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## **International Environmental Governance: Moving Forward with developing a Set of Options**

Note by the Executive Director

*Summary*

This brief paper is presented by the Executive Director as an adviser to the Consultative Group. It has been prepared in an effort to assist the Consultative Group in its deliberations on presenting a set of options for the reform of international environmental governance. It is supplemented by several supporting background documents.

## **International Environmental Governance: Moving Forward with developing a Set of Options**

The well-being of human society is intrinsically linked to the state of our natural systems. Humans depend on the environment for their health, livelihoods, culture, and security. If the services that the environment provides decline, so too do the conditions for prosperity, stability and equity.

We are currently experiencing unprecedented environmental change, including in the area of climate change. In order to achieve sustainable development and to secure the environmental conditions for prosperity, stability and equity, the United Nations system needs to be able to respond to the challenges in a manner that is commensurate with their scale, and to assist States to capture emerging opportunities.

The Brundtland Report 'Our Common Future' released in 1987 found that "the sustainability of ecosystems on which the global economy depends must be guaranteed" and that "sustainability requires the enforcement of wider responsibilities for the impacts of decisions" requiring "changes in the legal and institutional frameworks that will enforce the common interest."

Twenty years on from the Brundtland Report, sustainability challenges and opportunities are resulting in the environment moving from often being considered as a marginal issue at the intergovernmental and national levels to the centre of political and economic decision making. The linkages between environmental sustainability and the economy have emerged as a key nexus for public policy making and the future of markets. The United Nations system needs to play its part.

### **Ongoing calls for the reform of international environmental governance**

The calls for improving international environmental governance have come from numerous quarters both within and outside of the United Nations system, many of which are addressed in the discussion paper "International environmental governance and United Nations reform – international environmental governance: help or hindrance?"<sup>1</sup>. These *include*:

- The Nairobi Declaration of 7 February 1997 on the role and mandate of the United Nations Environment Programme and the Malmö Declaration of 31 May 2000, amongst others, which identified an alarming discrepancy between commitments and action, and declared that goals and targets agreed by the international community in relation to sustainable development must be implemented in a timely fashion and that the mobilization of domestic and international resources, including development assistance, far beyond current levels is vital to the success of this endeavour. In the declaration of 2000 ministers and heads of delegations also called for a review of the requirements for a greatly strengthened institutional structure for international environmental governance.
- Decision SS.VII/1 of 15 February 2002 on international environmental governance and its appendix, known together as the "Cartagena package"; the 2006 Report of the Secretary-General's High-Level Panel on United Nations system-wide coherence in the Areas of Development, Humanitarian Assistance and the Environment; and the 2008 management review of environmental governance within the United Nations system prepared by the Joint Inspection Unit, all of which identify the need to strengthen the environmental governance system.

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<sup>1</sup> UNEP/GC.25/16/Add.1.

- Paragraph 169 in General Assembly resolution 60/1 of 24 October 2005 on the 2005 World Summit Outcome which amongst others recognized the need for more efficient environmental activities in the United Nations system, with enhanced coordination, improved policy advice and guidance, strengthened scientific knowledge, assessment and cooperation, better treaty compliance, while respecting the legal autonomy of the treaties, and better integration of environmental activities in the broader sustainable development framework at the operational level, including through capacity building, and agreed to explore the possibility of a more coherent institutional framework to address this need, including a more integrated structure, building on existing institutions and internationally agreed instruments, as well as the treaty bodies and the specialized agencies.

Outside of formal processes, we have also seen many calls for improved international environmental governance. By way of example, at the invitation of the Brazilian Ministers of External Relations and of Environment, “Foreign and Environment Ministers” from around twenty five “of the most active countries in the multilateral debate on the issue” were invited to informally exchange ideas and discuss issues to do with international environmental governance in the context of sustainable development in Rio de Janeiro in late 2007.<sup>2</sup> The summary of the meeting, found in the ‘Ministerial Meeting on Environment and Sustainable Development: Challenges for International Governance’ document states that: “The *status quo* is not an option” and “means and modalities must be identified for the progress of this dialogue...“identifying core functions or priorities of the governance system and its potential sources...would indicate a possible convergence on essential elements.”

### **International environmental governance and sustainable development**

The concept of three interdependent and mutually reinforcing pillars of sustainable development was incorporated into the 2002 Johannesburg Plan of Implementation. This should not be visualised as three vertical pillars standing side by side. Rather than being a parallel pillar, the environment pillar needs to be viewed as a horizontal pillar that provides the foundation for the economic and social pillars of sustainable development, because life on earth is conditioned upon a healthy environment.

