funds are being shared among the GEF's implementation agencies, with UNEP administering approximately \$80 million per year of GEF funds and \$120 million per year of co-financing, UNDP administering approximately US\$ 250 million per year plus US\$ 37 million per year through the Small Grants Programme (SGP), the largest share going to the World Bank and the remainder being disbursed through The Food and Agriculture Organization (FAO), the Inter-American Development Bank (IaDB), the United Nations Industrial Development Organization (UNIDO), the Asian Development Bank (ADB), the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), and the International Fund for Agricultural Development (IFAD).

In 2009 UNDP disbursed approximately \$227 million to developing countries in the areas of environment and climate change. Other funds include the Multilateral Fund of the Montreal Protocol with a total budget for the 2009-2011 triennium of \$490 million and a number of UN Multi Donor Trust Funds committed to programmes such as REDD<sup>47</sup> or MDG achievement.

Some markets for environmental services have also been created. In relation to climate change mitigation these are: Emissions Trading, the Clean Development Mechanism (CDM) and Joint Implementation under the Kyoto Protocol; the European Unions emissions trading system; policy changes that shift investments from fossil fuels to renewable energies; and a new mechanism, entitled payments for environmental or ecosystem services with three main areas: watershed management, which may include control of floods, erosion, access to nutrients, sedimentation and quality water, as well as maintenance of aquatic habitats and dry season flows; biodiversity protection, which includes eco-labeled products, ecotourism and payments for conservation of wildlife habitat; and carbon sequestration, in which, for example, international buyers pay to plant new trees to absorb carbon, or take measures to avoid deforestation to offset carbon emissions elsewhere.

## **Gaps**

The dispersion of the existing financial mechanisms—spread across the GEF, UNDP, World Bank, UNEP and separate funds, is one of the major weaknesses of the current IEG system. Lack of financial coordination, geographic fragmentation, and duplication of activities results in higher operational costs and inefficient use of resources. As a result of the fragmentation of the system, tracking amounts and flows has become a challenge with the consequence that allocations are not optimised and may not arrive at where they are most needed. There are also weak links between the governance of commitments and the governance of funds, meaning that despite the political willingness of countries to fulfill their commitments, the lack of resources results in a low level of implementation. This lack extends to a direct deficiency of human, institutional and technological resources as well as that of capacity. With the help of a financial tracking system such shortcomings could be addressed. Finally, the overall governance of the environmental funding system is inadequate and does not reflect the different tasks and responsibilities within the UN family. This relates in particular to UNEP, which as the global authority on the environment and its vast support and coordination mandate for the UN system, is endowed with relatively little resources under the GEF compared to other implementing agencies.

## **Description of option<sup>48</sup>**

With greater coherence in the system of governance and financing, a great deal more could be achieved with the existing resources. For the IEG system as a whole to be effective, it needs to find ways to create better links to other areas on global policy and to mainstream environmental considerations into economic and security decisions.

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<sup>47</sup> United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries

<sup>48</sup> This option could be complementary to option b) 4.

Designating a central management authority for the various financial mechanisms and funds with an agreement for a systematic joint management of projects would reduce the duplication and lack of coordination within the system that leads to inefficient use of resources. Such a body would be empowered to coordinate various financial mechanisms and to administer the funds of sectoral regimes. This does not necessarily require the establishment of new bureaucracies but could make use of the extensive expertise of existing funding agencies. Such a mechanism could link the normative and operational aspects of financial and technological assistance and could be strong enough to overcome the fragmentation of the current system. This approach would also follow the logic adopted by the UN system at the country level in pioneering the feasibility of One Programme, One Budget, One Fund.

Moreover, a similar approach has been taken in the health sector, where the Global Alliance for Vaccines and Immunization (GAVI) pools global resources and global expertise to ensure a strategic and balanced delivery of vaccines and immunizations. GAVI brings together international agencies concerned with vaccines and immunizations, such as the WHO, UNICEF and the World Bank, representative donor countries and developing countries, civil society organizations, research institutes from developed and developing countries, the vaccine industry, and private foundations, such as the Bill and Melinda Gates Foundation. GAVI, through its mechanisms and its Secretariat, channels funding, optimises product availability and market pricing, and coordinates the field support necessary to plan and implement programmes in the world's poorest countries. It is governed by a board representing the various stakeholders, which also sets the policy, oversees operations and monitors programme implementation. Through this exercise of pooling resources and expertise the sector was able to substantially increase its efficiency and effectiveness since its creation in 2000. While only dealing with a certain aspect of health financing, GAVI provides a useful example for the environmental sector, which is characterized by a high degree of fragmentation and overhead costs.

In particular, such a mechanism could address the aforementioned gaps of the system by:

- 1) Setting up a financial tracking system (FTS) similar to that of the humanitarian aid sector.