Addressing environmental change successfully can only be achieved by working with and through the economic and social pillars of sustainable development.

The 2009 Joint Inspection Unit report in reviewing the environmental governance system has observed that the terms environmental governance and sustainable development governance are often used interchangeably in the United Nations system, and that as programmatic labels, they include similar sets of issues and actions. There is a need to further enhance the integration of environmental governance with social and economic governance and thus strengthen sustainable development.

The imperative for humanity is to evolve international cooperation and governance frameworks to guide the use of our global environment in a manner that sustains it for present and future generations.

It is through this sustainability lens that we should review the institutional and financial architecture for environmental governance in a multilateral context.

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<sup>2</sup> [http://www.sustentavel.mre.gov.br/index\\_english.html](http://www.sustentavel.mre.gov.br/index_english.html)

## Threats and opportunities

Effective governance of the environment is essential for stability and sustainability. For the first time, the World Economic Forum in 2009, in its annual risk assessment considered the lack of effective global governance as a risk in its own right.<sup>3</sup> The report stressed that the lack of effective and inclusive governance on global issues such as financial stability, trade, climate change, water and security is a source of risk in and of itself. The assessment places weak global governance as a cause between geopolitical, economic and environmental risks and that global risks know no borders and global responses are also beyond the realm of any one government.

Equally, the work being led by UNEP on the Green Economy and the Global Green New Deal clearly demonstrate the emerging opportunities for the creation of decent jobs and economic growth and prosperity in addressing the current challenges posed by environmental changes to economic and social sustainability.

This underscores, now more than ever, the importance of devising and maintaining governance frameworks that support cooperative solutions to addressing sustainability challenges and to capturing emerging opportunities.

## Form to follow function

To achieve this objective, it is perhaps better to start with the end in mind as regardless of what form these solutions may take, they will require deep political commitment. In order to understand what options are needed it is first necessary to understand where the core governance challenges lie. What follows is a brief summary of what may be regarded as the most critical areas, namely the need for:

- 1) Keeping the world environmental situation under review and mobilising scientific expertise in doing so – towards a strong, credible and coherent science base**
- 2) International agenda setting and cooperation in addressing the environmental dimension of sustainable development – towards a global authoritative and responsive voice for sustainability**
- 3) Concerted and coherent actions within the multilateral system where compliance and effectiveness is regularly reviewed – towards coherence within the United Nations system between the many conventions and agencies dealing with the environment, especially the multilateral environmental agreements**
- 4) Financing environmental initiatives – towards sufficient, predictable and coherent funding for achieving sustainability**
- 5) Assisting countries in implementing their international obligations at national level and achieving their environmental goals, targets and objectives – towards a responsive and cohesive approach to meeting country needs**
- 6) Developing policies, joint international actions and best practices for sustainable development – facilitating the transition towards a global green economy**

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<sup>3</sup>World Economic Forum Global Risk Network Report 2009. p.7. available at <http://www.marsh.es/press/inform/documents/GlobalRisks2009.pdf>

Each is dealt with in more detail below. Some questions are posed to help stimulate thinking. They focus on issues of function rather than form.

### **1) Keeping the environmental situation under review and mobilising scientific expertise in doing so – towards a strong, credible and coherent science base**

One of the major challenges for effective governance for sustainability is to keep the environmental situation under review and for coordination of the interaction between science and policy. A lot of good scientific information from sources such as the Intergovernmental Panel on Climate Change, the Millennium Ecosystem Assessment and UNEP's Global Environmental Outlook is available; but what is lacking is a synthesis of the information and its translation to regional and national levels. Currently, multiple sources of information are gathered in multiple ways and relayed to the stakeholders by multiple paths. Such disparate information does not always allow for easy integration into the decision-making processes for sustainable development at any level.

- How can we create a science policy interface that will strengthen legitimacy and authority of the United Nations in the field of sustainability?
- Should a permanent scientific mechanism for environmental change be established?
- Should the United Nations system/UNEP "create" science or coordinate it?
- Is the present mechanism for translating science into policy at different levels working well? How can it be improved?

### **2) International agenda setting and cooperation in addressing the environmental dimension of sustainable development – towards a global authoritative and responsive voice for sustainability**

The context for the process of strengthening international environmental governance (IEG) must be sustainable development. Indeed, Principle 4 of the 1992 Rio Declaration on Environment and Development stipulates that "In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it." However, insufficient progress has been made since then in the area of international cooperation and there remains a significant lack of integration between the preeminent global governance structures set up to manage economic and ecological interdependence. Many of the important decisions affecting environmental governance take place outside the complex system of international treaties and organisations that make up the IEG system and are occurring in areas such as trade, investment and international development. One of the biggest obstacles to environmental progress at the global scale is the lack of an action-orientated and strong 'centre of gravity' for effectively addressing sustainability concerns.

- Is there one voice within the United Nations that collectively speaks for sustainability and does it have the normative authority to act and the capacity to implement?
- To what extent is the present set of international institutions (or present structure of global governance) able to meet the demands of today and tomorrow?
- How can the 'environment' be clearly and effectively framed within the context of 'sustainability'?
- How could sustainability issues be better addressed in the United Nations system to best serve the interests and needs of member states?
- Do we need a 'centre of gravity' for sustainability and where should it lie?

### **3) Concerted and coherent actions within the multilateral system where compliance and effectiveness is regularly reviewed – towards coherence within the United Nations system between the many conventions and agencies dealing with the environment, especially the multilateral environmental agreements**

There have been impressive developments at the multilateral and global level in developing a vast array of legal agreements to address the world's most critical environmental sustainability problems. Similarly, there have been important innovations in creating associated international, institutional and organisational capacity. However, at the global level, there is a gap between the international community's current environmental governance capacity and its ability to deal in a comprehensive, coherent and effective fashion with the nature and scale of environmental change and the sheer number of multilateral environmental agreements (MEAs) and funding mechanisms and processes. Further, how does the international community work to hold one another accountable for commitments made through MEAs, including financing commitments?

- Can a set of common elements of an effective international environmental regime be derived from the diverse range of sustainability challenges and the institutions that exist to address them?
- Given that the financial implications for establishing independent secretariats are significant, should the support to MEAs be integrated under one roof with harmonised funding?
- UNEP's mandate was intended to be a coordinator for the environment. Is there a need for a hierarchy of international law for environment and sustainable development?
- Should MEAs of similar or overlapping thematic focus be clustered and if so, how?
- How could the effectiveness of actions by the multilateral system be kept under review and compliance with commitments be monitored?
- Do existing coordinating mechanisms need to be strengthened or made more effective?
- How can coordinating mechanisms for sustainability relate to the United Nations system and specific agency mandates for agriculture, development, food etc.?

### **4) Financing environmental initiatives – towards sufficient, predictable and coherent funding for achieving sustainability**

Presently the funding base for IEG is unstable, unpredictable and insufficient. The funding procedures and mechanisms are also fragmented and burdensome. There is a need to develop finance mechanisms that provide the power and means for implementation to operationalise the link between setting the global agenda, developing norms and standards, building capacity, facilitating technology transfer and enabling field-based operations; to reduce procedural and administrative burdens for accessing funding; to mobilise private sector funding; and to improve the valuation of ecosystem services as an innovative way of financing. The role that was intended for the UNEP Environment Fund appears to have been eroded (but not irretrievably), and the Global Environment Fund Secretariat appears to be embarking on a vision that goes well beyond its original role.

- How can there be a strengthened, predictable and consistent financial base for achieving sustainability in the United Nations system?
- Should mandate and funding be better aligned within the United Nations system?
- How should the financial architecture for IEG be structured? Should there be several specialised funds/mechanisms or a centralised approach?

- What is the role of funding global environmental benefits and how does it relate to other funding?
- How can access to funding opportunities be made more open for all countries, including through moves towards more 'direct funding'?

#### **5) Assisting countries in implementing their international obligations at national level and achieving their environmental goals, targets and objectives – towards a responsive and cohesive approach to meeting country needs**

Any IEG system can only be effective if regions, countries, and municipalities implement its mission. Therefore, the focus should be placed on the ability of countries to meet the goals and objectives of IEG by not only developing the necessary norms and standards but by providing access to technology, resources, and capacity building – based on the principle of common but differentiated responsibility. The North-South divide still exists, with developing countries often arguing that the environment agenda of developed countries is being pursued without sufficient support or access to technology. Lack of coherence in the system is being increasingly felt at the country level.