The FTS of the humanitarian aid sector is a global, real-time database which records all reported international humanitarian aid (including that for NGOs and the Red Cross / Red Crescent Movement, bilateral aid, in-kind aid, and private donations).<sup>49</sup> This would provide a system to analyse flows and volumes by clearly indicating to what extent each environmental sector and country receive support, and in what proportion to global, regional and national needs. This would be particularly interesting with regard to climate change mitigation and adaptation funding, which currently counts 13 major multilateral funds administered by four different agencies.<sup>50</sup> Such a tracking system would further provide an opportunity to monitor accountability among actors, as all flows could be monitored jointly.

- 2) Fostering a sectoral approach to meeting challenges and capturing opportunities.

Through an overarching authority over the existing financial mechanisms and funds, a sectoral approach could be fostered to avoid duplications and close gaps within the various environmental sectors such as biodiversity and ecosystems, chemicals and waste management, climate change mitigation and adaptation, etc. From a programmatic point of view, the approach would enable countries and the UN system to increase synergies within each sector by addressing issues of similar nature jointly. This would mean that baseline information and data could be shared under a common knowledge management system; that outputs could be set jointly and strategically in the context of national goals as well as international goals and commitments; and that capacity building efforts and technology support could be streamlined.

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<sup>49</sup> <http://ocha.unog.ch/fts/pageloader.aspx>

<sup>50</sup> UNDP (UN REDD and MDG Fund), GEF (Strategic Priority on Adaptation; GEF Trust Fund), UNFCCC (LDCF and SCCF both operated by GEF on behalf of UNFCCC; Adaptation Fund), World Bank (Climate Investment Funds including Strategic Climate Fund (Pilot Programme for Climate Resilience; Scaling-up Renewable Energy Programme; Forest Investment Programme) and the Clean Technology Fund.

While fostering a sectoral approach, a better integrated environmental financing architecture would also enable better identification interlinkages between sectors and provide opportunities for addressing overlapping concerns. For example, water scarcity, a serious developmental challenge could be addressed within the context of ecosystem management and sustainable agriculture and forestry. In general, a more strategic approach towards the integration of environmental and developmental funding would be possible.

Restructuring of and increasing coherence among financing mechanisms and funds would also enable a thorough review of funding adequacy both in terms of volume as well as issue. It would allow for a review of current MEA financing by multilateral funds and the inclusion of presently excluded MEAs, such as CITES, the Basel and Rotterdam Conventions (to mention just a few) from central funding mechanisms.

From a technical point of view, an overarching environmental funding architecture would provide opportunities for common accessing criteria, streamlined application procedures and disbursement schemes, which would simplify payment processes and allow countries with lower human and institutional capacity to streamline their efforts.<sup>51</sup>

### 3) Enhancing overall governance of the environment.

Integrating the financial architecture of the environment would also enhance overall international environmental governance, as it would assist in processes for aligning mandate and a system-wide agenda with the required funding. By bringing coherence into the environmental financing system, a more tactical approach could be taken on the programmatic front as resources could be pooled and scaled up to initiate upstream transformative change. Concretely, a streamlined financing architecture could be aligned with a UN system-wide medium-term strategy as called for by the Joint Inspection Unit report of 2008.

## Financial and legal implications

Although additional resources are required to fully address environmental degradation and support developing countries in meeting their needs, this option is based on the assumption that a more coherent environmental financing architecture would lower overhead costs and free resources for enhanced implementation. Costs accruing during the integration process are assumed to be offset under a reformed framework. A proxy at a lower level could be the ongoing synergies process among the chemicals and waste-related conventions. The costs of that synergies process are roughly estimated at €1 million.

Initiating the integration of the environmental financing architecture would require agreement of the governing bodies for the various funds and mechanisms as well as the COPs of relevant MEAs and implementing agencies.

### **3. Link global environmental policy making with global environmental financing. Originally under b) 4 but at the request has been moved under d)**

This reform option focuses on addressing two of the objectives identified by the Consultative Group “Developing a global authoritative and responsive voice for environmental sustainability.” Under this objective the reform addresses specifically two functions i) global agenda setting and policy guidance and advice; and ii) mainstreaming environment into other relevant policy areas. The reform option also addresses the objective of “Securing sufficient, predictable and coherent funding as well as the specific functions” of i) mobilising and accessing funds for the global environment; and ii) utilising funding effectively and efficiently in accordance with agreed priorities.

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<sup>51</sup> For a detailed assessment of multilateral funds within the climate change sector see OECD, DAC Report 2010.