- How can IEG be made more efficient and the burden on developing countries be reduced?
- How can countries be in the driving seat in decisions affecting them while respecting multilateralism and the common good?
- What incentives are available to governments to turn their goodwill into financial commitments?
- How can countries be given an incentive to pool their resources as much as possible while retaining full ownership for results achieved?
- How can issues of national sovereignty be addressed?

#### **6) Developing policies, joint international actions and best practices for sustainable development – facilitating the transition towards a global green economy**

It is clear that governments and the international community face multiple and serious sustainability challenges. However, the situation also presents real and emerging opportunities to create new and decent jobs and generate prosperity – and in so doing to make profound changes in our economies. Moving towards a green and low carbon economy can deliver multiple benefits for the international community and governments in addressing food, energy and water security in the context of a changing climate that will ultimately result in achieving sustainable development.

- How could IEG better support sustainability?
- How can IEG work to assist countries meet their environmental objectives and support the transition towards a green economy?
- How can the right conditions be created to encourage the market to move towards sustainable agriculture, energy efficiency, a shift towards renewable energy, and other aspects of sustainability? What priority areas should IEG focus on?
- Can/should mechanisms be developed for fostering investment opportunities in cleaner energies, for instance by creating more conducive normative frameworks?

In the context of these six critical areas more specific functions can be identified, as was done through the founding mandate of UNEP<sup>4</sup> in 1972, which identified functions and responsibilities such as to “keep under review the world environment situation in order to ensure that emerging environmental problems of wide international significance receive appropriate and adequate consideration by Governments.”

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<sup>4</sup> UNGA 2997

## **A way forward for moving from functions to form – a possible organising principle**

Examining what form might be best suited to enable an effective response to these sustainability challenges and opportunities in a multilateral context may best be achieved through a focus on the function and interrelation between existing:

- **Intergovernmental bodies,**
- **Secretariats,**
- **Funds, and**
- **Interagency coordination bodies**

This may lead member states to consider options which are incremental, or bold yet incremental, or options that lead to a fundamental change to the current institutional and financial architecture.

All options for reform could be explored in the process of developing a set of options for IEG reform.

Additional background materials:

- President's Summary of the ministerial consultations at the twenty-fifth session of the Governing Council.
- Discussion papers prepared by the Executive Director for the ministerial consultations at the twenty-fifth session of the Governing Council on the theme: "Globalization and the environment – global crises: national chaos?"<sup>5</sup> and "International environmental governance and United Nations reform – international environmental governance: help or hindrance?"<sup>6</sup>

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<sup>5</sup> UNEP/GC.25/16.

<sup>6</sup> UNEP/GC.25/16/Add.1.

**Table: Major Decisions Concerning UNEP's Role and Mandate**

<b>Year</b>	<b>Event</b>	<b>Description</b>	<b>Resolution/Decision</b>
1972	Stockholm Conference and establishment of UNEP	UN General Assembly, in its resolution 2997 (XXVII) of 1972, establishes UNEP as the central UN node for global environmental cooperation and treaty making. UNEP's functions are to promote the development of environmental policy and measures, coordinate environmental activities in the United Nations system, keep emerging environmental problems under review and provide scientific assessment. The resolution establishes the Environment Fund, the UNEP Secretariat and Environment Coordination Board to execute these functions.	GA Res. 2997 (XXVII), 15 December 1972
1997	Nairobi Declaration on the Role and Mandate of UNEP	The Nairobi Declaration restates UNEP's role as the leading authority in the field of the environment and defines its role to promote development of international environmental law aiming at sustainable development, including the development of coherent interlinkages among existing international environmental conventions and implementation and compliance with agreed norms and rules, provide policy advice, act as an effective science-policy interface, and strengthen its role in coordination of environmental activities. The Declaration is adopted by the UNEP GC and endorsed by the UNGA to revive UNEP and re-establish its authority.	Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme, UNEP/GC.19/1
1999	Establishment of Global Ministerial Environment Forum and Environmental Management Group	The UN Task Force on Environment and Human Settlements' (appointed by S-G Kofi Annan in 1997) recommendations are adopted by the GA, leading to the creation of two new coordinating bodies: the Environmental Management Group (EMG) and the Global Ministerial Environment Forum (GMEF).	Report of the Secretary General on Environment and Human Settlements, GA Res. 53/242, 28 July 1999.
2000	The Malmö Declaration	The Malmö Ministerial Declaration is adopted by the GMEF at its first session and raises key areas of concern for the 2002 World Summit on Sustainable Development (WSSD) to address. It also agrees that the 2002 World Summit on Sustainable Development (WSSD) should review the requirements for a greatly strengthened institutional structure for	Adopted by the GMEF - Sixth Special Session of the Governing Council of the United Nations Environment Programme Fifth plenary meeting 31 May 2000

		IEG.	
2000-2002	Cartagena Package on IEG	<p>The Cartagena Process is initiated to assess options for reforming global environmental governance. The Twenty-first Session of the UNEP GC/GMEF convenes the Open-Ended Intergovernmental Group of Ministers or Their Representatives on International Environmental Governance (IGC/IEG) to assess the options for strengthening UNEP, improving the effectiveness of MEAs and improving international policymaking coherence. The outcome of the Cartagena Process builds on UNEP as the environment pillar of sustainable development and focuses on strengthening UNEP's role, authority and financial situation; addressing universal membership of the Governing Council; strengthening UNEP's science base; improving coordination and coherence between multilateral environmental agreements; supporting capacity building, technology transfer and country-level coordination; and enhancing coordination across the UN system, as well as the role of UNEP's Environment Management Group.</p> <p>The report from the process is transmitted to the CSD and to the WSSD and is incorporated into the Johannesburg Plan of Implementation. Since 2002 the GC/GMEF have taken several decisions to implement the priorities of the Cartagena package.</p>	Report of the GC on the Work of Its Seventh Special Sessions/Global Ministerial Environment Forum, UNEP/GCSS.VII/6, 5 March 2002
2005	The Bali Strategic Plan for Technological Support and Capacity Building	The "Bali Strategic Plan" is adopted by the GC/GMEF, outlining proposals for improving the capacity of developing countries and economies in transition to implement their international obligations at the country level and achieve their environmental goals, targets and objectives.	GC decision 23/1 of 25 February 2005

**Table: (Other) Major UN Entities and their Function**

Organisation	Abbreviation	Normative or Operational	Main Function	
International Labour Organisation	ILO	mostly normative	Labour	Formulates policies and programmes to improve working conditions and employment opportunities and sets labour standards used by countries around the world.
Food and Agriculture Organisation of the UN	FAO	both	Agriculture	Works to improve agricultural productivity and food security and to better the living standards of rural populations.
UN Educational, Scientific and Cultural Organisation	UNESCO	mostly normative	Education and culture	Promotes education for all, cultural development, protections of the world's natural and cultural heritage, international cooperation in science, press freedom and communication.
World Health Organisation	WHO	both	Health	Coordinates programmes aimed at solving health problems and the attainment by all people at the highest possible level of health. It works in areas, such as immunisation, health education, and provision of essential drugs.
International Fund for Agricultural Development	IFAD	operational	Agriculture	Mobilises financial resources to raise food production and nutrition levels among the poor in developing countries.
UN Industrial Development Organisation	UNIDO	both	Industry	Promotes industrial advancement of development countries through technical assistance, advisory services and training.
UN Development Programme	UNDP	mostly operational	Development	Active in the fields of poverty reduction, good governance, crises prevention and recoveries, as well as regeneration of the environment, employment, combat of HIV/AIDS, the implementation of information and communication technologies, and gender mainstreaming.
UN Human Settlements Programme	UN-HABITAT	both	Urban management	Enhances substantial urban development through policy consultation, capacity building and knowledge management.
Office of the United Nations High Commissioner for Refugees	UNHCR	both	Refugees	Co-ordinates international action to protect refugees and resolve refugee problems worldwide.
UN International Children's Emergency Fund	UNICEF	mostly operational	Children	Advocates for the rights of children worldwide.

Office of the High Commissioner for Human Rights	OHCHR	mostly normative	Human rights	Leads global human rights efforts speaks out objectively in the face of human rights violations worldwide.
World Food Programme	WFP	operational	Food	Works to ensure that the people of the world, regardless of which continent they live on, have enough food.
World Bank	WB	operational	Development finance	Provides loans and credits to developing countries for projects that alleviate poverty and promote social and economic development.
International Monetary Fund	IMF	normative	Finance	Facilitates international monetary cooperation and financial stability and provides a permanent forum for consultation, assistance and advice on financial issues.
World Trade Organisation	WTO	mostly normative	Trade	Deals with the rules of trade between nations. Administers WTO trade agreements, handles trade disputes, provides technical assistance and training for developing countries, etc.