## Status

According to the OECD Development Assistance Committee (DAC) statistics there is approximately \$13 billion being spent directly on the environment from ODA.<sup>52</sup> Statistics for multilateral aid for the environment are virtually unavailable or piecemeal apart from estimates, but donor countries spend on average between 2-3% of their ODA on supporting multilateral organizations and global funds in support of the environment. This estimate includes environmental activities under the World Bank and UNDP which have by far the highest budgets for the environment and other agencies working on the environment such as UNEP, FAO, UNESCO and WHO and that of many MEAs. There are a number of global funds for the environment, the majority of which have been set up to address climate issues, but in doing so many of the climate funds also address forest issues, biodiversity and land degradation. The following is an indication of the many different existing funds concerned with the environment:

- Global Environmental Facility (GEF), SAICM, Basel Convention Technical Cooperation Trust Fund, Multilateral Fund, Global Mechanism of UNCCD, Regional Development Banks, World Bank Climate Investment Funds, Copenhagen Climate Green Fund, Climate Change Adaptation Fund, CDM, Climate Change Least Developed Countries Fund, Special Climate Change Fund, UNEP Environment Fund

There is no central body that coordinates multilateral aid for environment. Each organization and fund uses funds according to their respective mandates. The GEF is the closest to a cross-agency funding entity that exists. It provides financing for multiple MEAs based on advice from each of the COPs. It also provides some windows for synergies between the MEAs but for the most part this type of financing has been limited. On bilateral financing the OECD DAC has played a significant role in providing coordination assistance for ODA from larger donor countries. This role has included offering forums for discussing aid effectiveness, harmonizing funding procedures, setting donor and recipient guidelines and providing the best available aid statistics including for the environment.

## Gaps

As with other parts of the global environmental governance system funds and financing has become fragmented and diffused from any central or global policy making. Financing for the environment must serve many masters and doing so they are decoupled from any central planning, guidance and have very little cooperation.

Each of these funds highlighted above were set up for specific purposes and functions addressing either specific environmental concerns or some, like the GEF or the Environment Fund, address either multiple environmental concerns or cross-cutting environmental concerns. None of them has a global overall picture of the environment and though these may not be the funds' immediate concerns, environment cannot be seen in isolation. Environmental issues are deeply connected in terms of ecology, chemical and physical interactions and often environmental concerns are created by the same drivers and causes. There are also deep connections with development. Similarly ODA which is a huge amount of the global funding for the environment and though these funds are provided according to individual donors' programmes and priorities the effectiveness of this funding could be greatly increased if wider attention was given to the overall picture for global sustainability and interlinkages between issues and priorities.

Ministers of environment and ministries who are the best qualified to provide guidance on global environmental policy and priorities are removed from the decision-making on many of the most important global environmental funds. Instead, the decision-making has rested more with treasury and ministries of finance. For example, the GEF Council, which has the responsibility for developing, adopting, and evaluating GEF programs, or basically acting as the governing body of GEF is made of representatives mainly from treasury rather than from environment ministries. *De facto* this has meant that the principle body addressing global environmental policy issues is directed without a substantive input from the ministries best suited to set global environmental policy agenda.

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<sup>52</sup> OECD, Aid in Support of the Environment, April 2010, p. 1.

The diffused nature for environmental funding has had multiple side-effects. A lack of central planning and coordination has meant access to funding for the environment has become more difficult for developing countries. Each fund has different procedures and complexities and there remains a lack of harmonization of these procedures. The Paris Declaration and Accra Agenda for Action have called for greater harmonization of procedures for accessing financing including for the environment, however, there is still a lack of progress in the field of harmonization and coordination.<sup>53</sup>

A decentralized system has also created a lack of baseline information of overall funding and the nature of funding for the environment. A study by the International Institute for Sustainable Development (IISD) has found that a lack of tracking of environmental funds has led to inefficiency such as “funding contradictions, overlaps due to [Global Environmental Governance] (GEG) fragmentation and lack of synergies between available environment and development.” As a result the study argues that the whole funding for the International Environmental Governance system is “undermined, because it remains unclear whether the resources available within the GEG are being spent wisely, or even ethically.”<sup>54</sup>

### Description of option

Under this reform option global policy making for the environment and global financing for the environment would be brought closer together. Given the nature and the complexities of the existing mandates and independence of financing and funding entities this broader reform option is proposed not to integrate these funding and financing entities as much as it might create the greatest effectiveness and efficiency, but rather the option proposes to give UNEP’s GC/GMEF more authority to provide strategic guidance over global financing and funding. A key prerequisite for this reform option is that it would presume that the GC/GMEF would become a body with universal membership so that its guidance for funds and financing is derived from all countries and not from a body with limited membership.

The fragmented financing system that has evolved is not unlike the fragmented system of the MEAs that currently exists, partly because environmental financing is a reflection of these various bodies. Both global policy-making for the environment and global financing for the environment have become like strangers in the night crossing one another periodically but with one not taking account of the other. The GEF, which has become one of the principal financing mechanisms for MEAs and which is growing in scope was set up as an interagency mechanism to play on the comparative strengths of the three implementing agencies: UNDP, for its physical presence in developing countries; the World Bank for its experience in the financial sector and fiduciary role; and UNEP because it had the overall mandate on policy guidance for the environment in the UN system. UNEP has never really been able to act on its role because of institutional barriers that were created in the original tripartite relations that established GEF. UNEP’s institutional proximity to the GEF is not set up in a way that UNEP’s governing body can make any recommendations to the GEF. There is no legal recognition that the UNEP Governing Council should play a role in guiding the GEF environmental priorities and overall direction. This is not to say that the UNEP Governing Council should encroach upon the role of the COPs in making recommendations and identifying its individual needs, but there is a role to play from the global voice for the environment that should be duly recognized and taken into account when setting broad GEF policy. At the moment this role is either played out in the GEF Council which has donor representatives predominantly from the finance ministries instead of the environment or in the GEF Assembly, which is a separate body that - because of the GEF’s authority based on financial power - is *de facto* playing the role of the UNEP Governing Council.

Therefore a key reform would be for the GC/GMEF to play a much stronger role in providing policy guidance to the GEF. This could be accomplished by realigning the GEF much more closely to the guidance and strategic direction of ministers of environment through the GC/GMEF.

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<sup>53</sup> Programme Based Approaches to ODA which are more harmonized approaches for accessing, monitoring and evaluating aid for both donor and recipients has increased from the baseline of 44% in 2006 to 47% in 2007. *Better Aid: 2008 Monitoring of Paris Declaration*, OECD DAC, 2008, p. 51.

<sup>54</sup> Adil Najim, Mihaela Papa and Nadaa Taiyab, *Global Environmental Governance: A Reform Agenda*, IISD 2006, p. 53.

Under this proposal the GEF Assembly would be abolished and its function be taken up by the GC/GMEF.<sup>55</sup> This reform would put the ministers of environment in the decision-making role of the “Assembly”. The GMEF was also created to be a forum by which other ministers (i.e. finance, development, trade) can meet to discuss environment and thus the forum provides a unique setting for ministers to transcend the sectoral divide compared to the GEF Council. The function of the GEF Assembly is to review and evaluate the GEF’s general policies, the operation of the GEF, and its membership. The Assembly is also responsible for considering and approving proposed amendments to the GEF instrument which is the set of rules governing the GEF. By integrating the function of the GEF Assembly into the GC/GMEF it would eliminate redundancy in the core function of providing strategic and overall guidance to the GEF. In effect it would directly align the authoritative voice for the environment with the main financing body of the system.

Part of the reform would include a reexamination of the role of the GEF Council in relationship to the “Assembly’s” and strengthening the role of the “Assembly” to provide more action-oriented recommendations. The “Assembly” should provide overall guidance in line with the GEF core objectives of global environmental benefits and priorities between the focal areas of GEF. At the moment the Assembly has been more valuable in terms of its networking and as a forum and only produced chair summaries instead of clear guidance to the Council on strategic issues, reforms or interlinkages between issue areas which the Scientific and Technical Advisory Panel has been advocating for more than a decade. This virtually leaves the Council of only 32 member countries on its own to make decisions on financing with little guidance from the “Assembly”.

The reform would also allow for the GC/GMEF who has the overall remit for the environment to look at the synergies and linkages between the issues and make recommendations on this cross-cutting themes that do not necessarily come up through the funding guidance that is provided by the COPs of the MEAs which are served by the GEF. GEF is the funding mechanism for multiple MEAs and as such it has a major influence on the operational activities and priorities of the implementing and executing agencies, and the national or regional institutions involved in implementation. The GEF is therefore well placed to focus activities on interlinkages and exploring synergies between the focal areas, and between the respective MEAs. In addition, the GEF finances multifocal area projects to promote sustainable transport, conservation and sustainable use of biodiversity. These are important to agriculture, sustainable land management, adaptation to climate change, and national capacity assessment and development.

The GEF is slowly moving into more multi-focal areas, however, not as much as it should and there is no systematic approach to incorporating interlinkages in GEF project (or programme) design. Most of the projects are still funded in the Strategic Priorities/Operational Programmes and thus within one single focal area. Current levels of coordination across the GEF portfolio within a geographic region (both within and between Implementing Agencies (IAs)) are weak. Thematic silos within GEF and IA programs/investment portfolios undermine integration into strategic development plans and sustainability of project level interventions. Thus the reform could become a major catalyst for building more synergies between the environmental issues that are inherently connected.

### **Financial and legal implications**

The legal implications would require an amendment to the GEF instrument. The GEF, when created, was set up to be adaptive and as such it is relatively easy to amend, compared to other organizations and international entities. Since the GEF was established, the instrument has already been amended by the second and third replenishments which made structural changes. As the GEF is not an organization and does not have its own legal personality, each amendment requires adoption by the implementing agencies, namely UNDP, WB and UNEP. A General Assembly resolution could be passed to add the additional role of the GC/GMEF serving as the GEF Assembly, but there would be no requirement for a change in the original mandate of the Governing Council as per resolution 2997,

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<sup>55</sup> The frequency of the meeting of the “Assembly” could also be increased which could allow the “Assembly” to play a stronger role in identifying emerging issues that come up during the GEF cycle and to provide clearer guidance on priorities between funding portfolios.

as the mandate already encompasses this role. The membership of the Assembly is 182 members and if the GC/GMEF would have universal membership there would be no legal concerns revolving around the membership.

The financial implications of this reform are very few. If anything, there will be savings as the GC/GMEF could designate a special session every three years to provide a medium-term strategy for the GEF to eliminate the need to provide administrative services to the Assembly and to convene the Assembly independently from the GC/GMEF, thus eliminating administrative, meeting, and travel costs of the currently independent Assembly under the GEF.

The goal of this reform would not be to control the financing, but for countries through the GC/GMEF to exercise their recognized mandate of recommending policy for international cooperation for the environment. This can only be achieved if there is trust and no duplication of powers in other bodies playing this role.

### **e) Ensuring a responsive and cohesive approach to meeting country needs.**

#### **Status**

A detailed description of the current status within the UN system with respect to this objective has been provided to the Group's first meeting in the paper 'Environment in the UN system'. It sets out the variety of mechanisms and funds that support country responsiveness. At the policy level, Chapter 34 of Agenda 21 and the UNEP Bali Strategic Plan for Technology Support and Capacity-building (the 'Bali Strategic Plan') provide for guidance on technology support and capacity building. The paper also reveals that at the operational level it is the UN Country Teams (UNCTs), GEF funded programmes and specifically support related to the implementation of UNFCCC commitments that respond to the needs for technology support and capacity building.

#### **Gaps**

The JIU Report states that "The current framework of international environmental governance is undermined by the absence of a holistic approach to environmental issues and lack of clear operational linkages between development assistance on the one hand, and compliance and capacity-building assistance for environmental protection in developing countries.<sup>56</sup> The reasons for this are very much related to the gaps found in the other columns of this paper, nevertheless, a number of observations can be made that are directly linked to the performance of the UN system in relation to this objective.

In this regard, the documents UNDP/2008/46 'Evaluation of the role and contribution of UNDP in the environment and energy' as well as 'Environmental Sustainability - An Evaluation of World Bank Group Support' of the Independent Evaluation Group of the World Bank provide a revealing read. The former evaluation states that "UNDP capacity in environment and energy leaves much to be desired. [...] With a few notable and impressive exceptions, the environment and energy teams in country offices are few in number and often lack the relevant technical expertise' (p. 6)." The latter evaluation "identifies several crucial constraints that need to be addressed, perhaps most importantly insufficient government commitment to environmental goals and weak institutional capacity to deal with them. But constraints within the Bank Group, including insufficient attention to longer term sustainable development, must be reduced as well. The Bank Group needs more adequate systems in place—in different respects, across the World Bank, IFC, and MIGA—to monitor environmental outcomes and to assess impacts" (p.1).

Furthermore, the JIU report states that while "United Nations system organizations and MEAs have come up against serious difficulties in implementing a 'One UN' approach in the environmental field through the CCA/UNDAF processes" [...] "these processes do not address issues of compliance with the MEAs" (p.16) and "the United Nations Development Group is yet to establish modalities by which

<sup>56</sup> 'Management Review of Environmental Governance within the United Nations System', JIU, 2008:7

to address the concerns of non-resident organizations such as MEAs, UNEP, IMO, WMO and IAEA” (p.17).

This observation is also in line with countries’ stated implementation gap, meaning that despite the willingness to implement their commitments under MEAs, their lack of capacity and technology inhibits them from implementing their commitments.

The need has been addressed in the Bali Strategic Plan, as adopted by the Governing Council<sup>57</sup> in 2005 and endorsed by the General Assembly in resolution A/C.2/64/L30, “*invit[ing]* relevant UN Funds, programmes and specialized agencies and Multilateral Environmental Agreements to consider mainstreaming the Bali Strategic Plan for Technology Support and Capacity Building in their overall activities.”

Furthermore, the Secretary General’s High-level Panel Report, ‘Delivering as One’, of 2007<sup>58</sup>, recognises that “there must be a strengthening of human, technical and financial capacities in developing countries to mainstream environmental issues in national decision-making”, “bearing in mind that environmental sustainability is the foundation for achieving all the other Millennium Development Goals”. It continues stating that “Capacity should be built to promote the implementation of international commitments. The Bali Strategic Plan for Technology Support and Capacity Building should be strategically implemented to provide cutting-edge expertise and knowledge resources for the sustained expansion of capacity at the country level.”

### **Description of options**

The two functional options set out below were identified as the ones to be further elaborated by the co-Chairs and the Secretariat in preparation of the second meeting of the Consultative Group and as basis for further discussions of broader IEG reform.

#### **1. Establish environment-development country teams and/or desks in existing intergovernmental offices in developing countries around the world.**

While this option received general support during the first meeting of the Consultative Group, requests were made to combine this option with the option to increase country presence.

Following growing demand by governments UNEP has since its inception steadily increased its support to governments at the country level.

Formally launched in 2005 and significantly scaled up at the UNEP Governing Council in 2007, UNEP, through the Poverty and Environment Initiative and Facility (PEI/PEF) presently supports 22 governments. The PEI is a joint initiative of UNEP and UNDP that helps countries to integrate poverty-environment linkages into national and sub-national development planning, from policymaking to budgeting, implementation and monitoring. With both financial and technical support, government decision-makers and a wide range of other stakeholders are assisted to manage the environment in a way that improves livelihoods and leads to sustainable growth. The PEI works with key government partners to raise awareness, influence policy making and strengthen the mainstreaming of poverty-environment into budget processes, sector programmes and sub-national planning. Its overall aim is to achieve lasting institutional change and to catalyse key actors to increase investment in pro-poor environmental and natural resource management.<sup>59</sup> The PEI also supports all countries of the Delivering as One pilot programme.

Following the conceptualization of the Delivering as One programme and the election of One UN pilot countries, UNEP embarked on a systematic way of revising UNDAF documents as to their

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<sup>57</sup> GC.23/6/Add.1

<sup>58</sup> High-level Panel Report on UN System-wide Coherence in the areas of Development, Humanitarian Assistance and the Environment, ‘Delivering as One’

<sup>59</sup> <http://www.unpei.org/about/index.asp>

incorporation of environmental sustainability. More than 200 UNEP staff members were trained in the UNDAF planning process and UNEP drafted guidelines on mainstreaming environment into development processes. Over the course of the years, UNEP has supported 62 country teams through the UNDAF processes and in the current biennium supports 5 country teams through its Programme of Work. UNEP's support to UNDAF processes has occurred at differing degrees, ranging from basic advisory services on mainstreaming environment into national development processes to the integration of the PEI into UNDAF processes. National Environmental Summaries were produced by UNEP to provide UNCTs with an overview of environmental concerns of a specific country. Having reviewed this service, it transpired that the summaries were not being used by CCTs.

While a number of entry points for UNEP to engage in the UNDAF process have been created, generally speaking, the degree of its engagement depends on the availability of financial resources and presence for continuing engagement.

As the UN system at large continues improving the UNDAF process, the above mentioned programmes and initiatives have not yet been harmonized. However, UNEP recently established a working group to revise the UNEP-UNDP Memorandum of Understanding to identify more strategic and operational cooperation, taking into account the entire range of UNDP/UNEP interlinkages.

UNEP has set up an MEA implementation support system by placing MEA focal points into UNEP's regional offices. The MEA focal point system seeks to address the implementation gap expressed by many governments by providing technical advice on national implementation of MEA commitments, ranging from drafting legislation to institution building, capacity building, and awareness raising. This scheme currently supports the biodiversity and chemicals and waste conventions.

Furthermore, nine countries and four regions have requested UNEP's assistance in a variety of activities relating to their transition to a green economy. These range from providing advice on a specific sector policy, such as studies on opportunities for resource efficiency and clean technology or on organic agriculture to more general scoping studies for green economy opportunities and green economy strategies.

UNEP's Post-Conflict and Disaster Management Branch assists countries in the preparation of post-conflict environmental assessments, post-conflict environmental recovery, environmental cooperation and disaster risk reduction services. The support ranges from one-off environmental assessments to long-term, in-country support, such as capacity building of ministries, mainstreaming of environment and integrated water resources management, etc. with country presence. UNEP currently supports seven countries, in two of which it maintains country offices.

Enhanced country responsiveness would require scaling up current support at the regional and country levels. An example for such arrangements would be the structure of offices set up by the Food and Agricultural Organisation (FAO), whose support network ranges from its headquarters, which is responsible for producing knowledge, data and broad policy guidance, to regional, sub-regional and country offices. The responsibility of regional offices is "to ensure a multi disciplinary approach to programmes; identify priority areas of action for the Organization in the Region and, in collaboration with departments and divisions at headquarters, advise on the incorporation of such priorities into the Organization's Programme of Work and budget." The regional offices also "implement approved programmes in the region, monitor the level of programme implementation, and draw attention to any problems and deficiencies." The sub-regional offices hold the same responsibilities as the regional offices but within the sub-region. The main aim of the country offices is "to assist governments to develop policies, programmes and projects to address the root causes of hunger and malnutrition; to help them to develop their agricultural, fisheries and forestry sectors, and to use their environmental and natural resources in a sustainable way."<sup>60</sup>

Adopting the FAO model could partially be achieved by increasing UNEP's existing regional presence as well as through further engagement with UNCTs and participation in the UNDAF processes. In that respect the Secretary General's High-level Report 'Delivering as One' recommends that "Where

<sup>60</sup> See <http://coin.fao.org/cms/do/en/index.html>

necessary, UNEP should participate in UN country teams through the Resident Coordinator system, as part of the One UN at country level.” Moreover, it continues that “UNEP should take the lead in assisting countries in the two-step process of quantifying environmental costs and benefits and incorporating them into mainstream policymaking, in cooperation with UNDP and the UN Department of Economic and Social Affairs.”

Enhancing the strategic country presence of UNEP would be necessary. This could be achieved by setting up strategic country offices; the secondment of UNEP staff to UNCTs; the placement of desk officers in Regional offices; or secondment from UNEP headquarters and, in particular, through secondment to UNDP as per the agreed Memorandum of Understanding between UNEP and UNDP.

This would be preceded by a comprehensive country self-assessment to identify its needs and priorities, based on established UN practices. The needs assessment would also have to address the challenges and opportunities associated with environmental protection and economic and social development, targeting poverty and environment linkages and exploring economic opportunities arising from greening a country’s economy. As a way of strengthening implementation of MEAs, linkages between economic opportunities and commitments found in MEAs should be examined and utilized.

Where a country self-assessment identified an implementation gap of MEA commitments, this could be addressed by UNEP’s MEA focal points, currently supporting the implementation of the chemicals and waste-related MEAs and the biodiversity cluster. The expansion of UNEP’s country and regional presence would also extend the current MEA focal point system to incorporate other MEA clusters, including the desertification, atmosphere and marine-related conventions. The JIU Report supports this suggestion by recommending that “the Secretary-General - on the basis of a proposal of the Executive Director of UNEP and consultations with MEA secretariats - should submit to the General Assembly, for its consideration and approval, guidelines on the establishment of national and, where appropriate, regional platforms on environmental protection and sustainable development policies which can integrate the implementation of MEAs into the CCA and UNDAF processes.”<sup>61</sup>

The country self-assessments would further have to establish the needs for capacity building and technology support in relation to internationally agreed commitments. Earmarked funding would have to ensure that these needs are fully addressed at the country and regional level.

Considerations of focusing primarily on strengthening cooperation between UNEP and UNDP at the country level would have to take into account the JIU’s findings: ‘While it is clear that every State must comply with MEAs at the national level, the MoU hardly bears reference to mandates of UNEP and MEAs to undertake operational activities to assist the State at the country-level. Resource constraints and a simplistic interpretation of the MoU by field officers are the main reasons why UNEP has not established enough environmental focal points in UNDP country offices.’<sup>62</sup>

The adoption of this approach, i.e. the establishment of country presence, reinforcement of sub- and regional offices and the strengthening and extension of the MEA focal point system would foster synergies between columns c) and e), as regional and country representations would provide the expertise for all MEAs ratified by the country in question. This would enhance a clustering approach to MEAs’ implementation by capturing opportunities for joint data collection, reporting and monitoring. Moreover, increased opportunities for finding practical solutions to MEAs implementation would arise, as a better understanding of environmental solutions to economic and social development challenges would exist, given the proximity to country interests and sister agencies and organizations.

Increased country, sub-regional and regional presence would also provide entry points for a mutual strengthening of columns a) and e). Linking column a) with column e) would require that national assessments be conducted to provide the necessary scientific basis for policy formulation and prioritization at the national level as part of the Country Assessment conducted prior to the formulation of the UNDAFs. These assessments would have to be backed up with capacity building to enable

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<sup>61</sup> Ibid.:18

<sup>62</sup> Ibid.:17

countries establishing their own scientific institutions and processes for future assessments. Such country assessments would subsequently assist in the formulation of regional and global policies and provide the basis for increased synergies among columns b) and e), meaning that knowledge and data gained from national assessment processes could be fed into global agenda setting as the basis for regional and global coordination and policy guidance; and provide the basis for reviewing and monitoring of commitments at the regional and global level.

### **Financial and legal implications:**

Increasing country responsiveness based on UNEP's ongoing programmes as described above would clearly entail a revision of UNEP's cooperation with UNDP as well as the UN system at large through the One UN Programme and UNDAF processes. As stated above it would equally require a substantial increase in UNEP's resources and presence. While there is certainly scope in scaling up ongoing regional and national programmes, this reform option has been taken on board within the incremental reform process, currently before the CPR.

Comprehensive country-responsiveness within the environmental field is dependent on the overall reform of international environmental governance. According to the 'Delivering as One' Report, IEG should be strengthened and [made] more coherent in order to improve effectiveness and targeted action of environmental activities in the UN system. It should be strengthened by upgrading UNEP with a renewed mandate and improved funding." With regard to UNEP's mandate, two parameters would be of paramount importance for the organisation to increase its country responsiveness and cohesiveness:

1. A change in UNEP's mandate by General Assembly to include operational activities as part of making strategic country presence of UNEP more effective.
2. A decision by the Governing Council recommending to make environment a priority in countries' development planning, while recognizing that this is a country-driven process. (Ideally the Governing Council would propose to change UNEP's status to that of a resident agency, even if it was for a pilot period of a few years only.)

Moreover, maximum effectiveness of the current and expanded MEA focal point scheme would require consultation on implementation needs and options with the COPs of all involved MEAs.

The cost implications of establishing an institutional structure similar to that of FAO with its network of headquarters, regional, sub-regional and country offices would be an increase in UNEP's biannual budget to \$900 million (excluding emergency response costs). Given that UNEP's biannual budget currently lies at around \$500 million this would mean a doubling of resources to put it into a position of effectively responding to countries' needs. Interesting are the observations of the JIU report in that respect, which states that "from 2000 to 2006, expenditure of development agencies for environment-related operational activities grew far more than the expenditure of UNEP and MEAs for normative activities for environmental protection".<sup>63</sup>

Alignment of mandates with funds within the IEG system would furthermore require a revision of the funds allocations of the GEF. In that respect the Secretary-General's High-Level Report 'Delivering as One' states that "The Global Environment Facility should be strengthened as the major financial mechanism for the global environment. Its contribution in assisting developing countries in implementing the conventions and in building their capacities should be clarified, in conjunction with its implementing and executing agencies. A significant increase in resources will be required to address future challenges effectively."

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<sup>63</sup> JIU Report, 2008:6

## **2. Develop an overarching framework for capacity building and technical assistance for the operational activities of MEAs, UN agencies and IFIs.**

As an essential element of all environmental activities, capacity building and technical assistance need to be part of every programme and project to guarantee its sustainability. Hence an overarching policy framework could be established that would support capacity building and technical assistance across the range of operational activities of MEAs, UN agencies and International Financial Institutions.

This framework could be a succinct and practically-oriented policy framework, based on the Bali Strategic Plan and designed along the lines of the GEF 'Strategic Approach to Enhance Capacity Building'. Its overarching goal would be to mainstream capacity building and technical assistance, as well as supporting some stand-alone capacity building activities. Its focus could lie on:

- self-assessments of capacity needs
- targeted capacity building across priority areas

Furthermore, the framework could:

- recommend measures;
- advise on the allocation of resources;
- provide information and expertise;
- provide a platform for knowledge sharing and exchange of best practices;
- serve as a meeting point for different stakeholders from the public and private sector; and
- provide for a voluntary monitoring, accountability and evaluation framework.

Support should be made available, based on a country's self assessment for capacity needs vis-à-vis MEA commitments but also the implementation of environmental measures that will enhance the achievement of the Millennium Development Goals and other national development priorities. Contrary to the GEF framework, this policy framework would serve all major MEAs with a view of capturing synergies by applying a clustering approach among the various chemicals and waste, biodiversity-related and land-degradation, atmospheric, and water-related conventions.

Interventions would focus on supporting regular programmatic or project activities, which are lacking resources to underpin capacity development and technology support as well as stand-alone capacity building activities that would facilitate the implementation of existing laws and policies. Support would be based on national ownership, prioritization of activities, complementarities with existing programmes and projects and application of good practices.

It could be administered by a small secretariat, served by UNEP, which would facilitate the implementation of the above objectives. The Secretariat would act as a resource centre and clearing house, maintaining a knowledge base on expertise, best practices and financing options; compiling information on case studies; facilitating expert discussions, workshops and networking among stakeholders; compiling information on the implementation of the framework; as well as serving the intergovernmental body under whose authority the overarching framework would operate.

Given the general scarcity of resources that often lead to savings in the areas of capacity building and technical assistance with the result that programmes and projects are unsustainable, such an overarching policy framework could speed up the integration of capacity building and technical assistance in all programmes and projects carried out by MEAs, UN agencies and IFIs. It would raise the awareness of the importance for capacity building and technical assistance; provide easy access to information, best-practices and experts; provide easy access to available technologies and suppliers; enable direct access to financiers; and last but not least, establish a voluntary monitoring, accountability and evaluation framework.

## **Financial and legal implications**

The framework would be aligned with internationally agreed environmental objectives including those of all major MEAs. Consultations with the COPs of the relevant MEAs would be required to receive the necessary guidance.

As the proposed framework is to be a UN-wide instrument, funds for its implementation should be drawn from various existing sources. For example, over the course of its entire operations, GEF has allocated \$334 million to enabling activities. The Strategic Approach for International Chemicals Management (SAICM), whose activities predominantly relate to capacity building and technology support, approved funding of approximately \$20.26 million over the course of eight rounds, starting in 2006. In addition to existing funding, further measures could be put in place to fund this option including setting up a small secretariat within UNEP to administer the framework.